



**COPEL**

*Pura Energia*

2014

Sustainability  
Report

Copel's  
Strength  
Across

# 10 Brazilian States



## MESSAGE FROM THE CEO

G4-1, G4-2

2014 was a year of historic milestones for Copel, which celebrated 60 years of operations with important achievements.

Through the expansion of its business strategy, Copel reached 10 Brazilian states with generation and transmission projects, striving for efficiency with the technical excellence it holds as a traditional value.

In terms of customer services, Copel Distribuição was voted the best in Brazil and Latin America by CIER (Regional Energetic Integration Commission). Copel Telecom expanded its fiber optic network to all municipal districts in Paraná State and increased its customer base in the year, from 8,200 to 22,500 customers served. In turn, Copel Renováveis is beginning to write a new and promising chapter of the Company's history.

Our achievements consolidate the perspective of value generation projects in all our business areas, continuing the growth of the business with a focus on projects with adequate profitability, enabling financial strength and sustainability, while respecting our stakeholders and promoting social and environmental development wherever we work.

These advances are even more relevant when considering the challenging environment facing the electricity sector, with reduced rainfall volumes and consequent low reservoir levels. These are factors that require continuous and costly operation of thermal power stations and brought great impact to companies in the sector and consumers.

Even so, with management focused on efficiency, sustainable growth and quality and excellence in operation, Copel achieved good results in 2014. Its net profit totaled R\$1.3 billion, 18.2% more than the previous year.

Copel's total investment in all areas of operation reached R\$2.5 billion, accompanied by a cost reduction program, which is helping competitiveness and operational efficiency.

With regard to achieving sustainable growth, Copel acts in accordance with corporate sustainability best practices, working throughout its entire operation to reduce the environmental impact, to promote social development and to generate value to its stakeholders. The diverse sources of power generation is evidence of our strategy, in order to continue expanding installed capacity, serving the rising volume of domestic demand for energy, supplied through alternative and renewable sources such as wind generation.

Among these new generation projects, we highlight 28 wind farms in five complexes in Rio Grande do Norte (RN), which will add 662.4 MW of generating capacity by 2017. Three of them have predicted input of commercial operation in the first half of 2015.

The search for greater operational efficiency and sustainability also achieves significantly higher energy distribution, with the expansion of compact networks of medium voltage and large investment in the development of smart grids. In Curitiba, an important and innovative smart grid pilot project is being run, designed to allow complete automation of the power grid, reducing the number of terminations and better management of consumption and generation from decentralized sources.

The focus on quality and excellence as drivers of growth is also an essential tactic to achieve sustained business performance. Therefore, in addition to initiatives practiced in the operational area, the Company directs its value generation potential to the stimulation and development of its stakeholders, always aligned with sustainability principles and fundamentals.

Its participation on the BM&FBovespa Corporate Sustainability Index (ISE), the commitment to the UN's Global Compact, the annual Best Social and Environmental Practices Seminar and several other initiatives demonstrate how Copel has consistently and continuously treated corporate sustainability as fundamental to the quality and longevity of the business.

Throughout this publication, we present the principles that guide us, the initiatives undertaken in the year to carry out our strategy and ways of generating value to those who enable the growth and strength of the business: our employees, customers, shareholders, suppliers, organizations and surrounding communities of our projects.

I am proud to preside over Copel and take gratitude for the work and confidence of all stakeholders, and wish you all a good read from this report!

**Curitiba, April 30, 2015**

**LUIZ FERNANDO LEONE VIANNA**  
**CEO**



## 2014 HIGHLIGHTS

- Record investments of R\$2.5 billion in the business.
- Continued to be listed on the BM&FBovespa Corporate Sustainability Index (ISE).
- In the power generation area, we highlight the construction of two hydroelectric plants and 28 wind farms, which will add 1,068 MW to the Company's generation capacity by 2019.
- Copel's growing participation in the transmission area, with the development of projects totaling 4,472 km of transmission lines and 11 substations, will provide Permitted Annual Revenue (RAP) of R\$338.4 million for the Company.
- Copel Telecomunicações' customer base expansion, from 8,270 at the end of 2013 to 22,574 at the end of 2014.
- There was a 5.6% increase in energy sales to Copel Distribuição's captive market and 3.5% to its customer base, which was from 4.18 million at the end of 2013 to 4.33 million at the end of 2014.

### *Awards and Recognition*

- Voted by consumers as Brazil's Best Distributor at the Abradee Awards, for the third time in four years.
- "IASC<sup>1</sup> Sul" Award, placed 1st for Best Customer Satisfaction in the South of Brazil.
- Voted Brazil's Best Large Distributor in the IASC Award.
- Featured in the Customer criteria of the National Quality Award (PNQ), awarded by the National Quality Foundation, recognizing Copel Distribuição based on the evaluation of actions developed for customer satisfaction.

- Recognized in the CIER<sup>2</sup> Award for Best Distributor, awarded in the Gold category, with Copel Distribuição winning best distributor in Latin America for the third time in four years.
- Won best company in Social Responsibility by the CIER Award – Social and Environmental Responsibility, recognizing Copel Distribuição for the best overall performance.
- Elected in the Top of Mind ranking as the "State's Most Recognized Brand", the "Company for which people from Paraná would most like to work" and "The Most Efficient Public Company".
- Copel Telecom was recognized in the Sucesu-PR<sup>3</sup> Awards for good performance, highlighting its participation in the sector's progress in Paraná state.
- Certified as Corporate Citizen Company by the Regional Accounting Council of Rio de Janeiro, Sistema Firjan<sup>4</sup> and Fecomércio<sup>5</sup>, in recognition of the information presented in its Social Balance Sheet.
- Honored by the Ministry of Mines and Energy, as well as Eletrobrás, in celebration of 20 years of the Procel Seal, which recognized the work done by companies that promoted energy efficiency with equipment labeled by the seal.

1 Aneel Customer Satisfaction Rate

2 Comisión de Integración Energética Regional – Latin America

3 Telecommunications and Internet Users Association

4 Rio de Janeiro Federation of Industries (Firjan)

5 Rio de Janeiro State Federation of Trade



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## ABOUT THE REPORT

Material Topics



Araucária tree, Paraná State

## ABOUT THE REPORT

G4-18

This report aims to present Copel's journey to effectively incorporate sustainability across all its businesses. This includes information on the management and performance during 2014 (from January 1 to December 31), throughout Copel Holding and its wholly owned subsidiaries: Copel Geração e Transmissão S.A., Copel Distribuição S.A., Copel Telecomunicações S.A., Copel Renováveis S.A. and Copel Participações S.A.. [G4-17](#), [G4-28](#)

### LEARN MORE!

The Company's other results can be found on the links below:

- Financial Statements - <http://goo.gl/Cr42q7> (portuguese only)
- Form 20-F (Annual Report in accordance with section 13 or 15(d) of the 1934 Securities Exchange Act) – <http://goo.gl/ZYIR6D>
- Aneel's Social and Environmental Reports - <http://goo.gl/G1NuFr> (portuguese only)



This publication was prepared in accordance with the core option of the Global Reporting Initiative (GRI) G4 guidelines, and covers the indicators of the electricity supply sector. In this paper, we considered the issues identified as relevant by the Company's stakeholders, identified from a consistent materiality process carried out in 2014 and revalidated in 2015. [G4-32](#)

The report also follows the Social Balance Sheet of the Brazilian Institute of Social and Economic Analysis (IBASE) guidelines, the Brazilian Accounting Standard (NBC T15), the Annual Report Abrasca Award regulation, the IIRC framework (International Integrated Reporting Council), the Communication on Progress in relation to the commitments made at the UN's Global Compact and the International Financial Reporting Standards (IFRS), considering the information from the financial statements. [G4-15](#)

For questions, suggestions or clarifications about the content of this report, please contact us through the following channel: Contact Us – Sustainability. [G4-31](#)

The contents of this report went through independent external verification, to ensure the presentation of information in a transparent and consistent manner. Learn more in the "Audit Report" section. [G4-33](#)

### Material Topics

G4-18

To identify the topics considered relevant and strategic to be primarily discussed in this publication and in the Company's sustainability management, in 2014, Copel built a materiality matrix, as well as the review and validation of its stakeholders. In January 2015, this matrix was revalidated to benchmark the existence of possible new topics relevant to the Company's sustainability.

G4-26

This revalidation took into account media research and corporate sustainability references – including the Corporate Sustainability Index (ISE – BM&FBovespa), the Dow Jones Sustainability Index (DJSI), the UN's Global Compact and the Ethos Institute – and a validation step by Copel's leadership. [G4-25](#)

The process ratified the relevant topics that have made up the matrix and has listed two new topics to be discussed in this document and within Copel's management.

Learn more about the process of stakeholder consultation and definition of materiality at Copel: <http://goo.gl/11iMCs>

**G4-19, G4-27**

| STRATEGIC TOPICS                                                   |       |
|--------------------------------------------------------------------|-------|
| Renewable Alternative Sources                                      | ●     |
| Economic-Financial Performance                                     | ● ●   |
| Ethics, Transparency and Accountability                            | ● ●   |
| Regulation, Legal compliance and costs and tariffs                 | ●     |
| Biodiversity and water management                                  | ● ●   |
| Relations with stakeholders                                        | ●     |
| Excellence in costs, processes and quality                         | ● ● ● |
| Knowledge management and workforce valorization                    | ● ●   |
| *End consumer engagement in efficient use of electricity           | ■     |
| *Management of social and environmental impacts in the value chain | ■     |

\* These two new topics were identified in the matrix update process with a unique positioning in highly relevant points for internal and external audiences, representing their perceived importance, but without using the same search base adopted in its construction. **G4-23**

**Relationship between the Company's strategy, the relevant topics and reported indicators**
**G4-20, G4-21, G4-24**

| STRATEGIC TOPICS                   | BOUNDARIES AND RELEVANT MATERIAL ASPECT     | INDICATORS     | SCOPE OF INDICATORS                                                                         |
|------------------------------------|---------------------------------------------|----------------|---------------------------------------------------------------------------------------------|
| Renewable Alternative Sources      | *Electricity sector organizational profile  | G4-EU1, G4-EU2 | All stakeholders, specifically governments and partners                                     |
| Economic and Financial Performance | *Economic performance;<br>* Market presence | G4-EC1, G4-EC2 | All stakeholders, specifically financial institutions, investors, shareholders and partners |

| STRATEGIC TOPICS                                                 | BOUNDARIES AND RELEVANT MATERIAL ASPECT                                                                                                                                                                                     | INDICATORS                                                                    | SCOPE OF INDICATORS                               |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------|
| Ethics, Transparency and Accountability                          | ** Combating corruption; unfair competition; Complaint mechanisms                                                                                                                                                           | G4-SO3 to G4-SO5, G4-SO7, G4-SO11                                             | All stakeholders                                  |
| Regulation, legal compliance and costs and tariffs               | ***Compliance; customer health and safety                                                                                                                                                                                   | G4-EN29, G4-SO8, G4-PR9, G4-PR2                                               | Government, regulatory agency, NGOs and consumers |
| Biodiversity and Water management                                | *Water; Biodiversity; Emissions; Effluents                                                                                                                                                                                  | G4-EN8, G4-EN9, G4-EN11 to G4-EN14, G4-EN15 to G4-EN21, G4-EN22               | Environmental agencies, NGOs and communities      |
| Relations with stakeholders                                      | * Indirect economic impacts; Procurement practices; Indigenous rights; Local communities; Complaint mechanisms; Access to energy                                                                                            | G4-EC7 to G4-EC9, G4-HR8, G4-SO1, G4-SO2, G4-EU22, G4-SO11, G4-EU26           | All stakeholders                                  |
| Excellence in costs, processes and quality                       | *** Electricity sector organizational profile; Availability and reliability; Efficiency in the system; Energy access; Labeling of products and services                                                                     | G4-EU3, G4-EU10, G4-EU12, G4-EU28 to G4-EU30, G4-PR5                          | Customers and consumers                           |
| Knowledge management and workforce valorization                  | **Employment; and Training and Education                                                                                                                                                                                    | G4-LA1, G4-LA2, G4-LA9, G4-LA10, G4-LA11                                      | Employees, partners and future generations        |
| End consumer engagement in the efficient use of electricity      | ***Demand management                                                                                                                                                                                                        | G4-EU7                                                                        | All stakeholders                                  |
| Management of social and environmental impact in the value chain | *Procurement practices; Evaluation of suppliers' environmental practices; Evaluation of suppliers' labor practices; Evaluation of suppliers' human rights practices; Evaluation of suppliers' activities impacts on society | G4-EC9, G4-EN32, G4-EN33, G4-LA14, G4-LA15, G4-HR10, G4-HR11, G4-SO9, G4-SO10 | All stakeholders                                  |

Limites: \* All business areas  
 \*\* All business areas, particularly for the holding company  
 \*\*\* All business areas, particular for energy distribution





## PROFILE

Copel

Corporate Structure

Mission, Vision and Values

Areas of Activity

Red-and-green macaw, Pantanal, Mato Grosso State

## COPEL

Copel – Companhia Paranaense de Energia – operates in the power generation, transmission and distribution areas and the telecommunications industry. **G4-3**

Learn more about Copel's 60 years – a path that merges with Paraná's history, reasons for pride for employees and people who live in Paraná.  
<http://goo.gl/zxswjv>

Founded 60 years ago and based in Curitiba (PR), the Company is present in ten Brazilian states, through a structure composed of its own generating capacity of power stations, transmission lines, substations and distribution networks, in addition to operating an optical telecommunications network and participating in the sanitation and gas sectors. **G4-4, G4-5, G4-6**

The Company is a publicly traded mixed economy company, controlled by the Government of the State of Paraná, with shares traded on the BM&FBovespa and on the New York and the Madrid stock exchanges. **G4-7**

## CORPORATE STRUCTURE

Copel has, in its structure, several subsidiaries, which are controlled either as a whole or in participation, as shown in the following chart.



**ORGANIZATION CHART - EQUITY INTEREST / AS OF DECEMBER 31.2014**

| PARANÁ STATE |        | BNDESPAR |        | CUSTÓDIA EM BOLSA ( <i>Free Float</i> )                                                                                                                         |        | ELETROBRAS |        | OTHER SHAREHOLDERS |        |
|--------------|--------|----------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|--------|--------------------|--------|
| 58.63%       | Voting | 26.41%   | Voting | 13.70%                                                                                                                                                          | Voting | 1.06%      | Voting | 0.20%              | Voting |
| 31.07%       | Total  | 23.96%   | Total  | 44.17%                                                                                                                                                          | Total  | 0.56%      | Total  | 0.24%              | Total  |
|              |        |          |        | <b>BM&amp;FBOVESPA</b><br>13.14% Voting<br>27.13% Total<br><br><b>NYSE</b><br>0.56% Voting<br>17.02% Total<br><br><b>LATIBEX</b><br>0.00% Voting<br>0.02% Total |        |            |        |                    |        |
| <b>COPEL</b> |        |          |        |                                                                                                                                                                 |        |            |        |                    |        |

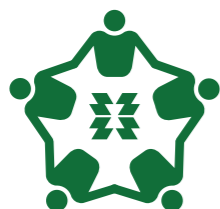


## MISSION, VISION AND VALUES

G4-56

Copel follows, as premises, the guidelines expressed in its strategic framework that directs its management and all actions and internal and external decisions of the Company.

### STRATEGIC REFERENCE FRAMEWORK



Providing energy and solutions for sustainable development

#### MISSION



Simply the best of the decade

#### VISION



Ethics  
Respect for People  
Dedication  
Transparency  
Safety  
Accountability  
Innovation

#### VALUES

## AREAS OF ACTIVITY

G4-8 G4-9

### Market share in 2014

| MAIN PRODUCTS (%)                 | Brazil             | Southern Region         | Paraná                  |
|-----------------------------------|--------------------|-------------------------|-------------------------|
| Power generation <sup>(1)</sup>   | 3.7                | 22.5 <sup>(2) (3)</sup> | 54.1 <sup>(2) (3)</sup> |
| Power transmission <sup>(4)</sup> | 1.8                | 9.9                     | 29.3                    |
| Power distribution <sup>(5)</sup> | 6.1 <sup>(6)</sup> | 33.8 <sup>(6)</sup>     | 97.1 <sup>(7)</sup>     |
| Gas distribution <sup>(8)</sup>   | 3.9                | 42.1                    | 100.0                   |

Source: Management Report and wind farms

(1) Not included in Copel equity holdings

(2) Not including the Itaipu plant

(3) Not including the Rio Paranapanema plants

(4) The market refers to the Permitted Annual Revenue – RAP

(5) Participation in the captive/free market

(6) Source: Energy Research Company (EPE – Empresa de Pesquisa Energética)

(7) Estimated

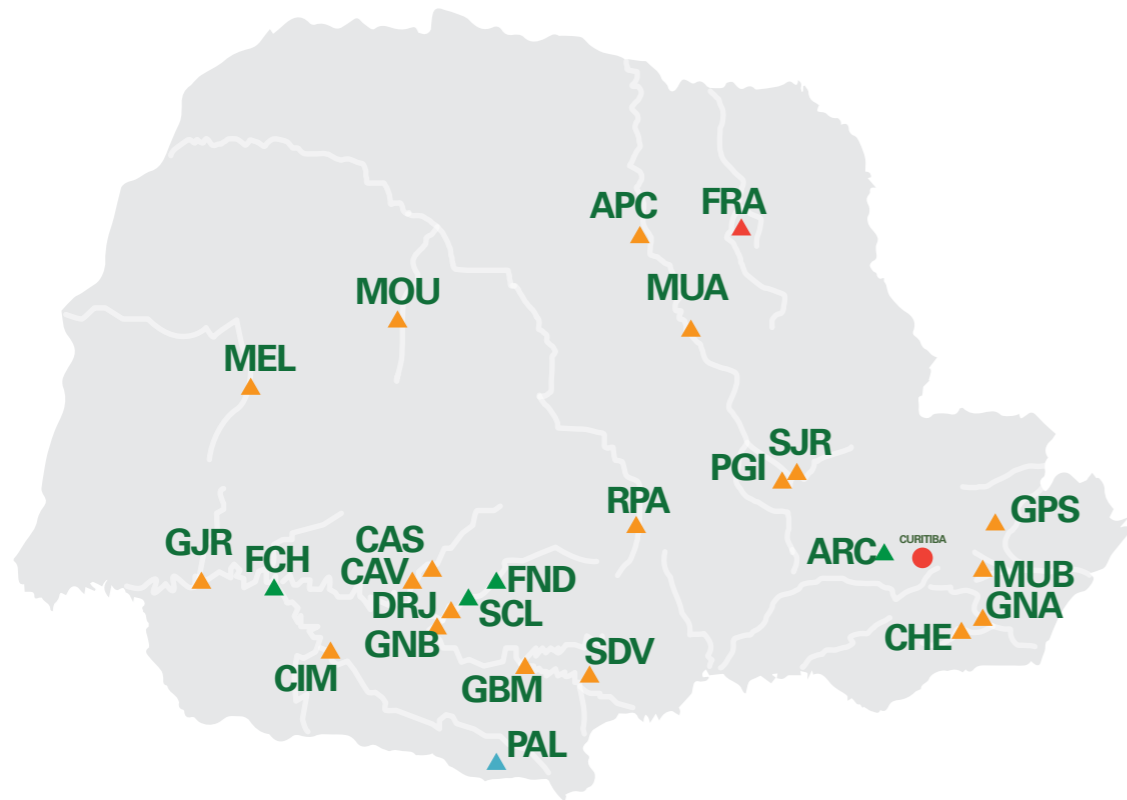
(8) Considering volume distributed in Paraná, with thermal energy

### Generation

G4-EU1, G4-EU2, G4-EU11

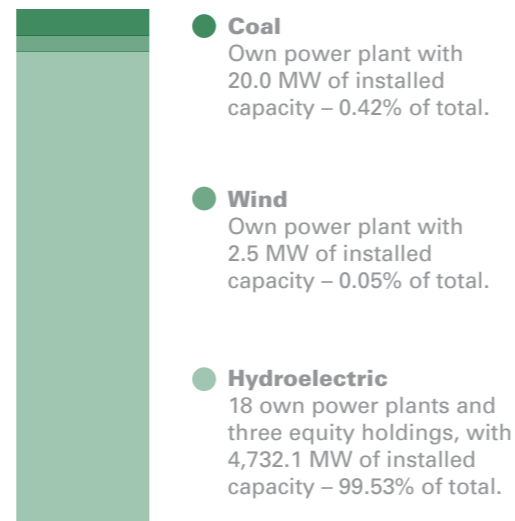
- Generating complex with installed capacity of 4,754.6 MW and assured energy capacity of 2,068.1 MW.
- 20 own plants – including 18 hydroelectric, one thermoelectric and one wind – and three stakes.
- Net output of 24,604.9 GWh, enough energy to light a city of 1.5 million inhabitants, 99.7% from renewable sources – hydroelectric and wind.
- Average thermal power plant efficiency of 52% in Araucária and 14% in Figueira in 2014.

- ▲ Own Hydroelectric Power Plants
- ▲ Wind Energy Plants in which Copel has shares
- ▲ Own Thermal Power Plants
- ▲ Hydroelectric Power Plants in which Copel has shares



- GBM - UHE Gov. Bento Munhoz da Rocha Netto (Foz do Areia)
- GNB - UHE Gov. Ney Aminthas de Barros Braga (Segredo)
- GJR - UHE Gov. José Richa (Salto Caxias)
- GPS - UHE Gov. Pedro Viriato Parigot de Souza
- GNA - UHE Guaricana
- CHE - UHE Chaminé
- APC - UHE Apucarantina
- MOU - UHE Mourão
- DRJ - UHE Derivação do Rio Jordão
- MUB - UHE Marumbi
- SJR - UHE São Jorge
- CIM - UHE Chopim I
- RPA - UHE Rio dos Patos
- CAV - UHE Cavernoso
- CAS - UHE Cavernoso II
- MEL - UHE Melissa
- SDV - UHE Salto do Vau
- PGI - UHE Pitangui
- MUA - UHE Mauá
- ARC - UTE Araucária
- FRA - UTE Figueira
- UEE - Usina Eólica de Palmas
- FND - UHE Fundão
- SCL - UHE Santa Clara
- FCH - UHE Julio de Mesquita (Foz do Chopim)

**4,754.6 MW of total installed capacity**



Learn more about the plants shown on the map by visiting Copel's website at: <http://goo.gl/uFBXFj>

Only 5% of the generation complex concessions are expiring 2017.

## Renewables G4-13

The renewal of assets is one of the strategies adopted by the Company to expand its generation capacity for the next years. Seeking to improve its knowledge on the development and implementation of new generation technology projects, Copel works to anticipate trends and reduce implementation costs and social and environmental impacts, ensuring sustainable growth.

28 new wind farms are under construction that together will add 662.4 MW to the Company's installed capacity of wind power by the end of 2017.

## Distribution

Copel's distribution business has 183,921 km of networks, 6,003.9 km of lines and 361 substations and serves 99.9% of households in Paraná's urban areas and over 99.6% of rural households.

## G4-EU4, G4-EU26

4th largest distributor in the country in consumer units, the 3<sup>rd</sup> largest in electricity consumption (MWh) and the 5th largest revenue from the supply and provision of electricity.

In Paraná, there are more than 4.3 million consumer units in 394 municipalities and more than 1,100 locations (districts, towns and villages). This volume represents 3.4 million households, 91,000 industries, 369,000 commercial establishments, 372,000 rural properties and 57,000 other customers (public authorities, public lighting services, public services, and free units).

## G4-EU3

In 2014, Copel Distribuição concluded and connected 3 new substations and 32 new power lines (575.6 km) to the network, as well as performed 144,000 new connections.

G4-13

## Transmission

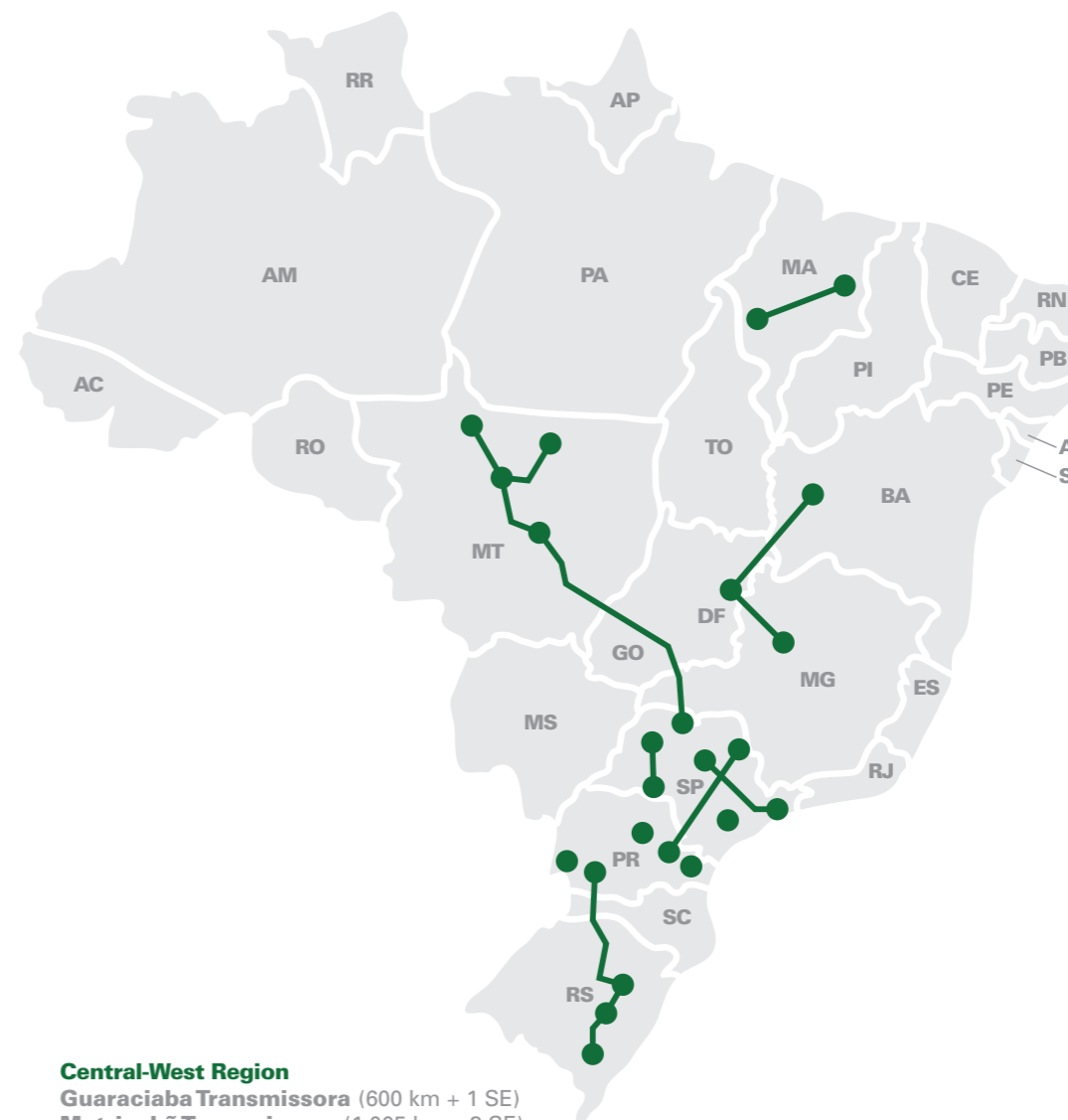
G4-EU4

Copel operates transmission in four Brazilian regions – Northeast, Midwest, South and Southeast. In all, the Company operates 2,204.5 km of lines and 33 basic grid substations, with a transformation capacity of around 12,352 MVA.

## Telecommunications

Copel was the first company of the electrical sector in Brazil to be licensed by Anatel (National Telecommunications Agency) to provide telecommunications services. It serves about 22,574 customers in 399 municipalities in the state of Paraná, two in Santa Catarina, Mato Grosso and São Paulo through a network consisting of 9,608 km of high-speed fiber optic data exchange cables, and 15,817 km of access cables.

Because of the Company's operations, Paraná is the only state in Brazil where telecommunications infrastructure is 100% digital.



### Central-West Region

Guaraciaba Transmissora (600 km + 1 SE)  
Matrinchã Transmissora (1,005 km + 3 SE)

### South Region

Marumbi Transmissora (28 km + 1 SE)  
LT Londrina - Figueira e LT Foz do Chopim - Salto Osório (98 km)  
LT Bateias - Curitiba Norte (33 km + 1 SE)  
LT Foz do Chopim - Realeza (53 km + 1 SE)  
LT Assis - Londrina (120 km)

### Northeast Region

Integração Maranhense (365 km)  
Paranaíba Transmissora (967 km)

### Southeast Region

LT Araraquara - Taubaté (356 km)  
LT Assis - Paraguaçu Paulista II (37 km + 1 SE)  
SPE Mata de Santa Genebra (847 km + 3 SE)  
SPE Cantareira (328 km)

## GOVERNANCE AND STRATEGY

Corporate Governance

Ethical Conduct

Risk Management

Strategy



City of Sao Paulo

## CORPORATE GOVERNANCE

Copel's governance model integrates practices based on transparency, compliance and corporate social responsibility, in line with the best practices proposed by the Brazilian Institute of Corporate Governance (IBGC).

Copel's corporate governance is underpinned by four principles, including: Transparency; Fairness; Accountability; and Corporate Responsibility.

Copel's shares listed on the BM&FBovespa adhere to Level 1 Corporate Governance, which provides for the adoption of practices that promote transparency and access to information by investors. In addition, the Company is listed on the Corporate Sustainability Index (ISE), which, through a detailed process, selects companies committed to sustainability.

Considering these principles, Copel is committed to:

- Ensuring fully transparent unrestricted internal and external communication of its economic-financial, social and environmental performance as a means of driving value creation.
- Treating all minority groups fairly and equally, whether they are shareholders or any other stakeholders. Discriminatory actions or policies are totally unacceptable under any circumstances.
- Ensuring that those involved with the Company's Corporate Governance (shareholders, Board of Directors, Audit Committee, Fiscal Council and Executive Board) are accountable for their actions to those who elected them, and are fully responsible for all acts performed in the exercise of their mandates.
- Promoting best practices of sustainable development in their area of activity, reconciling economic development issues with social and environmental responsibility.

- Constantly improving risk management involving the Company's business.
- Maintaining a suitable internal control system, with constant monitoring of effectiveness and compliance.
- Evaluating and proposing measures to guarantee ongoing ethical conduct at all levels of internal and external relations.
- Assessing situations involving decisions motivated by interests contrary to those of the organization, creating mechanisms to prevent conflict of interest.

### G4-41

- Complying with Brazilian and international legislation, where applicable, aligned with the Company's regulatory requirements.
- Creating an efficient set of mechanisms in order to ensure that the conduct of the Company's senior management is always aligned with the interests of its stakeholders.

Copel has been listed on the BM&FBovespa for 21 years and was the first company in the Brazilian electricity sector to be listed on the New York Stock Exchange, where it has been listed for 18 years, and on the Madrid Stock Exchange, where it has been listed for 13 years.

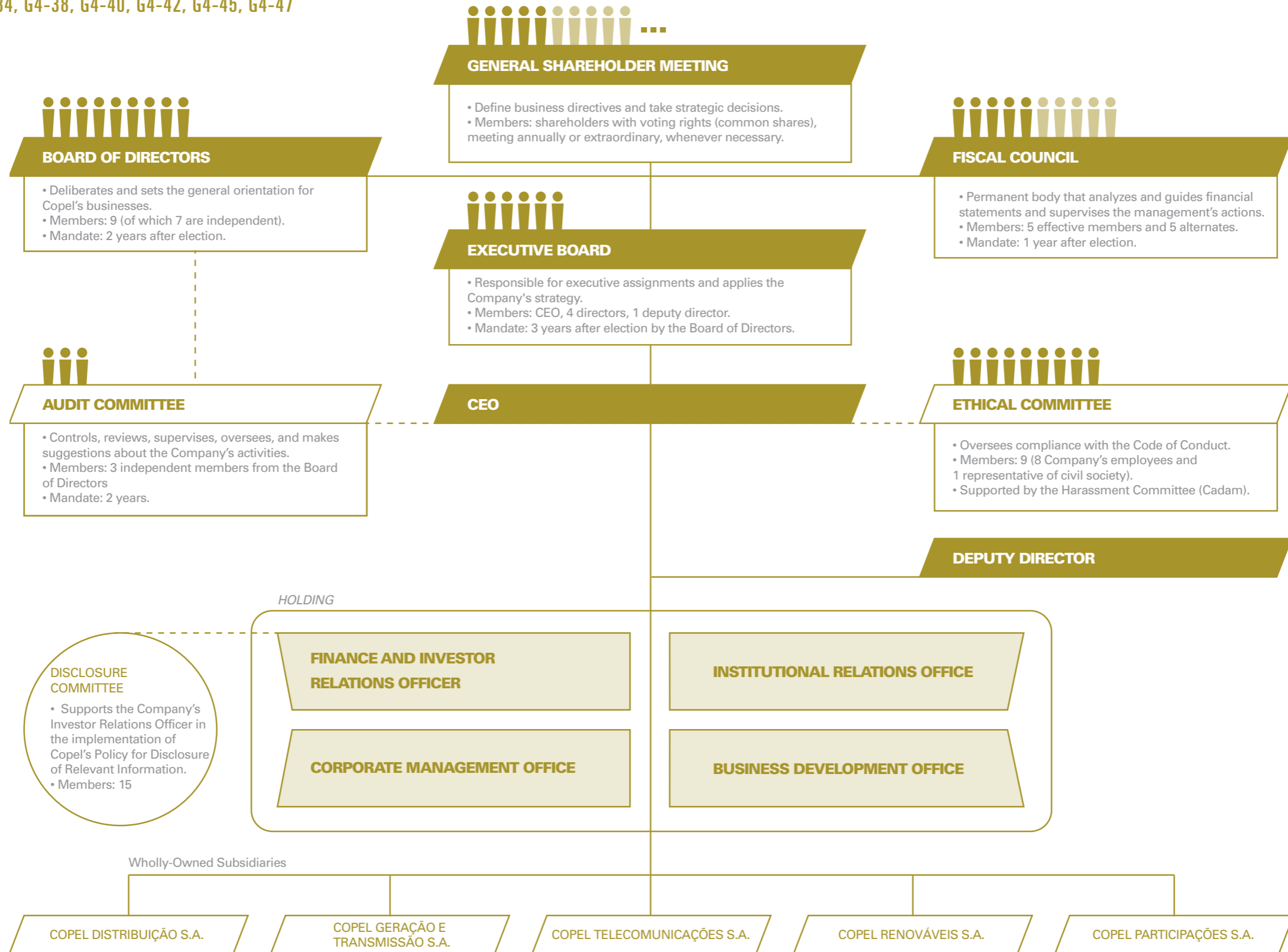
### LEARN MORE!

To learn more about the Company's corporate governance map, main documents and policies, click on the link below: <http://www.copel.com/hpcopel/english/mapaGov.jsp>



## Administration

G4-34, G4-38, G4-40, G4-42, G4-45, G4-47



Some of the members of Copel's Leadership hold stakes and leading positions in other organizations, as shown in item 12.12 on pages 228 to 231 of the Company's Reference Form, available at: <http://goo.gl/PKDLkk> (portuguese only).

The document also presents, in detail, the directors' profiles and their experience in item 12.6/8, between pages 215 and 222, and remuneration – item 13.2, page 244.

### **Compensation and Self-Assessment**

**G4-43, G4-44, G4-51, G4-52**

Copel's annual remuneration of members of the Board of Directors and the Fiscal Council is defined in the General Meeting and takes into account the remuneration of the previous year plus accumulated inflation adjustments in the period and eventually real gains.

In 2014, the annual remuneration of the Executive Board, the Board of Directors and the Fiscal Council was R\$9.8 million.

Copel promotes, annually, the self-assessment of the Board of Directors and its members, of the Executive Board and its members, and of the Audit Committee and its members, seeking continuous improvement of their performances.

The Directors and Officers respond to a questionnaire specific to each body to which they are part of, indicating strengths, weaknesses and improvement proposals after the analyzed result.

## **ETHICAL CONDUCT**

**G4-56**

Copel stands for ethical conduct and transparent performance, establishing guidelines, driving and disciplining principles, which are reflected in its corporate policies and Code of Conduct.

The Code of Conduct is a document that reflects the integrity of the Company's procedures in relation to its employees and other stakeholders. It was established based on the Company's values, the UN's Global Compact principles and the Corporate Governance principles. The established precepts in the Code of Conduct are intended to guide the actions of all Copel's employees, directors or contractors.

Each employee receives a printed version of the Code of Conduct and must sign a term of acknowledgement with regard to its content. The document is also available to all stakeholders on the Company's website:

<http://goo.gl/2bH5TN>

Allegations of fraud regarding accounting and taxes, issues related to the audit and internal controls, harassment and violations of the Code of Conduct, are treated by different channels such as:

**G4-57, G4-58**

## Channels of complaint

### CONFIDENTIAL COMMUNICATION CHANNEL

Aimed at the internal audience, the channel is for reporting fraud or irregularities involving Copel's finance, auditing or accounting issues, as well as non-compliance of the Company's laws and regulations. The channel ensures protection and preservation of the identity of the person and response to his or her complaint.



The channel is available 24/7 via toll-free number: 0800 643 5665

### OMBUDSMAN

Aimed at external and internal stakeholders for: information, suggestions, complaints, denunciations and questions.



The ombudsman is open every business day, from 8:00am to 6:00pm

Toll-free number: 0800 647 0606

E-mail: [ouvidoria@copel.com](mailto:ouvidoria@copel.com)

In person or by mail: Rua Professor Basílio Ovídio da Costa, 1703 – Santa Quitéria – CEP: 80310-130 – Curitiba/PR

### HARASSMENT COMMITTEE (CADAM)

Committee responsible for investigating and supporting all employees who are victims of harassment in the Company.



E-mail: [cadam@copel.com](mailto:cadam@copel.com)

### ETHICAL COMMITTEE (COE)

Investigates reports on violations of the Code of Conduct and has a maximum of 90 days to provide a final answer with the relevant guidelines.



E-mail: [conselho.etica@copel.com](mailto:conselho.etica@copel.com)

Copel is open to receive information and services requests, comments or improvement suggestions, orientations and complaints by its stakeholders through several service channels:

<http://goo.gl/aerZIY>

## Combating Corruption

The Company strongly disapproves of all forms of corruption and offers guidelines to combat it. These are communicated to all employees through the Code of Conduct.

All operational units are submitted to an annual risk assessment related to corruption and the errors that may affect the outcome of financial statements.

G4-S03

During the period, the Company promoted training on topics such as Fraud, Investigations and Disputes, Compliance System Implementation and Anti-Corruption Law, in which 100 employees participated.

G4-S04

In 2014, the Company identified two cases of corruption. One of them resulted in two employee dismissal and the other is being investigated.

G4-S05

Copel, reaffirming its commitment to transparency and the fight against corruption, joined the Call to Action initiative launched in 2014 by the UN's Global Compact, aimed to encourage governments to fight against corruption.

Copel is committed to improving its processes and regulations, providing greater transparency and security to its activities. Learn more about it at its Compliance hotspot, with details on the practices and policies adopted: <http://goo.gl/O1J3uh> (portuguese only)



## RISK MANAGEMENT

G4-2

### Policy, identification and management

In order to strengthen its corporate governance process, the Company adopts a strategy of Corporate Risk Integrated Management (GIRC – Gestão Integrada de Riscos Corporativos), which allows it to identify and consider all forms of risks in its decision-making processes and daily activities.

The adopted guidelines are reflected in the Corporate Risk Management Policy and are based on recognized frameworks and standards, such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and ISO 31000, which have the objective to maximize the economic, social and environmental values for all stakeholders and ensure compliance with applicable laws and regulations.

The risk management strategy adopted by the Company contemplates legal, regulatory, social, environmental and reputational risks, among others. Decision making processes and operational activities are based on the identification and analysis of these risks according to the following profiles:

- **Strategic risks:** associated with strategic planning and senior management decisions, which can result in substantial losses in the Company's economic value.
- **Operational Risks:** related to events originating within the organization's structure – through its processes, its employees or its technology environment – and to external events associated with economic, political, environmental, natural or sectoral aspects in which the organization operates.
- **Financial risks:** related to the Company's financial operations, including market, credit and liquidity risks.

Due to the inherent uncertainty of the risks and the nature of the sector in which it operates, Copel's risk management model adopts risk appetite parameters; considers its possible occurrence and its impacts on the company's finances, operations and image; provides tools for its treatment and mitigation and, as part of its business, promotes several actions that are aligned to the precautionary principle.

G4-14

In 2014, the Corporate Risk Management Committee reported to the Audit Committee the monitoring of 35 significant concerns related to the Company's business, including the following:

- Consumers
- Stakeholders
- Deferred tax
- Contingencies and judicial deposits
- Intangible fixed assets and accounts receivable related to the concession
- Loans, financing and debentures
- Regulatory assets and liabilities
- Post-employment benefits
- Financial instruments
- Segment information
- Information Technology
- Regulatory discussion

G4-49, G4-50

As part of the actions taken, Copel established the Corporate Risk Management Committee, an advisory and permanent body. Its main objectives are the supervision and monitoring of risk management and advisory services provided to the Audit Committee, in order to ensure proper management of resources and the protection and enhancement of its equity.

G4-45, G4-46, G4-47

In 2014, in order to continue the improvement of this corporate risk management model, Copel intensified the use of its risk management software (SAP-GRC), which is integrated into its management system and helps control the main risk indicators, aligning risk events with their potential impact, allowing the decision making of risk managers at all of the Company's levels.

Furthermore, it acts systematically in the assessment of corruption risks, submitting operational units each year to risks evaluation related to corruption and the errors that may affect the outcome of financial statements.

Internal controls are tested by the Company's Internal Audit team to assess their effectiveness in mitigating any identified risks. In this context, activities most susceptible to fraud are taken into account, as well as the best audit practices and the auditors' experience. The results of these tests are reported to senior management and corrective actions are demanded in cases of non-compliance.

The Company also submits its processes and internal controls to independent audit, which performs new compliance tests of internal controls, including fraud risks.

In addition to these procedures, process managers must issue Internal Control Certificates every six months, in which they acknowledge any non-compliance encountered by the Internal Audit in the processes for which they are responsible and undertake to rectify them.

## STRATEGY

G4-42, G4-45

Copel's strategy guides the execution and operation of the business, in order to achieve the vision of becoming "Simply the best of the decade" by 2020. For this, the Company annually reviews its strategic planning, considering changes in its operating sector and in the economy, regulatory changes and demands of stakeholders.

In early 2014, the Company's CEO and directors signed a management agreement pledging two major challenges:

- Achieve operational excellence with increased productivity and cost optimization, service quality and improved customer satisfaction.
- Promote sustainable growth in line with the goals of the State Government, undertaking social and environmental investments and generating benefits to the people of the state of Paraná.

From these challenges, the objectives of the Corporate Strategic Map were reviewed and broken down into indicators and targets to guide employees, corporate initiatives and the Company's business.

### CORPORATE STRATEGY MAP 2014-2015

#### FINANCIAL

- Maximize the Company's value in a sustainable way

#### CUSTOMERS AND MARKET

- Consolidate the management model
- Expand the business in which it operates
- Improve sustainability performance

#### INTERNAL PROCESSES

- Increase operational efficiency
- Achieve excellence in OPEX and CAPEX management

#### LEARNING AND GROWTH

- Provide innovative solutions, maximize the use of existing systems and expand platforms for automation
- Promote excellence in occupational health and safety
- Promote training for people in the competences required for technical and managerial functions
- Promote people and performance management actions

## CORPORATE SUSTAINABILITY

Principles

Voluntary Commitments

Ponta Negra, Rio Grande do Norte State



## PRINCIPLES

G4-2

The Company believes that sustainability should generate value for its stakeholders and minimize the potential negative impact of its operations.

With this position, linked to the management of natural resources, Copel seeks to harmonize economic, social and environmental aspects of its activities. Copel's sustainability strategies are aligned with its strategic framework, best practices in the electricity sector and its commitments.

To promote such conduct and commitment, it relies on the Institutional Relations Office, which is directly responsible for corporate sustainability.

The Company bases its actions guided by its Sustainability and Corporate Citizenship Policy, whose principles are:

[G4-35, G4-36](#)

- Commitment
- Proactive attitude towards law
- Dialogue, communication and transparency
- Respect for social and environmental dynamics
- Individual responsibility
- Valuing diversity

Check out the full policy on the Company's website:

<http://goo.gl/XJML22>

## VOLUNTARY COMMITMENTS

G4-15, G4-16

To reaffirm its commitment to society, Copel aims to boost economic growth in a socially responsible manner, investing in external initiatives to promote sustainability, human rights, ethical and transparent conduct and best practices of corporate governance. These include:

### Global Compact

Copel has been a UN Global Compact signatory since 2000, endorsing the principles of this initiative, based on three main aspects:

- constant improvement of management systems and corporate policies;
- support the formulation, implementation and improvement of public policies;
- consolidation of partnerships with other companies, institutions or organizations in projects that can bring social and environmental gains.

Learn more about Copel's initiatives to contribute to the Global Compact in this report and in the Appendix "Incorporation of the Global Compact Principles".



|                                                                                                   |                                                                                                    |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <b>RESPECT</b> and support internationally recognized human rights in your area of influence.     | <b>STIMULATE</b> all practices that eliminate any form of discrimination at the workplace.         |
| <b>ENSURE</b> that your company does not participate in any way in the violation of human rights. | <b>ASSUME</b> a responsible, preventive and proactive posture towards environmental challenges.    |
| <b>SUPPORT</b> freedom of association and recognize to open collective bargaining.                | <b>DEVELOP</b> initiatives and practices to promote and divulge socioenvironmental responsibility. |
| <b>ELIMINATE</b> all forms of forced or compulsory labour.                                        | <b>PROMOTE</b> the development and dissemination of environmentally responsible technologies.      |
| <b>ERRADICATE</b> all forms of child labour in your productive chain.                             | <b>FIGHT</b> corruption in all of its forms, including extortion and bribery.                      |

Learn more at: [www.unglobalcompact.org](http://www.unglobalcompact.org)

### National Pact for the Eradication of Slave Labor

As a signatory to the agreement, the Company implemented tools aimed at not contracting goods and services from suppliers who use forced and slave labor.

The signatory companies participating in the monitoring of the Pact process are committed to the disclosure of the results of their efforts to combat slave labor. Copel establishes this commitment in the Supplier Manual and contractual clauses.

### Principles for Sustainable Executive Education (PRME)

In 2014, Copel's Corporate University (UniCOPEL) became the first of its kind in Brazil to join the PRME, the UN program that stimulates the formation of leaders focused on responsible management of business.

### Call to Action Declaration for Governments in Combating Corruption

Copel joined the declaration in 2014, reaffirming its commitment to transparency, fight against corruption and expressing its support for the movement of the Development Agenda Post 2015, in an effort to promote sustainability, ethical conduct and best practices of corporate governance.

### Market Mechanisms for Sustainability

Copel adheres to the main market practices that drive companies to the development of sustainability linked to its management and strategy:

**Global Reporting Initiative (GRI):** adopts the GRI methodology as a reference in preparing sustainability reports, aiming to provide transparent information on management and performance in the most relevant aspects of the sustainability of the business through consistent and comparable indicators.

**Ethos Indicators of Corporate Sustainability:** uses the indicators in order to manage and measure its level of excellence in corporate social responsibility.

**Corporate Sustainability Index (ISE):** since the creation of the Index, the Company has used this platform to measure its performance in corporate sustainability.

**Global Greenhouse Protocol (GHG):** publishes the annual inventory of its greenhouse gas emissions, following the standards of this global initiative. Since 2012, the inventory has been verified by an external firm. To read these documents, go to: [www.registropublicodeemissoes.com.br](http://www.registropublicodeemissoes.com.br) (portuguese only)

**Carbon Disclosure Project (CDP):** uses this platform to report its emissions of greenhouse gases, management practices and strategies to front climate change.



Lençóis Maranhenses, Maranhão State

## VALUE GENERATION

Internal Audience

Community

Suppliers

Customers

Government and Society

Shareholders

## INTERNAL AUDIENCE

### Profile

#### G4-9, G4-10

An essential part of Copel's strategy and its sustainable development are its employees, which include 8,592 direct staff\*.

Additionally, other 5,883 third-party employees provide services to the Company in activities such as customer service; construction of transmission lines, networks and electric power substations; connection, suspension and reconnection services; meter reading; maintenance of the system, green areas and buildings; security and janitorial services, among others.

The Company's relationship with these professionals is based on Brazil's CLT labor laws, the fundamental conventions of the International Labor Organization (ILO) and the Universal Declaration of Human Rights. The Code of Conduct and the Copeland's Manual define the expected conduct of these employees.

Learn more about the Company's workforce profile and Copel's initiatives for its development.

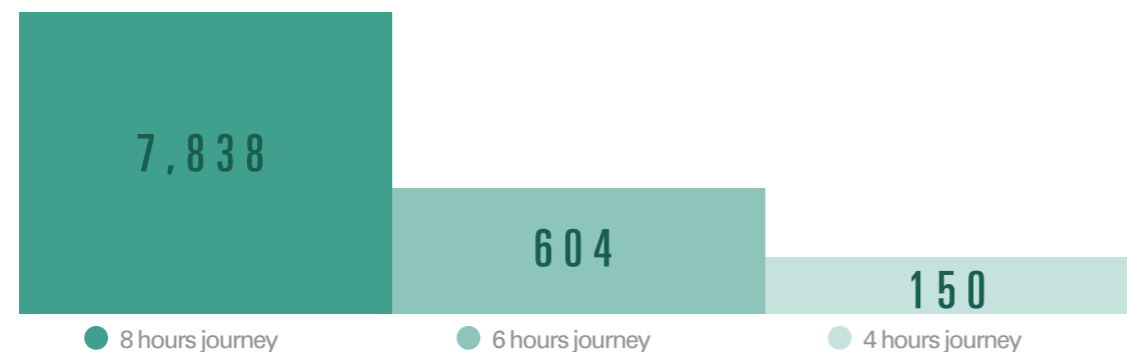
#### G4-10, G4-LA12

| BY CATEGORY | Women | Men   | Total |
|-------------|-------|-------|-------|
| Adviser     | 0     | 16    | 16    |
| Director    | 1     | 15    | 16    |
| *Employee   | 1,771 | 6,339 | 8,110 |
| *Manager    | 100   | 382   | 482   |
| Trainee     | 172   | 128   | 300   |
| Apprentice  | 177   |       | 177   |

| BY CATEGORY                         | Women        | Men          | Total        |
|-------------------------------------|--------------|--------------|--------------|
| <b>Operational</b>                  | <b>0</b>     | <b>140</b>   | <b>140</b>   |
| Employee                            | 0            | 139          | 139          |
| Manager                             | 0            | 1            | 1            |
| <b>Secondary Level Technician</b>   | <b>134</b>   | <b>1,926</b> | <b>2,060</b> |
| Employee                            | 133          | 1,899        | 2,032        |
| Manager                             | 1            | 27           | 28           |
| <b>Secondary Level Professional</b> | <b>1,344</b> | <b>3,560</b> | <b>4,904</b> |
| Employee                            | 1,308        | 3,489        | 4,797        |
| Manager                             | 36           | 71           | 107          |
| <b>Higher Professional</b>          | <b>393</b>   | <b>1,095</b> | <b>1,488</b> |
| Employee                            | 330          | 812          | 1,142        |
| Manager                             | 63           | 283          | 346          |
| <b>Total</b>                        | <b>1,871</b> | <b>6,721</b> | <b>8,592</b> |

| BY REGION              | Women        | Men          | Total        |
|------------------------|--------------|--------------|--------------|
| South                  | 1,865        | 6,655        | 8,520        |
| Southeast              | 0            | 9            | 9            |
| Central-West           | 6            | 57           | 63           |
| <b>Total employees</b> | <b>1,871</b> | <b>6,721</b> | <b>8,592</b> |

## Employees by working hours



All employees have a permanent contract, except for apprentices.

### G4-LA1

|                     | New Hires | Turnover* (%) |
|---------------------|-----------|---------------|
| <b>By region</b>    |           |               |
| South               | 208       | 2.44          |
| Central-West        | 3         | 4.76          |
| Southeast           | 0         | 0             |
| <b>By age group</b> |           |               |
| Under 30            | 112       | 7.83          |
| Between 30 and 50   | 93        | 1.85          |
| Over 50             | 6         | 2.1           |
| <b>By gender</b>    |           |               |
| Women               | 80        | 3.82          |
| Men                 | 131       | 2.51          |

\*  $(\text{Hires} + \text{Terminations}) / 2 / \text{number of employees}$

### G4-EU15

| EMPLOYEES ELIGIBLE TO RETIRE* | From 2015 to 2019 |       | From 2015 to 2024 |       |
|-------------------------------|-------------------|-------|-------------------|-------|
|                               | Men               | Women | Men               | Women |
| Managers                      | 0                 | 7     | 42                | 25    |
| Higher Level Professional     | 13                | 9     | 72                | 52    |
| Operational                   | 0                 | 0     | 9                 | 0     |
| Secondary Level Technical     | 7                 | 0     | 59                | 13    |
| Secondary Level Professional  | 23                | 38    | 150               | 228   |
| <b>TOTAL</b>                  | <b>97</b>         |       | <b>650</b>        |       |

\* The figures consider 65 years old men and 60 years old women.

### G4-LA10

Copel offers a Pre-Retirement Program (PPA – Programa Pré-Aposentadoria), which includes lectures and activities for employees eligible to retire and their partners, aiming to guide them on this new stage of life.

In the last four years, 11 editions of the Pre-Retirement Seminar have been held, with 816 people attending. The events covered topics such as Behavior, Quality of Life, Physical and Mental Health, Social Security and Financial Planning.

In addition, employees had the opportunity to participate in workshops sponsored by the Copel Foundation of Social Security on pension plans and received retirement planning advices.

## Professional Development

Copel encourages and promotes the training and development of its employees, in order to develop qualified and experienced professionals, allowing everyone to exercise their potential in an environment conducive to the evolution of their careers and skills.

### Training and Development (T&D)

#### G4-EU14

Since 2012, Training and Development (T&D) initiatives held with employees have been managed by Copel's Corporate University (UniCOPEL) and, in 2014, had a total investment of R\$6.37 million.

In total, 327,000 hours of training were offered in 2014, a slight decrease of 12.8% over the previous year – which follows the investment on training available every year and is justified by specific corporate situations, such as the voluntary dismissal program implemented in 2013 and the organizational restructuring that occurred that year, with reflections in 2014, in addition to prioritization of demands.

#### G4-LA9

| CAREER                            | Hours        |               | Hours by employee |           |
|-----------------------------------|--------------|---------------|-------------------|-----------|
|                                   | Women        | Men           | Women             | Men       |
| <b>Operational</b>                | <b>0</b>     | <b>4,474</b>  | <b>0</b>          | <b>96</b> |
| Manager                           | 0            | 64            | 0                 | 64        |
| Employee                          | 0            | 4,410         | 0                 | 32        |
| <b>Secondary Level Technician</b> | <b>5,493</b> | <b>90,183</b> | <b>68</b>         | <b>88</b> |
| Manager                           | 27           | 1,104         | 27                | 41        |
| Employee                          | 5,466        | 89,078        | 41                | 47        |

| CAREER                              | Hours         |                | Hours by employee |            |
|-------------------------------------|---------------|----------------|-------------------|------------|
|                                     | Women         | Men            | Women             | Men        |
| <b>Secondary Level Professional</b> | <b>28,167</b> | <b>148,137</b> | <b>61</b>         | <b>80</b>  |
| Manager                             | 1,475         | 2,716          | 41                | 38         |
| Employee                            | 26,693        | 145,421        | 20                | 42         |
| <b>Higher Professional</b>          | <b>10,630</b> | <b>40,053</b>  | <b>64</b>         | <b>79</b>  |
| Manager                             | 2,473         | 12,839         | 39                | 45         |
| Employee                            | 8,158         | 27,214         | 25                | 34         |
| <b>TOTAL</b>                        | <b>44,290</b> | <b>282,846</b> | <b>193</b>        | <b>342</b> |

To access information about the training workload in previous years visit:

[www.copel.com/relatsust2013/#ind#37#454](http://www.copel.com/relatsust2013/#ind#37#454)

There are also training courses focused on third-party employees, covering topics set out in the contracts, focusing on specific activities to be performed by these professionals in their provision of services to Copel.

The courses offered include training on the operation of equipment in distribution networks and substations and training on specific security information relating to the Company's facilities.

### Training incentive

Besides its own training and qualification programs, the Company encourages the development of its professionals through the following initiatives:

- Education-Allowance, which reimburses 70% of school fees of employees up to a limit of R\$700. In 2014, the program benefited 1,091 employees, totaling R\$4.39 million.

- Training in foreign languages, which partially pays for language courses, benefited 164 employees in 2014 totaling R\$215,600.
- Promotion of master and doctor degree graduation through internal guidelines.

With regard to leadership, there was the continuation of two classes of the Executive MBA in Business Management, organized within company (started in the second half of 2013). This MBA course was based on Copel's values and organizational skills and was attended by 87 employees.

The modules and the subjects of the MBA course were developed to enable Copel's managers to perform effective management, develop a strategic vision of the business and to become leaders that value and promote the development of people.

### Performance evaluation and career plan

Nossa Energia (Our Energy) program is Copel's performance management program and comprises two dimensions: Organizational Skills and Results.

This program links new career opportunities, remuneration and personal development with performance, sponsoring job promotions, meritocracy, job adequacy, conferences, training, and scholarships for post-graduation and foreign languages courses, among others.

The program started in 2013 and, in the 2014 cycle had specific and assertive improvements, provided by the experience of the implementation period and the performance management practices in Copel. The program will allow learning processes and then improvements aimed at achieving its goals and providing greater adherence to the Company's culture.

G4-LA11



## Remuneration and Benefits

### Wage Policy

Copel's practices on remuneration, recognition and encouragement are based on the remuneration model structured by the Company, based on two pillars: fixed remuneration (market comparison and the individual merit) and variable remuneration (Employee's Participation on Profit and/or Results – PLR<sup>6</sup>).

The Career and Salary Plan, structured to reflect the Company's workforce, provides a reference for fixed remuneration. In addition, Copel seeks to compare the salaries paid in the market.

The lowest salary paid by the Company, as at December 2014 (R\$1,447.60), was equivalent to twice the national minimum wage on the same date (R\$724.00), with no significant difference on the ratio of the base-salary paid for men and women.

#### G4-EC5

Copel has a job plan divided into careers and uses the evaluation by points system to obtain the internal balance between jobs/functions. In order to establish equal pay in relation to the market, Copel continuously conducts research that indicates salaries paid by the Company in relation to the market.

Periodically, depending on the Company's financial circumstances and employee performance, awards may be distributed on merit, in accordance with previous established rules.

Regarding the goal of reviewing the remuneration policy, scheduled for 2014, Copel performed studies during the year and proposed adjustments to the model, which were approved by the Board of Directors and are under review by the Control

<sup>6</sup> PLR of Copel's employees is in accordance with Federal Law No. 10.101 of December 19, 2000, with the State Decree No. 1978 of December 20, 2007, and the State Law No. 16560 of 09 August 2010.

Committees of State Companies and Wage Policy, which are bodies created in January 2015 by the government of the state of Paraná.

As for the relocation program, also expected for 2014 the Company conducted benchmarking studies and began to structure the model. In parallel, interview processes approved by the Board have started, an essential condition for the implementation of the program, as it needs candidates for replacement of vacancies due to the relocation of employees. The program implementation is expected to be completed in 2016.

#### G4-LA2

### Benefits

In order to incentivize employees, Copel offers a benefits package beyond that established by law and consistent with those offered by the best companies:

**Food Allowance:** amount credited monthly to employees for food and/or meals. In December, the Company included another credit, which represents a 13<sup>th</sup> Food Allowance credit per year.

**Snack Allowance:** value credited monthly to contribute to employee snacks.

**Nursery Allowance:** monthly credit per child, for employees who look after children between 7 and 72 months old, registered or not in day care nurseries/schools.

**Extended Maternity Leave:** in addition to the maternity leave of 120 days established by law, Copel grants an extension of 60 more days, upon the mother's request. When returning, the employees who work 8 hours a day can reduce the workload to 6 hours for another 60 days for breastfeeding.

**Participation on Profits and Results – PLR:** annually, the Company distributes part of its profit to employees, based on a specific agreement between Copel and the Unions. The distribution of PLR occurs equally among employees, as required by State Law No. 16,560/2010.

**Anticipated '13<sup>th</sup> Salary':** in January, the Company paid the first part of the yearly '13<sup>th</sup> salary', corresponding to 50% of employees' monthly salary.

**Educational Allowance:** program to encourage personal and professional development, which reimburses 70% of the fees for secondary level technical courses, higher education or post-graduation courses, with a defined ceiling. Employees with secondary level or technical education are entitled to make use of two allowances (two courses). Employees with higher education are entitled to make use of one allowance (one course). In addition, the company allows flexible working hours for employees who have classes at the same time of work.

**Vacation Advances:** benefit corresponding to employees' remuneration and can be requested at the time of vacation booking. The advance is deducted from payroll, in up to 10 consecutive monthly installments, without any additions, with the first installment due 60 days after receipt.

**Vacation Allowance:** during vacations, Copel pays its employees, in addition to the constitutional third, another 1/3 of the remuneration as a vacation bonus. This allowance has a defined ceiling.

**Flexibility:** the weekly working hours at Copel is 40 hours instead of 44 hours, as stated in the Constitution. In addition, in most of the Company's areas, the work schedule is flexible and employees can make use of an 'hours bank', compensating for overtime done over a six month period. Each hour of overtime is equivalent to 1.5 hours compensated of time off. It is also

allowed up to 12 hours per year for the accompaniment of any family member's medical treatment. These actions aim to provide rest and quality of life for employees.

**Allowance for disabled employees or employees with disabled dependents:** 50% refund of the amount spent on the purchase of prostheses, orthoses and hearing devices, with a defined ceiling, given to employees with disabilities. For employees with disabled dependents, a monthly amount is granted as a social benefit.

**Professional Rehabilitation and Readjustment Program:** aims to include employees with physical or mental limitations in work activities, through professional rehabilitation or retraining.

**Award for Traffic Safety:** employees who reach certain accumulated mileage marks when driving company vehicles, meeting established criteria, are awarded with certificates, appraisal letters, a badge, trophy or travel expenses.

**Supplementary Sick Pay:** if, upon medical request, the employee has to stay away from work for more than 30 days, Copel pays the amount corresponding to the difference between the fixed remuneration and the sick pay benefit amount paid by Social Security, complementing 100% of the value of his or her salary from the 30<sup>th</sup> day.

**Drug Dependency Program:** Copel provides treatment for the employees diagnosed as drug addicts through a program that focuses on the problem from preventive and therapeutical perspective, social and functional aspects, promoting actions to improve health, well-being and productivity.

#### Quality of Life

**Copel's Internal Games:** held annually and open to all employees, who can choose the mode they prefer: individual or group. Beyond contributing to the strengthening of Copel's identity



and organizational values, the games encourage employees to adopt healthy habits, through the practice of sports activities, and contribute to the improvement of integration, socialization and motivation of employees, and, consequently, the organizational culture.

Participating employees are released from duties on the days and times that they are playing.

**SESI Games:** Copel allows employees to also participate in the annual SESI Games. Absence on the attendance record is ignored on the days and times that they are playing, in this case.

**Pre-Retirement Program:** the program includes lectures and activities offered to employees who are in the retirement process and their partners, in order to guide them on how to enjoy this new phase with confidence. Topics such as behavior, quality of life, physical and mental health, social security and financial planning are addressed during the events.

G4-LA10

**Energy and Health Space:** the km3 and Atuba centers and Segredo, Foz do Areia, Caxias and GPS plants have walking tracks and outdoor gyms, as a way of encouraging the practice of sports and the adoption of healthy lifestyles.

**Copel's Choir:** Copel's Canto Coral, intended for employees, retirees and dependents, aims to promote the integration of employees, the quality of work life, the development of culture and music education and appreciation of the community's appreciation of Copel's name and brand.

#### Benefits offered by Copel Foundation

**Private Pension Plan:** Copel subsidizes part of its employees' private pension plans, in order to guarantee them future income to complement the Social Security retirement pension.

**Nest-Egg Plan:** discounted from payroll, the plan provides coverage to single payment benefit in case of death, permanent disability or partial disability due to accident or total disability due to illness.

**Pro Health III:** the Company subsidizes 80% of the private healthcare plan of its employees and their direct dependents. The plan includes medical, hospital, dental and pharmaceutical costs.

In addition, Copel offers employees, through Copel Foundation, loans at affordable interest, bank agencies in their facilities, library, bike racks and honors to employees by the time served.

## Health and Safety

### Principles and management

As it develops activities associated with risk factors, Copel follows a Work Safety Policy and seeks to engage its employees in relation to these guidelines.

The Occupational Health and Safety Management area of the Company is responsible for identifying risks and defining preventive actions, in order to allow the safe execution of tasks.

The health and safety actions for third-party professionals are disciplined by a specific manual, included in all service contracts. The integration lectures of each new contract signed complements this effort, addressing the standards to be adopted in relation to safety.

G4-EU18

## Initiatives

- Training and qualification:** programs are offered to employees like the Field Inspectors Training and Training for Use of Preliminary Risk Analysis. Such courses seek an active prevention to identify and block diseases and work accidents.
- Health promotion:** Copel has an occupational health service and provides its employees, through Copel Foundation, with an agreement to perform diagnostic exams of illnesses that may affect their ability and productivity at work.
- Training and integration:** all field activities are carried out by third-party professionals who have participated in the Occupational Health and Safety induction program and the specific Risk Analysis exercises for their area of activity. The control over mandatory minimum training for work involving electricity is provided using a proprietary application, which contains information about the service providers' employees and the specific contract agreement.
- Preserving Life Program (PPV – Programa Preservando a Vida):** ensures that technical and safety procedures are monitored, in accordance with the standards of the Occupational Health and Safety Management area, by work safety technicians or technicians from specific areas, and issues a report with details of the faults found. In 2014, 4,917 inspections were carried out with own employees and 5,182 with third-party employees, totaling 10,099 inspections.

Copel Distribuição also monitors third-party provider compliance with legal requirement by means of the Preserving Life Program. The control over mandatory minimum training for work involving electricity is provided using a proprietary application, which contains information about the service providers' employees and the specific contract agreement.

## Performance G4-LA6

| Health and Safety Indicators | Copel Distribuição** |                       | Copel Geração e Transmissão |                       | Copel Telecomunicações |
|------------------------------|----------------------|-----------------------|-----------------------------|-----------------------|------------------------|
|                              | Own employees        | Third-party employees | Own employees               | Third-party employees | Own employees          |
| Frequency Rate               | 7.35                 | 3.74                  | 2.95                        | -                     | 2.35                   |
| Severity Rate                | 587.07               | 3,603                 | 32.48                       | -                     | 927.05                 |
| Lost and charged days        | 6,391                | -                     | 88                          | -                     | -                      |
| Absentees (health - days)*   | 2.74                 | -                     | 1.44                        | -                     | 1.41                   |
| Deaths                       | 0                    | 5                     | 0                           | 1                     | 0                      |

- Information not available

\* Includes calendar days presented in the medical certificate

\*\* Copel Distribuição considers occupational diseases with Leave in its Frequency Rate

## COMMUNITY

G4-2, G4-14, G4-EC7, G4-EC8, G4-S01, G4-S02

Copel's mission is to serve society, bringing the infrastructure, energy and technology necessary to people's lives and communities' development.

The following are the main impacts of the Company's activities in the communities surrounding its operation, as well as initiatives to create value and opportunities for these stakeholders.

### Impacts

The identification and evaluation of aspects and social and environmental impacts of operations are carried out through studies in the planning stage of new projects and through inspections and audits of construction and operation of the Company's projects.

The main negative impacts identified in these studies are presented below, targeted by Copel's activities.

In 2014, there was compensation in six Transmission Lines - LT - under construction and one substation, totaling seven projects. There were 237 cases due to proximity to transmission lines, referring to individual properties, eight properties under construction were expropriated and four claims due to proximity to transmission lines. Copel also paid 61 claims to families whose properties were affected by the residual energy of the side stream, after inevitable opening of the floodgates of the Hydroelectric Plant Governor José Richa (Salto Caxias), during the historic flood of the Iguaçu River in June 2014.

G4-EU20, G4-EU22\*

\*To Hydroelectric Plant Colider weren't considered the compensation for expropriation.

### Generation

The construction of hydroelectric plants alters the natural condition of water resources and flood basin vegetation. The social

and environmental impacts resulting from the implementation of new projects are irreversible. The communities are affected by biodiversity loss, forced removals and changes in daily life through changes in economic production, social organization, loss of local bonds, populational increase during work, among others. However, they can be mitigated by the implementation of environmental programs provided for in the Basic Environmental Project (PBA – Projeto Básico Ambiental) for each project, drawn up on the basis of social and environmental impacts identified in the Environmental Impact Assessment (EIA).

### Transmission

The establishment of local transmission lines directly impacts property and community residents of all localities of the state in which the Company operates and throughout the extension of the transmission network, due to the need to introduce a right of way, which causes land and production losses besides changes in the natural landscape. Mitigation of the impact is through compensation payment to the owners for their losses.

### Distribution

#### Distribution Networks

The most significant social and environmental impact of distribution networks (low voltage and 13.8 and 34.5 kV) are accidents with third parties, the management of vegetation on the networks and interference on urban landscape.

To mitigate these impacts Copel adopts substitutive technologies to exposed networks, such as the compact protected network; the isolated secondary network; the isolated network and the underground network; and the Urban Forests Program. This program includes, besides the production and supply of seedlings, participation in multi-stakeholder initiatives such as the Interagency Working Committee to the Urban Tree

Planting Municipal Plans Analysis in the State of Paraná and the Statement of Technical Cooperation signed between Copel Distribution, Secretary of State for Urban Development (SEDU), Environmental Institute of Paraná (IAP) and Public Ministry of the State of Paraná (MP-PR) for conducting technical courses in urban landscaping theme.

In 2014, COPEL Distribution recorded nine fatal accidents involving the community in the electric network. The reported cases relate to discharges received when pruning trees, touching materials on the network and theft of electrical wire. [G4-EU25](#)

To mitigate the risk of accidents involving the population, Copel invests in prevention through lectures and meetings in schools, businesses, rural cooperatives, construction sites, professional associations and communities in general, using standardized educational materials and qualified instructors.

Each year, Copel participates in National Safety Week, promoted by the Brazilian Association of Electricity Distributors (Abradee), in order to prevent accidents involving electric shock in Brazil, working in six main areas: construction, rural area, pruning trees, power theft, antenna installation and care of kites. The selection of topics is guided by statistics of the most frequent accidents in different regions of

Complementing this effort, we: printed messages along with energy bills sent to customers; communicated on radio stations throughout the State of Paraná on the safe use of electricity; participated in fairs and regional events in order to disseminate information about the risks of electricity.

### Substations and distribution lines

Significant impacts related to these areas during the implementation phase identified on the Simplified Environmental Reports (RAS) are: waste generation, removal of vegetation, interference on land's use and occupation, increased noise

levels, dust generation and interference in the daily life of the population.

To mitigate these impacts, we implemented initiatives such as the Environmental Management Program of the Work; the Plan for Construction Waste Management; and the Restoration of Environmental Preservation Area, among others.

The installation of distribution lines (69 and 138 kV) interferes in the use and occupation of properties' land because the necessity of security strips. The mitigation of impacts is through indemnity to owners.

### Development

The existence of solid basic infrastructure services such as power and telecommunications increases the socioeconomic development of the regions. This infrastructure favors the emergence or expansion of industrial and business centers and, consequently, increases jobs vacancies and tax collection, becoming benefits and services for the population.

### Generation and Transmission

The primary direct means of generating wealth and social development in the power generation business takes place through the actions carried out in the communities surrounding the Company's plants. In 2014, Copel Geração e Transmissão promoted, along with these stakeholders, 115 social and environmental programs, with an investment of R\$77 million.

### LEARN MORE!

Learn more about the social and environmental programs developed in the Colíder and Mauá Power Plants by clicking on the links below:

<http://www.copel.com/uhecolider/>

<http://www.usinamaua.com.br/>

(only in portuguese)

The Company's operating plants have social and environmental engagement programs that annually receive thousands of visitors, such as the Iguaçu Regional Museum, in the residential area of the Governador Ney Braga Hydroelectric Power Plant and the visitor center of the Faxinal do Céu Botanical Garden, in the residential area of the Governador Bento Munhoz da Rocha Netto Hydroelectric Power Plant, that work in partnership.

To learn more about the programs, initiatives and benefits, visit <http://goo.gl/l8obXc> and also read the "Government and Society" chapter of this report.

In addition to the programs of the plants in operation, in 2014, the Company promoted the mitigation of impacts of the construction of the HPP Colíder project in Mato Grosso, which received investment of R\$6.8 million for 32 social and environmental programs aiming to prevent, mitigate and compensate for changes that may occur in the social and natural environments of the region affected by the work (Colíder, Nova Canaã do Norte, Itaúba, Claudia and Sinop).

During the period, Copel also promoted 12 social and environmental programs during the implantation of the Complex I and II of wind farms located in Paraizinho (RN) and João Câmara (RN). The programs involved environmental preservation and recovery, social development and good health and safety practices.

In 2014, the modernization project of the Figueira Thermal Power Plant was initiated, which shall be concluded by September / 2016. The total estimated investment is about R\$ 118.5 million.

The good maintenance of the plants has a great social relevance to the city. Figueira's economy is based on the development of a coal mine from which Copel is the biggest buyer. Because of this, the economic benefits of the plant have affects the entire local region, which also covers the municipalities of Conselheiro Mairinck, Curiúva, Ibaiti, Jaboti, Pinhalão and Sapopema.

## Distribution

In the distribution business, the main development factors from the Company's activities are programs of access to energy and energy efficiency. Learn more in the "Government and Society" chapter.

In 2014, the Company enabled access to energy for 105 families of rural communities in the city of Adrianópolis (PR), the remaining majority from 'quilombola' communities. Fiberglass poles were used – which are ten times lighter than concrete poles, thereby avoiding the need to open a road for their transportation – as well as special cables, which protect the network against falling trees, keeping the connection.

In the period, Copel also delivered energy supply to the Areia Branca community, near the city of Adrianópolis/PR, to about 21 residencies receiving photovoltaic panels. The licensing was carried out by the State of Paraná's environmental agency.

In addition, in 2014, we performed six studies of social and environmental impact and developed more than 140 social and environmental programs.

Copel Distribuição has Social and Environmental Internal Committees (CISAs), created to act as multipliers of sustainability concepts, and aimed at raising awareness among the workforce about environmental issues, highlighting the sense of individual responsibility.

## Telecommunications

In the telecommunications segment, development promotion happens through investment in infrastructure to access to quality services, benefiting millions of consumers.

## Initiatives

Copel is committed to sustainability and promotes the development initiatives of its value chain. The following are the main projects carried out in 2014:

**Education for Sustainability Program** – aims to develop the skills and continuous learning of issues related to corporate sustainability, focusing on awareness and training of the Company’s leadership, workforce and suppliers. The main projects in 2014 were:

- **Copel Best Social and Environmental Practices Seminar** – in its fifth edition and open to all audiences, Copel focused on the topic of sustainability as value generation and included lectures addressing sustainability issues. Themes were presented as eco-efficiency, Smart Grids and reverse logistics.



- **Susie Pontarolli Sustainability Trophy** – the award aims to recognize and support initiatives that contribute to the promotion of sustainable development and improved quality of life. The second edition of the Trophy awarded the three best practices in the categories: ‘employees’ and ‘suppliers’.



### EMPLOYEES CATEGORY

Awards trophies and R\$10,000 between three winners – a fund intended exclusively for the maintenance or expansion of projects.



### SUPPLIERS CATEGORY

Awards trophies and “Conscious Supplier” certificates, highlighting projects for the community and employees as a way of valuing people, encouraging equality and social justice.



1<sup>ST</sup> PLACE

Project to generate income through sustainability, from the Bernardo Hakvoort Agroforestry Institute, which promotes the generation of income in poor communities through social microenterprises aimed at sustainable development.



1<sup>ST</sup> PLACE

Catavento Project, a social project that serves students from 27 riverside schools in the city of Barcarena, developed by the Alubar Metais e Cabos S/A.



2<sup>ND</sup> PLACE

Semeando Leitura Project, which encourages reading with children from municipal schools of the city of Medianeira (PR), sponsored by the Semear of Medianeira Philanthropic Society.



2<sup>ND</sup> PLACE

Resíduos Sólidos Project, developed by the Consórcio Intermunicipal da Fronteira enterprise in the cities where it operates, supporting recycling and environmental preservation.



3<sup>RD</sup> PLACE

Batuque na Cozinha Radio Program, developed by the Interculture of Social Projects Association (ALMA) of Londrina (PR), which emphasizes Brazilian Culture on local radio.



3<sup>RD</sup> PLACE

Vida e Arte Project, developed by N Engelmann e Cia Ltda, which promotes a choir with children assisted by the Casa de Maria NGOs.

**II Copel Best Social and Environmental Practices Fair** – parallel to the seminar was the second edition of the Copel Best Social and Environmental Practice Fair, which included the participation of 26 exhibitors (three companies, five learning and research institutions, four business institutes, eleven social institutions and three strategic partners), to exchange experiences and supporting social causes. Approximately 400 people visited the fair.

**Volunteering** – the Company encourages its employees through the Corporate Volunteer Program, which allows the use of up to four hours per month of their workload to perform volunteer work that promotes the sustainable development of society in cultural, educational or professional causes. In 2014, 154 employees participated in the program, which totaled 1,229 volunteer hours.

**Internal Social and Environmental Committees** – CISAs – created to act as a multiplier of sustainability concepts to raise awareness among Copel Distribuição's workforce about environmental issues, growing a sense of individual responsibility.

**Iguaçu Regional Museum** – recognized as a pioneer initiative in the electricity sector, the Museum serves as a space for reflection, debate and environmental education. Located in the residential area of the Governador Ney Braga hydroelectric power plant, in the city of Mangueirinha (PR), the museum presents, in an integrated manner, social, cultural and environmental characteristics of the populations along the banks of the Iguaçu River.

The collection comes from the Archaeological Rescue, Rescue of Cultural Memory and Scientific Use of Flora and Fauna programs, all developed during the implementation of the Plant.

From the collections, museum educators develop actions to stimulate appreciation of regional and local culture and memory,

as well as reflections on economic development, human welfare, preservation of natural resources and the safe and conscious consumption of energy resources.

In 2014, the museum welcomed 17,476 visitors, distributed in scheduling arrangements with guided tours, spontaneous visitors and the travelling museum. Since its inauguration in December 2000, it has been responsible for the educational activities and monitoring of 278,605 people, and that now know more about Copel's environmental actions.

**Cultivate Energy Program** – In partnership with municipal governments and residents' associations, the program aims to develop community gardens in the buffer areas of Copel's electricity networks. Through this initiative, Copel seeks to promote inclusion through income generation and environmental education for the communities living in the surrounding the Company's transmission lines.

**Accessibility Program** – Through the program, Copel seeks to make its facilities, information and services accessible to people with disabilities. In 2014, we carried on with actions such as: Architectural Accessibility, with adjustment proposals at the Company's properties; Attitudinal Accessibility, with training, dissemination and enforcement proposals of the inclusive culture; Communicational Accessibility to the disclosure of the Company's actions regarding accessibility and making the means and information systems more accessible to people with disabilities; Urban Accessibility, proposing solutions for accessibility issues in urban sidewalks, raised by public agencies and the community throughout the concession area. Copel currently has 81.7% of its agencies and service centers architecturally adapted for people with disabilities.

**G4-EU24**

## SUPPLIERS

### Principles and Management

From the point of view of Corporate Sustainability, best practices between companies depend on the adoption of social and environmental criteria in purchasing, as well as effective work for the development of suppliers, especially small and medium.

Copel maintains a permanent working group in order to technically support the implementation of strategies and actions that enable improved management of the supply chain.

In 2014, the Supplier Manual, which aims to improve the relationship with suppliers and seek alignment between supply chain and the principles and guidelines of the Company, was revised.

#### LEARN MORE!

Learn more about the Supplier Manual, available at:  
<http://goo.gl/QcNbhr>



This alignment is observed from the selection of suppliers to the monitoring and renewal of contracts, and requires that all chain members must respect human rights, fair labor relations and the environment, and promote citizenship, sustainability, ethics and corporate transparency.

### Qualification and Selection

G4-EN32, G4-LA14, G4-HR1, G4-HR10

As concessionaire of a public service, compliance with labor, tax and environmental legislation are Copel's main criteria in the selection of suppliers. The criteria are defined in the bidding documents, contract terms, registration manuals and standards and technical manuals permanently available at:

<http://www.copel.com/hpcopel/english/suppliers.jsp>

### Contracting and Monitoring

G4-EN33, G4-LA15, G4-HR11, G4-S09, G4-S010

Environmental issues, as well as human and labor rights are also addressed by Copel during the induction process, performed with each new supplier, and are included in specific clauses in contracts for the supply of materials and services. Non-compliance leads to suspension of the contract and the prohibition from participating in new Copel tenders for up to two years.

The same issues are still proactively addressed in the Copel Best Social and Environmental Practices Seminar, sponsored annually by the Company and open to different audiences, in which suppliers with outstanding labor, environmental and human rights practices are rewarded.

The 2014 Copel Best Social and Environmental Practices Seminar, we delivered the Susie Pontarolli Trophy, which awards social and environmental practices of Copel's employees and suppliers. Learn more in the "Community - Initiatives".



## Critical Suppliers

Another advance in Copel's supplier management was the definition of a methodology and the mapping of supply categories considered critical for social, environmental and economic aspects.

The main criteria used in this study included the assessment of risk of accident to employees, risk of damage to labor relations, economic and financial capacity, payment of taxes and social and labor charges, environmental impact and waste treatment capacity, among others.

The mapping of critical suppliers for the distribution business identified 140 suppliers. The goal of this process also extended to Copel Geração and Copel Telecom suppliers, which was not met due to the need to adapt the methodology for these businesses.

### Supplier development program

Copel analyzed its suppliers' level of sustainability adherence, in order to identify the most relevant topics to be developed through training of suppliers in sustainability practices.

In 2015, the Company has the goal of training contracts and tax managers on issues related to sustainability, enabling them to evaluate and monitor suppliers, in addition to training medium and small suppliers on issues related to sustainability.

### Local development

**G4-12, G4-EC8**

In 2014, Copel's spending totaled about R\$1.5 billion on goods and service suppliers, of which 56.7% was for the local suppliers, i.e., from the state of Paraná, where the Company concentrates most of its concession area.

**G4-EC9**

|                    | SUPPLIERS' EXPENSES | LOCAL SUPPLIERS' EXPENSES |              |
|--------------------|---------------------|---------------------------|--------------|
|                    | R\$ thousand        | R\$ thousand              | %            |
| Operation          |                     |                           |              |
| Distribution       | 1,297,068.9         | 687,446.5                 | 53           |
| Generation         | 139,324.0           | 123,998.3                 | 89           |
| Holding            | 26,591.9            | 23,135.0                  | 87           |
| Renewables         | 176.4               | 157.0                     | 89           |
| Telecommunications | 44,488.6            | 20,464.8                  | 46           |
| Participation      | 83.6                | 68.6                      | 82           |
| <b>Total</b>       | <b>1,507,733.5</b>  | <b>855,270.2</b>          | <b>56.7%</b> |

R\$4.4 billion was also spent with energy suppliers, which are not labeled as local suppliers, since the purchase was guided by the regulator.

In all, 5,744 active suppliers continued their business relationships in 6,568 contracts with Copel in 2014.

### Active suppliers in 2014 by business

|                         | DISTRIBUTION | GENERATION | TELECOMMUNICATIONS | HOLDING |
|-------------------------|--------------|------------|--------------------|---------|
| Energy                  | 124          | 8*         | 4*                 | 88      |
| Materials and equipment | 2,889        | 1,094      | 463                | 15      |
| Services                | 3,555        | 787        | 319                | 73      |

\* Including Copel Distribution's suppliers

## CUSTOMERS

### Satisfaction

Copel's relationship with its customers – residential, commercial, industrial and public entities, considering all its operating

segments – is guided by the search for excellence in services to ensure customer satisfaction.

To this end, the Company continually monitors its customer satisfaction index measured by Abradee and Aneel, and also provides different service channels to act, correct and address possible cases of dissatisfaction.

G4-PR5

| SATISFACTION RATE                                       |                                                                                                                                                                                                                                                                                                         |                             | COPEL DISTRIBUTION'S RESULTS |       |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|-------|
|                                                         |                                                                                                                                                                                                                                                                                                         |                             | 2013                         | 2014  |
| <b>ISQP</b><br>Satisfaction with Perceived Quality Rate | Measured by Abradee, it evaluates Brazilian electric power distribution on the perception of their consumers in five aspects: Power Supply, Information and Communication, Electricity Bill, Customer Service and Company Image. It is divided in three studies with different categories of customers: | Low voltage residential     | 89.4                         | 89.3  |
|                                                         |                                                                                                                                                                                                                                                                                                         | Low voltage non-residential | 88.6                         | 85.6  |
|                                                         |                                                                                                                                                                                                                                                                                                         | High voltage                | 87.6                         | 86.3  |
| <b>ISC</b><br>Consumer Satisfaction Rate                | Measured by Abradee considering the results of quality and price surveys.                                                                                                                                                                                                                               | Low voltage residential     | 64.1                         | 63.5  |
|                                                         |                                                                                                                                                                                                                                                                                                         | Low voltage non-residential | 66.5                         | 69.0  |
|                                                         |                                                                                                                                                                                                                                                                                                         | High voltage                | 66.7                         | 58.6  |
| <b>IASC</b><br>Aneel Consumer Satisfaction Rate         | Measured from the results of a survey conducted by Aneel since 2000 with residential customers to assess their level of satisfaction with the services provided by electric power distributors.                                                                                                         |                             | 61.97                        | 75.24 |

Regarding the satisfaction of Copel Distribuição's residential customers (ISQP), the indicator reached 89.3%, below the 90% target set for 2014. However, the result was a benchmark in Latin America and, therefore, the Company revised its metric for 2015, setting a goal to get to the 4<sup>th</sup> place in the ISQP - Low residential voltage, which would categorize it as a finalist in that index.

## Contact Channels

The company has various service channels available to the public and records the contacts received in all of them, in order to keep the focus on customer needs and improve its processes to serve them with more quality.

In addition, in the distribution segment, which has the highest volume of customers, there are two indicators for analysis – the Complaints Equivalent Frequency (FER – Frequência Equivalente de Reclamações), which maps the amount of complaints per thousand Consumer Units, and the Complaints Equivalent Duration (DER – Duração Equivalente de Reclamações) establishing the average response time of complaints in hours.

As a result of the continuous work for the improvement of customer care, metering, billing and collection processes of the distribution business in 2014, there was a gradual reduction in the number of complaints received, falling 21.8% compared to 2013. The DER and FER indicators also showed significant improvement, falling 55.7% and 26% respectively. **G4-S011**

### Main service channels and complaints mechanisms

#### Institutional (all Company's business)

- +55 (41) 3331-4141 e 3310-5050 – corporate issues related to Copel
- Online form: <http://goo.gl/qdukIP> (only in portuguese)
- Copel's Ombudsman: information requests, suggestions, complaints, reports and questions. Learn more at the "Ethics" chapter of this report.

#### Distribution

- Face-to-face service at Copel's branches: [www.copel.com/agencias](http://www.copel.com/agencias)
- Telephone numbers:  
0800 51 00 116 – issues concerning electric power or information about the electric bill. Free call, 24 hours and seven days a week.
- Chat service: [www.copel.com/solidus/htmlc/jsp/upfront.jsp](http://www.copel.com/solidus/htmlc/jsp/upfront.jsp) (only in portuguese)
- Copel Mobile: Free app for smartphones and tablets with Android or iOS operating systems.
- SMS: in the event of power failure, customers can send a free SMS through cell phones to 28593 with the message "SL" and the consumer unit number on their bill.
- Virtual Branch: <http://agencia.copel.com/AgenciaWeb/> (only in portuguese)

#### Telecom

- 0800 41 41 81 – for Copel Telecom's internet-related services – free call, Monday to Friday from 7:30 am to 6:30 pm – or 24 hours, seven days a week technical support.
- E-mail: [telecom@copel.com](mailto:telecom@copel.com)
- Access to the customer's area to duplicate bills, documents and contracts and registration details: <http://goo.gl/dRLciZ> (only in portuguese)

|      | COMPLAINS** | FER   | DER    |
|------|-------------|-------|--------|
| 2012 | 20,386      | 18.16 | 325.48 |
| 2013 | 14,163      | 10.33 | 273.02 |
| 2014 | 11,077*     | 7.64  | 120.82 |

\* Of this total, 10,833 were resolved, and another 57 complaints from 2013 were resolved 2014.  
 \*\* Complaints received by COPEL classified as social impact.

In this business segment, the quality of service channels and the standardization of procedures related to receiving and handling complaints are also monitored, controlled by ISO 9000.

One of the actions of the ISO is the annual survey of Customer Satisfaction and Complaints, that considers how easy it is to contact the Company, the clarity of the information provided, posture and cordiality in the service, compliance with the deadline to reply and if expectations of response are met.

## GOVERNMENT AND SOCIETY

### G4-EU19

Copel supports and participates in various government bodies initiatives, and other institutions in order to promote sustainable development in the regions where it operates.

The selection of initiatives is adherent to the Company's strategic benchmark, the commitment to the Global Compact and the Paraná state government policy. The actions include education, culture, sports and health.

G4-EC1, G4-EC7

### Social Investment

Copel's investment in 2014, from tax breaks, totaled R\$17.9 million, benefiting 95 projects, including:

- Lei Rouanet - R\$8,810,390.00 – 67 projects
- Fundo da Infância e Adolescência – FIA - R\$2,206,000.00 – 9 projects
- Lei do Idoso - R\$2,161,000.00 – 1 project
- Lei do Incentivo ao Esporte - R\$2,210,000.00 – 13 projects
- Programa Nacional de Apoio à Atenção Oncológica – PRONON - R\$2,159,000.00 – 4 projects
- Programa Nacional de Apoio à Atenção da Saúde da Pessoa com Deficiência (PRONAS/PCD) - R\$300,000.00 – 1 project

### Paraná's Olympic Talent (TOP 2016)

The Company is a sponsor of the Paraná Olympic Talent program (TOP 2016), the largest state program encouraging sports in the country. Focused on the development of amateur sport, the initiative provides financial assistance through grants to 1,500 athletes, handicapped athletes and coaches with the potential to participate in the 2016 Olympic Games in Rio de Janeiro. In 2014, investment in this program reached R\$1 million.

### Access to Energy

Copel, in partnership with the federal and state governments and agencies such as the Paraná Housing Organization (Cohapar – Companhia de Habitação do Paraná), promotes various integrated programs to make energy affordable to all.

Among the already developed programs are: Universalização (Universal Energy), Luz para Todos (Power for All), Tarifa Social Baixa Renda (Low-Income Social Tariff) and Luz Fraterna (Fraternal Light).

*Tarifa Social* - benefit created by the Federal Government, which grants discounts on electricity bills to low-income families from all over Brazil, up to the consumption limit of 220 kWh. The federal government reimburses the discounts given to consumers monthly. In 2014, the amount received by Copel was approximately R\$70 million.

*Luz Fraterna* - benefit created by the Government of the State of Paraná, which pays for the electricity bills of low-income families who are beneficiaries of the Electricity Social Tariff. In 2014, about 182,000 families benefited.

*Luz para Todos* – a Federal Government program that aims to promote access to electricity for free in rural areas. In 2014, Copel made 1,231 service entries for consumers in rural areas.

Also in rural areas, it promotes the Night Irrigation Program (Programa Irrigação Noturna), which encourages increased agricultural productivity through a discount of up to 70% in energy used at night on irrigation systems. In 2014, about 8,600 properties benefited from the night special tariff.

In the scope of the Electricity Social Tariff program, the Company promotes the “Copel in the Community” project, which is in its fourth edition in 2014. Including in the project, energy tests are performed for low-income consumers, who are then selected to have their electronics and lamps replaced by other more modern appliances. In all, the project provides 500 lectures, 50,000 diagnoses and the replacement of 150,000 light bulbs, 12,000 refrigerators and 10,000 electric showers.

### *Energy efficiency*

#### **G4-EU7**

The Energy Efficiency Program aims to promote higher efficiency in the end use of electricity, through the application of financial resources determined by Law No. 9,991/2000, in order to contribute to the optimization of the electrical system and dilating investments in power generation, transmission and distribution.

In 2014, approximately R\$15.9 million was invested in 18 projects, which contributed to improved energy efficiency in low-income residential units, public buildings, public schools, commercial establishments and educational projects.

### *Research and Development*

#### **G4-EU8**

In 2014, the Company invested R\$16.7 million in the Research and Development Program (R&D) of generation, transmission and distribution activities.

### **Generation and transmission**

The program had 26 projects in progress in 2014 – 12 of them in cooperation with other companies. Of these, three are strategic, based on calls for proposals established by Aneel.

## Distribution

In 2014, 10 Research and Development projects were contracted, 9 are still in progress and 43 are in the contract elaboration stage. Of the latter, one is strategic and in cooperation with the Analytical Intelligence System for the Electricity Sector (Siasse – Sistema de Inteligência Analítica do Setor Elétrico) and other companies in the industry.

Copel Distribuição developed two projects related to the smart grid pilot project in 2014:

- Micro generation distribution, with power consumption control, storage and energy exchange with electric vehicles.
- Selective power outages of consumers and distribution feeders using advanced metering infrastructure.

In both, the idea is to use the facilities of Paraná Smart Grid showroom to test concepts (smart home, with home automation and management on the consumer side), both for metering as for consumer power control.

### LEARN MORE!

Learn more about R&D projects at:  
<http://goo.gl/CXPaMQ> (only in portuguese)

## Connected Paraná Program

The Program reached the target for the period and is now present in 25 municipalities. The initiative provides fiber optical internet access at popular prices and a speed of 1 Mbps, and also promotes the connection of public buildings to the Copel fiber optic network, enabling higher navigation speed and greater reliability of public agencies.

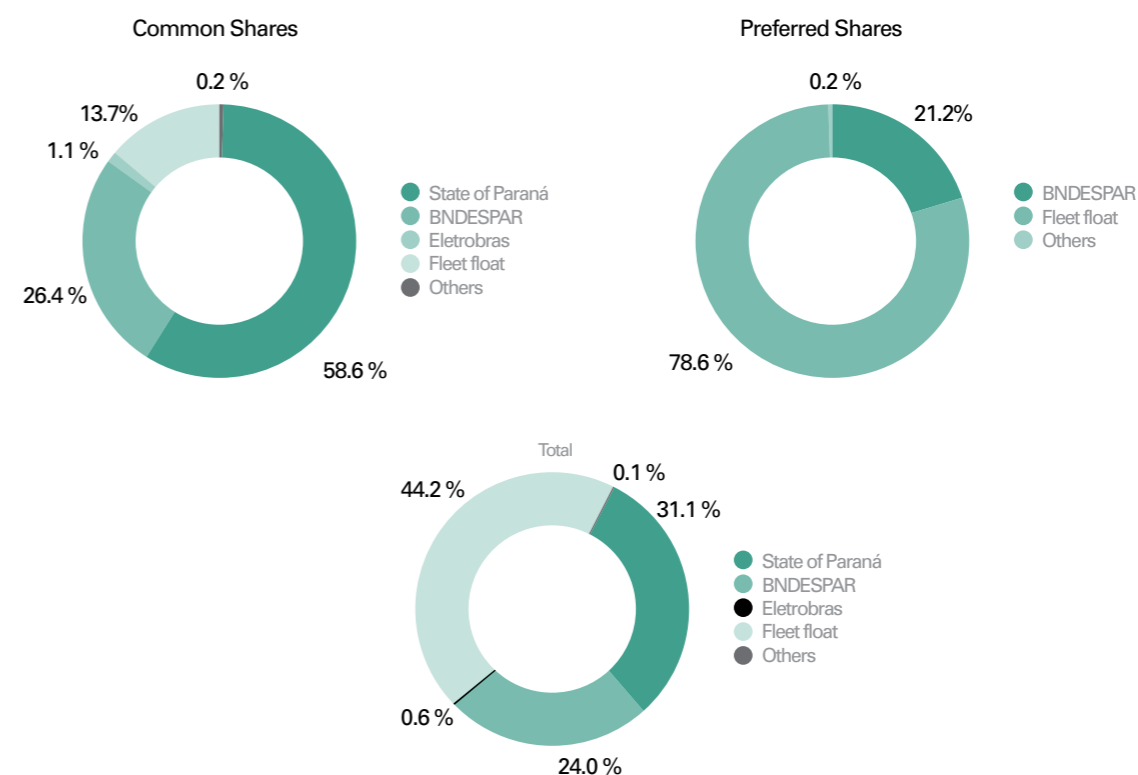
## SHAREHOLDERS

### Share Profile

Copel's share capital consists of R\$6.9 billion, represented by 273,655 thousand shares – with 53% being common shares and 47% being preferred shares. At the end of 2014, 25,015 shareholders participated in the Company's share capital, whose market value reached R\$8.2 billion.

Copel ensures tag along rights for minority shareholders, ensuring the minimum price of 80% of the value of shares held by the controlling block.

### Equity distribution as at 12/31/2014



Copel's shares have been traded on the BM&FBovespa stock exchange since April 1994, and in July 1997, became the first company in the Brazilian electricity sector to be listed on the New York Stock Exchange – NYSE. Also, the Company's brand has been part of the European Economic Community since June 2002, with its entry on the Latibex – the Latin American arm of the Madrid Stock Exchange. From 2008, Copel's shares were listed as Level 1 Corporate Governance of the São Paulo Stock Exchange.

### Stock performance and returns

From January to December 2014, Copel's common shares (ON – traded under the CPLE3 code) and preferred shares (PNB – traded under the CPLE6 code) were traded in 100% of the trading sessions of the BM&FBovespa.

At the end of the period, the common shares were traded at R\$24.90 and preferred shares at R\$35.90, with positive variations of 11.7% and 17.6%, respectively. Over the same period, the Ibovespa fell by 2.9%.

On the New York Stock Exchange (NYSE), the preferred shares – traded at "Level 3" in the form of ADSs, under the code ELP – were traded in 100% of the trading sessions, closing the period quoted at US\$13.17, an increase of 0.2%. Over the same period, the Dow Jones Index increased by 7.5%.

On the Latibex (Euro Market for Latin American Securities), linked to the Madrid Stock Exchange, preferred shares were traded under the code XCOP in 98% of the trading sessions, closing the period quoted at €11.13, an increase of 17.2%. Over the same period, the LATIBEX All Shares Index fell by 15.8%.

### Distribution of dividends and interest on own equity

In accordance with Law No. 9,249/1995, COPEL adopts the distribution of interest on own equity as policy to total or partial

alternative to dividends. As established in the Company's Bylaws, the amount of dividends distributed is at least 25% of adjusted net profit, according to Article 202 and its paragraphs of Law 6,404/1976. Since 2013, the payout practiced by Copel is 50% of adjusted net profit of the year.

In 2014, R\$622.5 million was distributed as dividends and interest on own equity, 11.1% more than the previous year, when the amount was R\$560.5 million.

Earnings per share, in turn, was R\$4.9, 21.3% higher than the previous year.

### Shareholders' Agreement

Shareholders' agreement entered into between State of Paraná and BNDES Participações S.A. – BNDESPAR is in force in the Company, its main purpose is to guarantee to BNDESPAR the indication of two members of Copel's Board of Directors and to have previous knowledge of corporate subjects submitted to evaluation of Board of Directors and Company's Shareholders' General Meetings.

### Dialogue

Copel maintains an effective communication channel with its Shareholders and Investors and professionals of the capital market through the Investor Relations department and the Shareholder and Custody department.

- E-mails: [ri@copel.com](mailto:ri@copel.com) and [acionistas@copel.com](mailto:acionistas@copel.com)
- Call center: 0800 41 2772
- Investor Relations website - [www.copel.com/ri](http://www.copel.com/ri) - where releases and reports are available to professionals in the capital market and shareholders
- "Informe RI Copel" newsletter

## NATURAL RESOURCES MANAGEMENT

Principles and Management

Water

Biodiversity

Climate Change



Chapada dos Veadeiros, Goiás State



## PRINCIPLES AND MANAGEMENT

G4-14

In an environment of increased energy demand, Copel seeks to meet this demand ensuring environmental balance to minimize the impact of its operations on the environment and promote sustainable development.

In this sense, the improvement of the Company's environmental performance was one of the challenges assumed in its 2014-2025 Strategic Planning, guided by the Sustainability and Corporate Citizenship Policy and the Copel Climate Change Agenda.

Learn more about the Policy and Copel's Climate Change Agenda at <http://goo.gl/XJML22> and <http://goo.gl/8aoxxP> (only in portuguese)

In relation to its energy matrix, Copel has increasingly invested in power generation from renewable sources. The Company is also concerned about energy conscious consumption, and has been investing in energy efficiency projects.

As an environmental strategy, several programs, projects and initiatives are developed aimed at protecting the environment.

In 2014, Copel invested more than R\$62.8 million in studies and social and environmental actions for the implementation of new projects and approximately R\$8 million in environmental management of projects in operation. The Company also invested R\$4.9 million in support of civil and scientific society, such as the Iguaçú Regional Museum, the Faxinal do Céu Botanical Garden, the repopulation of Ichthyofauna among others.

G4-EC7

## Environmental Management

Waste  
G4-EN23

In 2014, 4,715 tons of waste and scrap materials were sent to their final destination: 307 tons (6.5%) were recycled, 4,394 tons (93.2%) were terminated and 14 tons (0.3%) were disposed of.

Revenues from termination reached approximately R\$12.5 million during the period, as follows:

| Alienated residues | Amount destined | Unity        | Revenue                 |
|--------------------|-----------------|--------------|-------------------------|
| Diverse residues*  | 4,394           | Tons         | R\$8,465,652.00         |
| Posts              | 316,679         | Linear meter | R\$256,595.00           |
| Transformers scrap | 22,914          | Pieces       | R\$3,763,016.00         |
| <b>Total</b>       |                 |              | <b>R\$12,485,263.00</b> |

\*Includes: copper and aluminum cables, meters scrap metal and insulators.

Emissions  
G4-EN21

Copel monitors atmospheric emissions from thermoelectric plants, whose information is reported annually to the environmental agency. Among the analyzed patterns are:

| PLANT           | NO <sub>x</sub> (t) | SO <sub>x</sub> (t) | Particulate Materials - CP (t) |
|-----------------|---------------------|---------------------|--------------------------------|
| UTE Figueira*   | 368.2               | 3,458.2             | 261.0                          |
| UTE Araucária** | 504.6               | -                   | -                              |
| Car fleet       | 18.3                | 4.8                 | -                              |
| <b>Total</b>    | <b>891.1</b>        | <b>3,463.0</b>      | <b>261.0</b>                   |

\*UTE Figueira modernization project started in 2014

\*\*UTE Araucária is operated with natural gas, therefore is no emission of SO<sub>x</sub> and particulate.

## Energy consumption G4-EN3

The following table presents the Company's energy consumption over the past three years:

| ENERGY CONSUMPTION (GJ) |           |             |                 |            |
|-------------------------|-----------|-------------|-----------------|------------|
| Year                    | Car Fleet | Electricity | Thermal Plants* | Total      |
| 2014                    | 183,465   | 87,844      | 28,407,143      | 28,678,452 |
| 2013                    | 229,739   | 92,200      | 19,047,458      | 19,369,397 |
| 2012                    | 264,862   | 91,602      | 19,192,252      | 19,548,716 |

\*Includes: UTE Figueira and UTE Araucária

In 2014, there was a 47.6% increase in total energy consumption from the previous year, due to the use of thermal plants by the National System Operator.



Copel's Eco-Efficiency Program aims to reduce the consumption of water, energy and fossil fuels, as well as promote the proper use of natural resources.

Copel's goal for 2015 to reduce 5% water consumption and 10% of energy consumption in their administrative units. It aims to achieve by 2019 a 20% reduction in water consumption and 35% in energy consumption.

Presented below are Copel's management, initiatives and performance of key environmental aspects related to its business, in accordance with the materiality matrix.

## WATER

### Management

Since its primary active power generation is water, Copel pays special attention to this important natural resource.

Copel's main impact on water resources is the alteration of its natural state and the vegetation to the flood basin for the construction of hydroelectric plants. Therefore, the Company focuses on the management of social and environmental impacts caused by its projects, from the construction phase to the operational phase, analyzing and mitigating impacts and risks and taking into account relevant environmental legislation.

### Initiatives

#### *Monitoring water quality*

Every quarter, the Company collects and analyzes samples of water from the hydroelectric plant's reservoirs to monitor its quality. The samples undergo quality analysis and the survey of microorganisms identification such as algae and bacteria, to recording any changes.

Additionally, Copel performs the monitoring of river water quality even before the start of the construction of a new venture. This includes, in addition to the parameters already being monitored, the analysis of sediment and pesticides.

#### *Reservoir Management Program*

Copel monitors possible environmental interventions at its reservoirs and their surroundings, and acts according to specific actions to remedy the identified damages regarding effluent discharge, slopes, the use and occupation of the Permanent Protection Areas, illegal hunting and fishing, among others.

To assist in this process of preservation of reservoirs and their surroundings, as well as other relevant areas of environmental

interest, the Company has an agreement with the Paraná State Environmental Police Battalion. In addition, it actively participates in the Watershed Committees and National and State Water Resources Council and carries out monitoring, in real time, of the hydrological situation of the rivers, which have reservoirs.

Learn more:

<https://goo.gl/Wlx6NW> (only in portuguese)

### Performance

Copel's water consumption for administrative purposes in the State Paraná was 143,716 m<sup>3</sup>, from the following sources:

#### G4-EN8

| Source               | Volume of water consumed (m <sup>3</sup> ) |
|----------------------|--------------------------------------------|
| Groundwater          | 24,421                                     |
| Water supply company | 119,295                                    |

During the process of electric power generation, both the consumption and the disposal of water does not significantly affect water sources, as almost the same volume obtained is returned to the source, with similar quality to that which was obtained.

#### G4-EN9

In 2014, Copel administrative facilities in the state of Paraná, dismissed 114,973 m<sup>3</sup> of sanitary waste\* in collecting public networks or controlled septic tanks.

\*Generation of wastewater calculated according to NBR 7229, return coefficient of water - sewage = 0,8.

#### G4-EN22

## BIODIVERSITY

### Management

#### G4-EN12

The implantation and operation of power generation, transmission and distribution projects cause impacts on the fauna and flora located in the areas where projects are located.

Environmental studies prepared before the implantation of these projects are necessary for environmental licensing evaluation, the aspects and impacts of their installation and to propose social and environmental programs needed to mitigate the negative impacts and maximize the positive. Beside these, the environmental body may propose new mitigation measures when the license is issued.

In 2014, it was conducted several studies and environmental programs for the implementation of generation projects, power transmission and distribution, to prevent and mitigate potential impacts on local flora and fauna, such as:

- Reforestation;
- Preservation areas slopes with fragile soils and springs;
- Scaring and rescue of flora and fauna, among others.

## Flora

The main impact the Company's projects have on flora is caused by the suppression of vegetation for the installation of physical structures, for the opening of the right of way for transmission lines, formation of reservoirs and establishment of wind farms.

To mitigate these impacts – which may result in the reduction of important species to the local ecosystem – the Company performs environmental monitoring and flora rescue programs, and planting of native species. Specialized teams carry out the collection, cataloging and handling of seeds and plants that can be impacted, learning more about the local flora and producing seedlings of native species to be planted in degraded areas of the region.

The Flora Monitoring program at the Colíder hydroelectric plant, under construction in Mato Grosso, already identified species of plants in the permanent protected area, covering 5,503.78 hectares.

In 2014, we started the Flora and Fauna Rescue Program at the plant, which rescued:

- 363 species of plants
- 1,821 animals of over 100 species
- rescue of more than two tons of fish and recording of more than 149 species
- collection of 430 kg of seeds and production of 13,746 seedlings from the seeds

Learn more at: <http://www.copel.com/uhecolider/> (only in portuguese)

## Fauna

The fauna is impacted primarily by interference in the animal's habitats during the construction phase of the projects and the presence of workers on the sites.

To mitigate these impacts and to learn more about the local fauna, Copel promotes scientific monitoring and rescue programs, through which the possible endangered or threatened, invasive and poisonous species are identified.

The programs prioritize the relocation of fauna and, if not possible, the species are rescued and receive veterinary care before being moved to specialized centers or return to their natural environment, suitable for their survival.

The presence of invasive and poisonous species is communicated to the community, especially if they transmit diseases, therefore minimizing possible risks.

### Initiatives

**G4-EN13, G4-EU13**

#### Urban Forests Program

Since 2007, Copel has supported local governments in planning the planting of trees at urban areas, contributing to the environmental improvement of cities and reducing power supply outages caused by the encroachment of trees on electrical systems.

In 2014, we produced 55,000 tree seedlings. Through five partnerships signed with City Halls, 422 trees that offered risks to energy networks were removed and provided 3,350 saplings for the planting of trees on urban areas. Since the program began, were already removed 5,442 trees and provided 19,663

saplings. Copel's goal is to provide 12,000 seedlings for at least 25 municipalities next year.

The Company also encourages the professionalization of tree planting teams with the provision of training and qualification courses for managers and municipal employees. In the first cycle of training, from 2007 to 2010, 653 participants from 246 municipalities in the State of Paraná were trained. In the second cycle, which began in 2014, 236 employees from 141 municipalities have already been trained and six new courses are planned for 2015.

### Riparian Forests Program

Copel performs the reforestation and the protection of Permanent Protected Areas (PPAs) in the Company's (and third-party) areas, in order to recover degraded areas and/or preventing their degradation, contributing to the improvement of reservoir water quality, preventing erosion and conserving biodiversity.

The seedlings used in reforestation are produced in six forest parks maintained by the Company. Since the program began in 2006, more than 150,000 meters of PPAs have been protected and 650 hectares reforested with more than 1.15 million seedlings in the surrounding areas of its hydroelectric plants, in addition to the donation of over 111,000 seedlings as environmental compensation for the installation of transmission lines.

In 2014, 206,000 seedlings of native species were planted – exceeding the planned target of 120,000 seedlings – reforesting approximately 105 hectares and protecting 15.5 km – and 11,335 seedlings were donated for environmental compensation due to transmission lines. The goal for 2015 is to plant at least another 100,000 seedlings.

## LEARN MORE!

Urban Forests Program: <http://goo.gl/C0368M>

Riparian Forests Program: <http://goo.gl/UG320e>

### Botanical Garden

Copel maintains the Faxinal do Céu Botanical Garden, located in the south central region of Paraná, focused on conservation and research of plant species. The Botanical Garden – which is located in an area of 152 hectares of native vegetation and has one of the largest collections of exotic ornamental plants in the country – attracts an average of 5,000 visitors annually and is often used by educational institutions for environmental education and practical biology classes for undergraduate and graduate students.

In 2014, The Botanical Garden welcomed 3,200 visitors and R\$353,000 was invested in its maintenance.

Copel produces seedlings in six tree farms located in different regions of Paraná, focused on environmental compensation for the implementation of its projects. In 2014, we produced about 515,000 seedlings for the Riparian Forest and Urban Forests Program, and the forecast for 2015 is to produce 370,000.

In addition, the Company invests approximately R\$1.7 million per year for the preservation of 10,000 hectares of primary Atlantic rainforest in the state of Paraná, which serves as a refuge for several species of local fauna, especially felines such as the jaguar. In October 2014, some of these areas were included in the Guaricana National Park.

## Participation in government programs of the state of Paraná

Copel participates in the Paraná Bioclimate program, which proposes the adoption of strategies for biodiversity conservation and mitigation of global climate change.

The Company's is involved in the Altered Areas Recovery and Environmental Monitoring projects, which provides the landscape planning and systematized monitoring by high-resolution satellite images for the Bioclimate database.

## Monitoring of Ichthyofauna

Copel monitors the fish in its reservoirs located in the state of Paraná and promotes the repopulation of fish in the Iguaçu River basin.

In 2014, 127,728 fingerlings were released in six own reservoirs, in the five different municipalities, with the support of two educational and research institutions.

The release was below the expected average of 150,000 fingerlings for the year. The plan is to release 150,000 fingerlings in 2015.

In the year, after demands of local indigenous villages, the Apucarantina plant's reservoir, Fiú, was also repopulated, with the acquisition and the release of native species. The program remains active in 2015.

### LEARN MORE!

Learn More About The Fish Restocking And Monitoring Program: <http://goo.gl/iL4aUr>

Since 1992, Copel has maintained a station for ichthyological studies – in the Governador Ney Braga hydroelectric plant's reservoir, on the Iguaçu River. The Company conducts studies on the behavior of the fish and selects the most appropriate native species for reproduction aimed at the repopulation of rivers. The main species studied and produced are the silver catfish (*Rhamdia quelen*), the lambari (*Deuterodon*) and the Iguaçu surubim (*Steindachneridion melanodermatum*). In 2014, about 300,000 fingerlings were produced, a number to be repeated in 2015.

Importantly, the Iguaçu surubim is an endangered species and Copel's actions are reflected in the increase of its population.

## Performance

### G4-EN11

Copel has 8,208.4 km of transmission lines between 69 kV to 500 kV. Among this total, only 78.91 km of transmission lines encroach conservation units of Full Protection, in accordance with National System of Conservation Units (SNUC). Those interferences represents 0.96% of its total length.

In 2013, it was a total of 74.71 km of interferences. This number increased by 4.2 km due to creation, in October 2014, of the Guaricana National Park, located in the Serra do Mar (coastal mountain range) in the state of Paraná.

Of the 8,208.4 km transmission lines, 71.60 km are in indigenous reserves, which represents 0.87% of total.

It is worth noting that these transmission lines were built before the implementation of the protected areas, such as the Guarani State Park, which was established 26 years after the construction of the line.

Below are the Protected Areas created to offset the impact of the Company's projects on biodiversity: **G4-EN13**

- Rio dos Touros Ecological Station (Governador Ney Braga hydroelectrical plant), created in 2011, has 1,231.06 hectares in the municipality of Reserva do Iguaçu (PR).
- Tia Chica Ecological Station (Derivação do Rio Jordão hydroelectrical plant), has 423.12 hectares in the municipality of Pinhão (PR).
- Rio Guarani State Park (Governador José Richa hydroelectrical plant), created in 2000, has 2,322 hectares in the municipality of Três Barras do Paraná (PR).
- Lago Azul State Park (Mourão hydroelectrical plant), created in 1997, has 1,749 hectares in the municipalities of Campo Mourão and Luiziana (PR).

All these Protected Areas created by Copel have similar or superior biodiversity characteristics to the local areas affected by the installation of projects.

During the planning phase, Copel undertakes a detailed study of the proposed path of the transmission lines to avoid areas of environmental and social fragility. When the change of course is not technically possible, the Company takes measures such as elevating the towers in order to preserve the areas located in the right of way.

## CLIMATE CHANGES

### G4-EC2

#### Management

Copel is aware that the effects of climate change may impact the power generation, transmission and distribution businesses, so in 2011 it introduced the Climate Change Agenda, in order to establish the commitments and guidelines to be adopted in the Company's planning and operation, aimed at contributing to sustainable development.

### LEARN MORE!

Learn more about the Agenda at: <http://goo.gl/8aoxxP> (only in portuguese)

#### Initiatives

Concerned about the advance of climate change impacts in its activities and also in the society, in 2011 Copel committed to develop initiatives to mitigate and to adapt to these changes in the short, medium and long term.

The main initiatives developed by the Company are as follows:

- **Increase Copel's participation in small hydroelectric and wind farms** – Copel has prioritized the expansion of its generating complex through a matrix of low-carbon emissions, such as small hydroelectric plants and wind farms, in order to reduce environmental impact and greenhouse gas emissions. In this sense, in 2014 the Company acquired the São Bento Energia Wind Complex, with total installed capacity of 94 MW, and 49% of the Voltália Complex, with 108 MW of installed capacity. In addition, in 2014 Copel participated in two new energy auctions, and winning the Cutia Complex, with 195.6 MW of installed capacity, and the Bento Miguel Complex, with 136.4 MW of installed capacity.

- **Reduce GHG emissions** – in 2014 we implemented the Figueira Thermal Power Plant modernization project, which will increase efficiency by changing its assured energy supplies from 10.3 MW to 17.7 MW. This means that the emissions from the plant (CO<sub>2</sub>eq/MW) will be reduced, since natural resource consumption will be maintained, but with increased energy production. In addition to modernization projects, Copel invested heavily in providing and encouraging the use of video conference facilities. Currently, the Company's premises have more than 60 rooms, avoiding unnecessary travel, whenever possible.

Additionally, Copel invested in the gradual replacement of gasoline-powered vehicles with flex-fuel vehicles as a way to encourage the use of renewable fuels, in order to reduce emissions from its own fleet. The success of this initiative was confirmed as the Company overcame the goal of 5% reduction

In 2015, Copel will participate in the Business for Climate (EPC – Empresas pelo Clima) program, created by the FGV's Sustainability Study Center, in order to enhance its vulnerability analysis process towards climate change. The Company will also attend the CiVia program (Ciclo de Vida Aplicado) in order to discuss the carbon footprint in production processes.

in GHG emissions by 2014, reaching 8.2% reduction.

- **Study the risks and opportunities related to the possible effects of climate change on the business** – with participation in the Aneel's R&D research project "Climate change effects the hydrological make up of river basins and on the energy guaranteed from hydroelectric plants", which studied the impacts of climate change on hydroelectric reservoirs, concluding Aneel's R&D research project "Evaluation of greenhouse gases (GHG) at the reservoir's area of influence under construction (case study: Mauá)".

- **Participate in national programs that encourage the reduction of greenhouse gas emissions (GHG)** – Since 2009, Copel has participated in the GHG Protocol Program. It is also participates institutionally in the Paraná Forum on Climate Change, discussing policies and actions related to climate change.

#### Performance

CO<sub>2</sub>\* emissions reported for 2014 are preliminary, as scopes 1 and 2 are still in the process of verification by a third-party firm. Emissions from Scope 3 were not informed because the inventory was not completed by the time of this report.

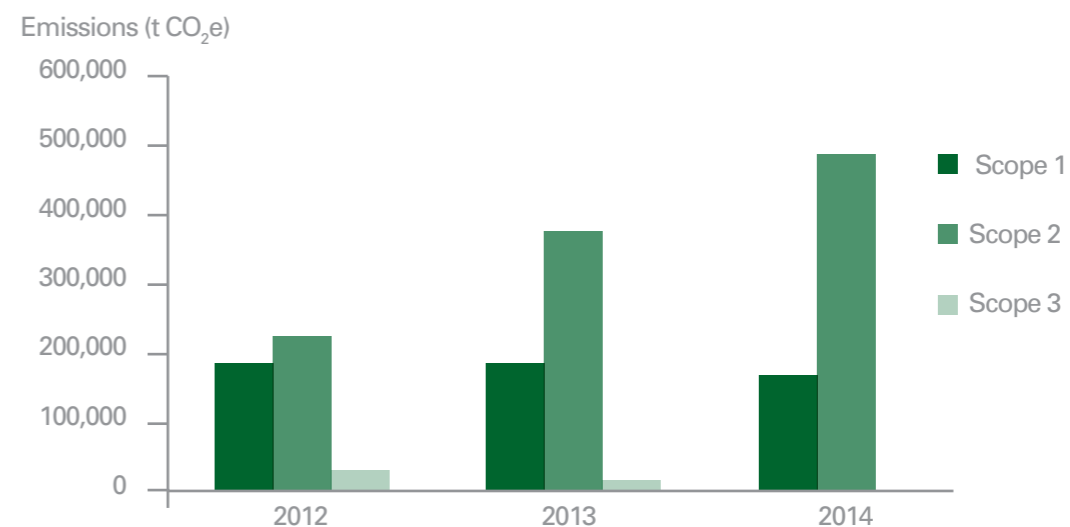
\*Information includes Copel Distribution, Copel Generation and Transmission and Copel Telecommunication.

#### G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19

| Greenhouse Gas Emissions (CO <sub>2</sub> ton)*                                                            | 2012    | 2013    | 2014    | Variation 2014 x 2013 (%) |
|------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------------------------|
| Scope 1                                                                                                    | 195,061 | 196,960 | 175,306 | -8.71                     |
| Scope 2                                                                                                    | 223,303 | 369,213 | 482,309 | 30.63                     |
| Scope 3                                                                                                    | 15,403  | 14,370  | -       | -                         |
| Emissions intensity (scope 1 and 2 – CO <sub>2</sub> ton) x Net Operating Revenue reached in R\$ thousand) | 0.049   | 0.061   | 0.047   | -22.96                    |

\* UTE Araucária emissions were not included, as the emissions inventory is accounted by the method of operational control.

Upon completion of the inventory of scope 3 and external verification, the data will be published in the Brazilian GHG Protocol Program's public records, scheduled for the beginning of this years' second half, provided on the following link <https://registropublicodeemissoes.com.br/index.php/participantes> (only in portuguese)



It is observed in the graph that, in 2014, scope 1 emissions had a slight decrease due to less consumption of coal by the Figueira thermal plant (because of plant's maintenance) and to less consumption of fuel by Company fleet. Scope 2 emissions increased due to the demand of thermal plants by the National Electric System Operator (ONS).



## OPERATIONAL AND ECONOMIC PERFORMANCE

Scenario

Excellence in Cost, Processes and Quality

Operational Efficiency

Economic-Financial Performance



Porto da Barra/Salvador, Bahia State

The main guidelines that drive Copel in the quest for a consistent economic and operational performance are its vision, mission and values. The search for excellence in costs, processes and quality directs the Company to the achievement of its vision and the execution of its strategic plan.

The following contains the economic and regulatory information for the year, as well as the Company's operational performance and results achieved.

## SCENARIO

### Macroeconomic

In 2014, the Brazilian economic environment showed inferior results compared to those of its peers, with growth in GDP estimated at -0.15%, inflation close to the ceiling of the fluctuation band (6.41%), a trade deficit of US\$3.9 billion and rising public debt (primary deficit equivalent to 0.6% of GDP), in a year marked by the fall in commodity prices, by the crisis in Argentina, one of its major trading partners, by the unfolding of Operation "Lava-Jato" and an increased Selic rate, which ultimately should help balance the effects of the adjustment to be promoted in the US yield curve.

For 2015, GDP is forecast to reduce by 0.7%, while inflation is to be 7.8%, pressured by administered prices. The way the economy will react to fiscal and monetary measures to be taken throughout the year will be critical to put the country back on track in terms of foreign investment.

In Paraná, preliminary data from the Paraná Institute for Economic and Social Development (Ipardes), indicated that the state's GDP expanded 0.8% in 2014 and will expand by 1.0% in 2015. After three consecutive years of high growth, the dynamism of the local production base was affected by the disruption of information accompanying the Brazilian economy since 2011.

### Regulatory

The impact of possible energy shortages and subsequent rationing has a strong impact on the results of the energy business.

According to data from Aneel, approximately 63.0% of the current Brazilian installed capacity comes from hydroelectric generation plants.

In the hydroelectric generation segment, the unfavorable hydrological conditions may result in downgrade of Assured Energy. When the generation is less than the assured energy of the plants of the National Interconnected System (SIN), the proportional division of the deficit between the participants of the Energy Reallocation Mechanism (MRE) becomes mandatory, which may result in exposure to the Short Term Energy Market (MCP) and the Settlement of Differences Price (PLD).

In addition, unfavorable hydrological conditions can also result in low supply of electricity to the Brazilian market and cause, among other things, the implementation of comprehensive electricity conservation programs (rationalization), including compulsory consumption reductions (rationing).

### *Extension of concessions* 64-13

Copel seeks to mitigate the impacts of sector regulation in its economic and operational management. Currently, the main regulatory factor which could possibly impact business is Law N° 12,783, approved in 2013, with regard to early renewal of concession licenses and the reduction of tariffs and revenues.

Law N° 12,783/2013 provides that generation, transmission and distribution concessions – that have already been renewed and expire between 2015 and 2017 – may have another extension, as long as the concession holder anticipates the termination of the concession in up to 60 months, renouncing its contract rights.

The impact of this law on Copel Geração is 5.7% in installed capacity during the period.

Details about the concessions are in the Management Report item 3.2 sectoral analysis at: <http://goo.gl/Cr42q7> (only in portuguese)

Under this new model, remuneration shall be based on the tariff calculated by Aneel (Brazilian Energy Agency) for each hydroelectric plant. The value proposed by the Agency covers operation and maintenance expenses and charges and taxes.

However, it does not take into account the necessary investments for modernization, remodeling, equipment and any contingency – usually expensive, depending on the nature of the operations.

The uncertainty generated by this scenario as to the feasibility of maintaining the services provided by the plants, in addition to the small impact of these operations on Copel’s revenue generating capacity, led the Company deciding not to renew the concessions of four plants that are due to expire in 2014 and 2015: Rio dos Patos, Governador Pedro Viriato Parigot de Souza, Mourão and Chopim I.

| PLANTS                                              | Installed Capacity (MW) | Assured Energy (MW) | Concession Expiration |
|-----------------------------------------------------|-------------------------|---------------------|-----------------------|
| Gov. Bento Munhoz da Rocha Netto (Foz do Areia)     | 1,676                   | 576                 | 05.23.2023            |
| Gov. Ney Aminthas de B. Braga (Segredo)             | 1,260                   | 603                 | 11.15.2029            |
| Gov. José Richa (Salto Caxias)                      | 1,240                   | 605                 | 05.04.2030            |
| Gov. Pedro V. Parigot de Souza (Capivari-Cachoeira) | 260                     | 109                 | 07.07.2015            |
| Mauá <sup>(1)</sup>                                 | 185                     | 100                 | 07.03.2042            |

<sup>(1)</sup> Corresponds to Copel’s share (51% of the development, of 363 MW).

As for the transmission concessions, to be renewed for a further 30 years, the law enables the concession holder to carry out investments, leading Copel to decide on the renewal of the contracts.

In 2015, Copel should also renew its distribution contracts, which provide for the extension of the concession for another 30 years.

On December 10, 2014, the fourth contract amendment was signed, establishing the conditions for possible reversal of assets and related facilities/installations, ensuring full compensation for reversible assets, as well as all assets or liabilities from any failure or tariff reimbursement.

To follow the results of the tariff review process over the period, go to the section “3.3.1.3. Distribution” of the Company’s Management Report, available at: <http://goo.gl/Cr42q7> (only in portuguese)

### Energy planning G4-EU6

Copel conducts market planning through a partnership with the Paraná Institute for Economic and Social Development (Ipardes), which develops an Economic Scenario Analysis for the State of Paraná and Brazil. This analysis includes qualitative

and quantitative information that enables – together with other relevant variables, obtained from other agencies – the development of possible scenarios for the behavior of the demand for energy and power.

The energy demand forecast subsidizes the Company's purchase strategies in auctions, while the power demand forecast allows for the planning of the expansion of its operations.

In addition, to ensure the availability of electricity in the state of Paraná, Copel Distribuição has an investment plan – reported to Aneel through the PDD (Distribution Development Plan) – with a five-year horizon for a low and medium voltage system and ten-year horizon for high voltage system.

The plan provides for construction works identified from the diagnosis of electrical system problems obtained in computer simulation.

## EXCELLENCE IN COST, PROCESSES AND QUALITY

Since 2011, Copel has focused on cost efficiency, an effort that has grown in recent years due to the extraordinary review of the electricity tariff, which occurred as a result of Law N° 12,783.

The 2014 fiscal year presented a very challenging scenario for the Brazilian electricity sector and, in this context, the Company has been acting to optimize its structure in order to meet new challenges, as well as acting towards business expansion, particularly in the renewable energy sector.

Also in 2014, Aneel released, in a new public hearing, the revision of Resolution 334/2008, which will guide the sharing of administrative support activities between companies in the

same economic group, which may represent a new opportunity to reduce costs, also under evaluation by the Company.

Given this context, Copel is continually searching for excellence in cost management, always alert to the quality of services provided, which can be observed with the awards received by the Company regarding the quality of service and customer evaluation.

Personnel costs saw a reduction of 4%, mainly due to the lower number of employees and other management actions, while the cost of services provided by third parties remained stable, representing, in real terms, a gain for the Company.

### *Innovation* G4-EU7

In Curitiba, Copel develops a smart grid electricity pilot project designed to enhance the quality of services and the capacity in both the power and telecommunications systems.

The project consists of allowing complete automation of the power grid and therefore:

- Human interface is no longer required to isolate sections with outages and rely on automatic reconfiguration of the system after an interruption of supply.
- Measure energy, water and gas in an integrated and automated way, reducing operational costs for these services.
- Conduct tests aimed at building automation and integration with the smart grid for charging electric cars, bicycles and buses.
- Promote the distributed microgeneration by solar and wind sources.

The implementation of the Company's intelligent network is part of the Smart Energy Paraná program, created in 2013 by the state government to encourage distributed generation from renewable sources.

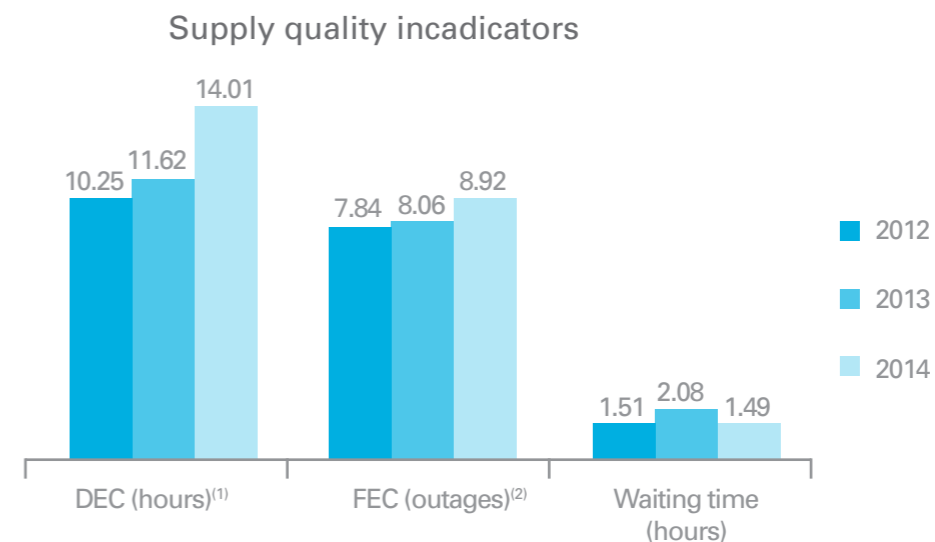
In 2014, Copel invested R\$50 million in the project, totaling R\$350 million, planned for the years 2010 to 2014.

Distributed generation is a concept that has been studied and developed in the country with the goal of transforming small consumers, located near other end consumers, in power generators. For example, a building starts to generate energy from solar panels, which supplies its own consumption and returns to the system the surplus energy.

The potential benefits of distributed generation, when the project achieve greater scale, include minimizing technical losses in transmission and distribution lines, power generation with lower costs and environmental impacts compared to traditional generation and higher system stability and reliability.

## OPERATIONAL EFFICIENCY

Copel annually sets targets for reducing the frequency (FEC) and duration (DEC) of power outages.



(1) DEC measured in hours and hours centesimal.

(2) The FEC indicator number has been corrected in relation to the published in the Company's Financial Statements, since the need for reprocessing that generated the change was identified. However, the difference between the indicators has already been rectified with the regulatory authority (Aneel).

In 2014, a number of factors contributed to the DEC and FEC indicators exceeding Copel's limit, which included the following:

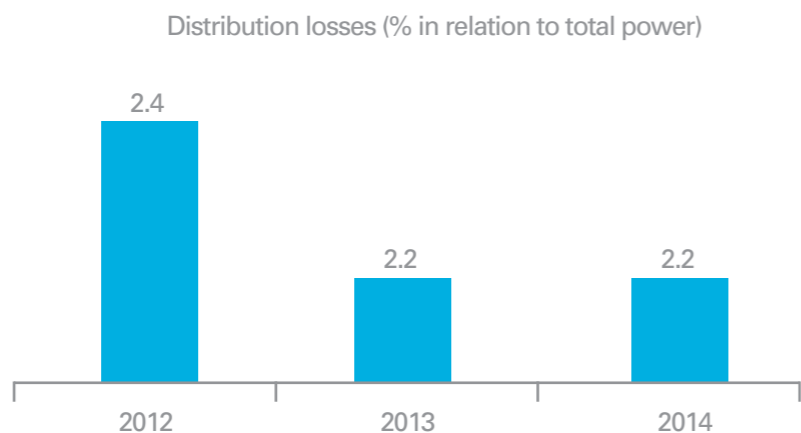
- Increased severity of weather events compared to previous years, including the months that are normally considered "dry". An example was the floods that occurred in June, causing 147 municipalities to declare an emergency or disaster.
- Load Record (5,668 MW) in February, with high demand value causing "stress" in networks, in addition to operating restrictions and contingencies.
- Increased outages to carry out improvement works related to the expansion of investment.

Copel's targets for 2015 are: 11.13 (hours and centesimal hours) for the DEC and 8.06 (outages) for the FEC.

#### G4-EU28, G4-EU29

The transmission operation, in turn, may record losses of the overall system, divided proportionally between generators and distributors and calculated by the Electrical Energy Commercialization Chamber (CCEEN).

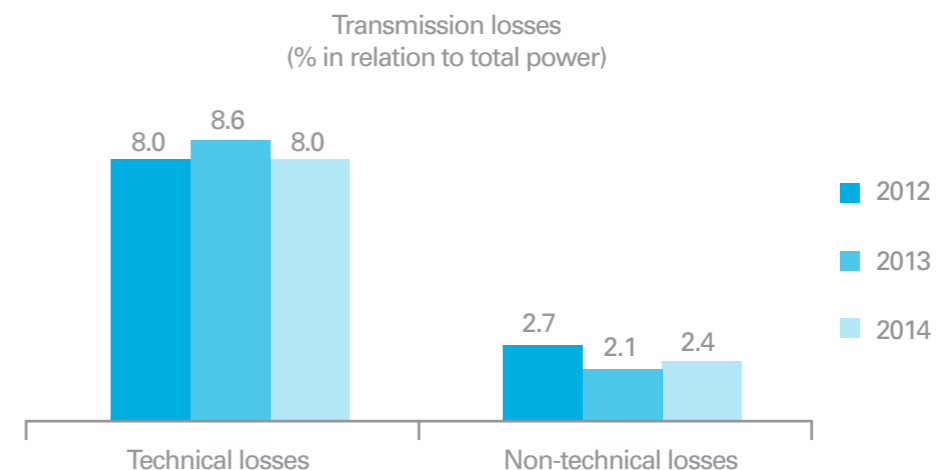
#### G4-EU12



These losses are managed by the Market and Regulation Department, which tracks monthly the accumulated losses indicator, over a twelve-month period. Technical losses are calculated by the Distribution Expansion Planning Department and non-technical losses by the Non-Technical Losses Department, which has employees in all regional offices dedicated to combating illegal connections.

In the generation activities, the average indicator of availability of the plants is monitored, which measures the number of hours of outage with at least two weeks of planning (HPO), unplanned outage (HUO) and the factor between the hours of operation and the total hours of the period (AAF).

#### G4-EU30



| SOURCE                                         | 2012          |               |             | 2013          |               |             | 2014          |               |             |
|------------------------------------------------|---------------|---------------|-------------|---------------|---------------|-------------|---------------|---------------|-------------|
|                                                | HPO (1)       | HUO (2)       | AAF (3)     | HPO (1)       | HUO (2)       | AAF (3)     | HPO (1)       | HUO (2)       | AAF (3)     |
| Own Hydroelectric Plants                       | 36,346        | 21,130        | 0.92        | 42,700        | 22,370        | 0.94        | 66,390        | 29,578        | 0.94        |
| Hydroelectric Plants in which Copel has Shares | 3,686         | 1,167         | 0.92        | 5,732         | 5,287         | 0.88        | 3,430         | 761           | 0.95        |
| Own Thermal Power Plant                        | 846           | 4,504         | 0.7         | 2,024         | 1,908         | 0.78        | 720           | 5,643         | 0.64        |
| Thermal Power Plant in which Copel has Shares  | 618           | 108           | 0.97        | 1,459         | 31            | 0.94        | 1,426         | 325           | 0.93        |
| <b>COMPOSIÇÃO TOTAL</b>                        | <b>41,496</b> | <b>26,909</b> | <b>0.92</b> | <b>51,915</b> | <b>29,596</b> | <b>0.93</b> | <b>71,966</b> | <b>36,307</b> | <b>0.94</b> |

(1) Number of hours of planned outage in energy generation (planned at least two weeks in advance).

(2) Number of hours of non-planned outage in energy generation (planned at least two weeks in advance).

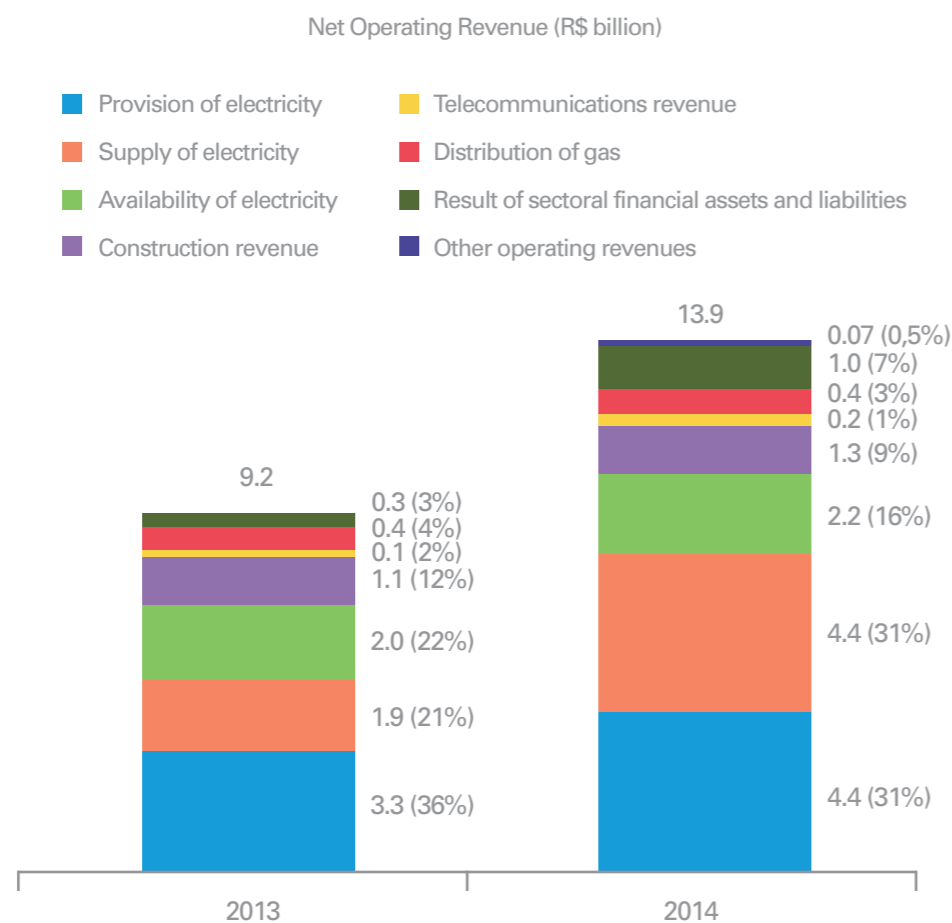
(3) Average energy availability factor by energy source (total hours plant is in operation during period/total hours during period)

## ECONOMIC AND FINANCIAL PERFORMANCE

### Net Operating Revenue

64-9

In 2014, Copel's net operating revenue reached R\$13.9 billion, an increase of 51.6% compared to 2013. This result is mainly due to the recognition of R\$1.0 billion related with the result of sectoral financial assets and liabilities, the sale of power of Araucária thermal power plant, the allocation of power generated in the short term market, the increase of 24.86% in the Copel Distribuição's tariffs, applied from June 2014, and growth of 3.5% in Copel's total market.

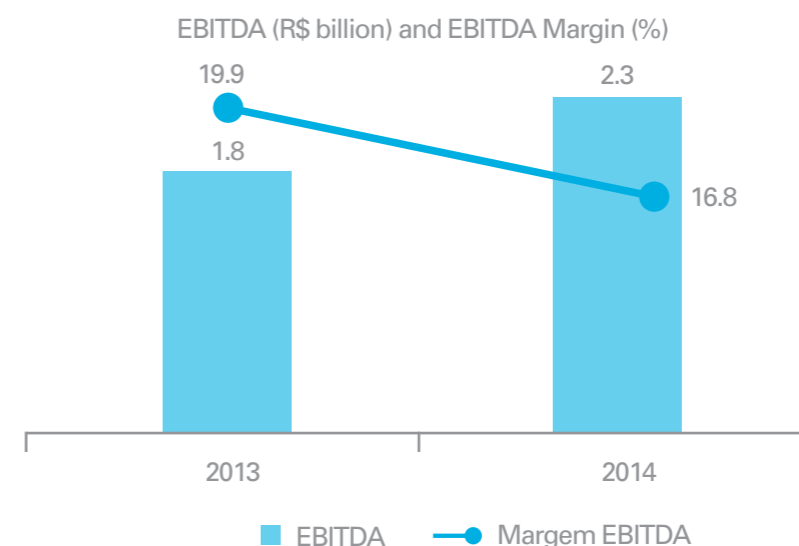


### Operating Costs and Expenses

In 2014, operating costs and expenses totaled R\$12.4 billion, 53.3% higher than in 2013. This increase follows the evolution of net revenue and is mainly due to the higher cost of acquisition of energy for resale, the purchase of natural gas and supplies for the gas business due to the sale of the Araucária thermal power plant, and greater recognition of provisions and reversals due to the recognition of R\$807.3 million related to the impairment of assets of the generation segment.

### Net Income and EBITDA

Net income for the period grew by 18.2%, compared to 2013, totaling R\$1.3 billion. EBITDA, in turn, was expanded by 27.9% compared to 2013, reaching R\$2.3 billion in the period. The indicator measures, in a simplified way, the Company's operational generation of cash, i.e., how they generate resources in their operations.

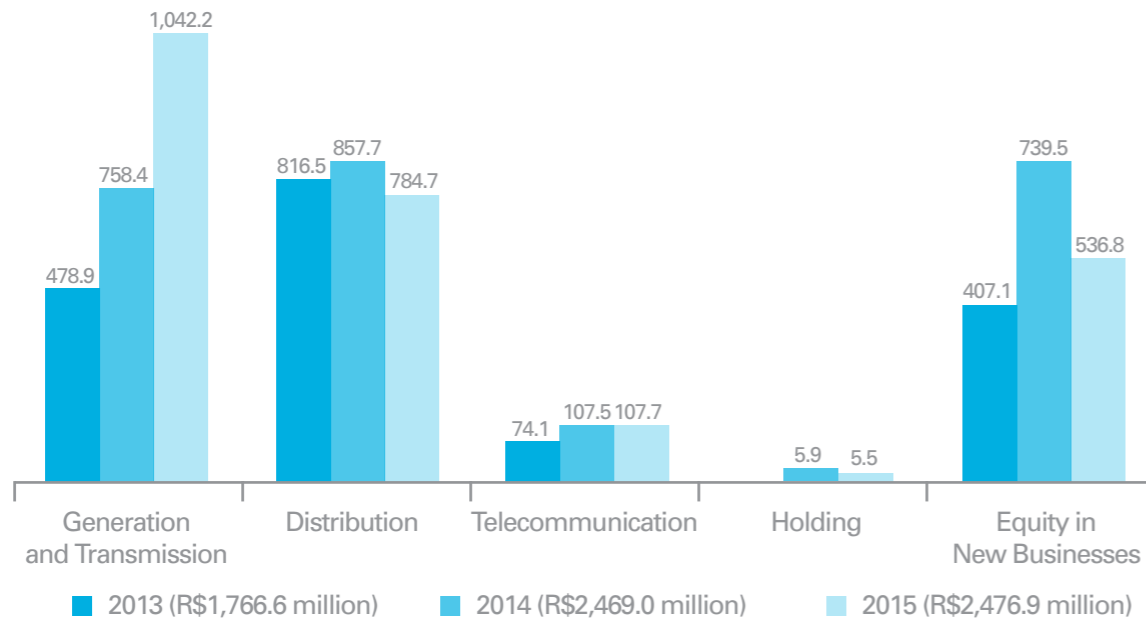


## Investments

The Company needs capital and liquidity in order to finance the expansion and improvement of generation, transmission and distribution infrastructure.

In 2014, Copel invested R\$2.5 billion in its business and intends to invest the same amount for 2015, in accordance with a program approved by the Board of Directors. The amount invested in 2014 was slightly lower than expected at the end of 2013, which was R\$2.6 billion.

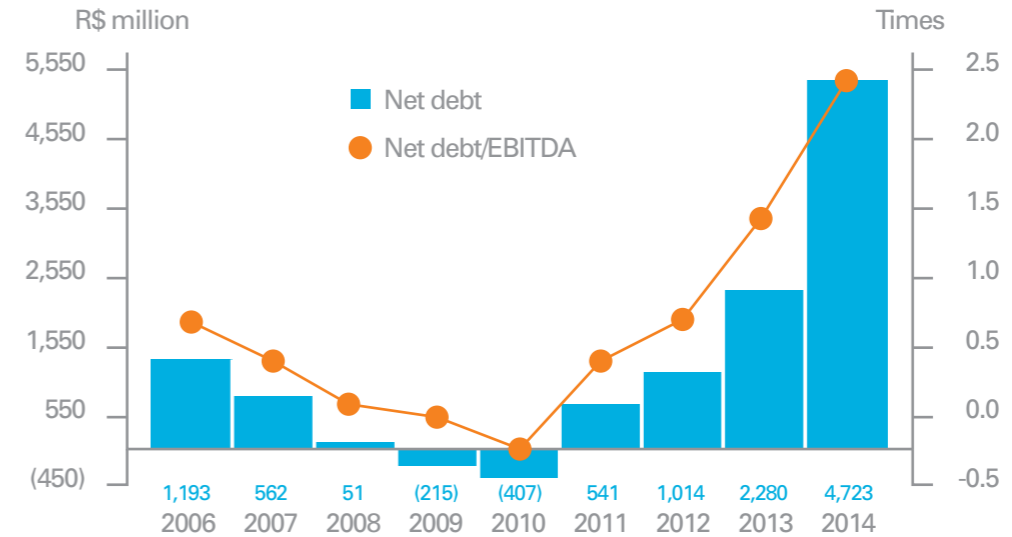
Investments (R\$ million)



Historically, Company has financed its liquidity and need of capital mainly with resources from its operations and external financing.

Copel Consolidated net debt (loans, financing and debentures, less cash and equivalents) and the Net Debt/EBITDA ratio are presented in the following graph:

G4-9





## SOCIAL BALANCE SHEET



Florianópolis, Santa Catarina State

The following is the Company's 2014 Social Balance Sheet. In the first column on the left, the references "NE" and "G4" are provided.

The items "NE" are to the Explanatory Notes to the Financial Statements, which provide more information about the numbers

presented in this Report. To learn more about them, go to the Financial Statements and search the corresponding notes in: <http://goo.gl/Cr42q7> (only in portuguese)

The "G4" items have additional information to GRI indicators that can be known in the "GRI index".

**Social Balance Sheet**  
**On December 31, 2014 and 2013**  
 (Amounts expressed in thousands of Reais, except when indicated otherwise)

|                                       | 2014                                               |                         | 2013                    |
|---------------------------------------|----------------------------------------------------|-------------------------|-------------------------|
| <b>1 - CALCULATION BASE</b>           |                                                    |                         |                         |
| NE 31                                 | <b>Net Revenue</b>                                 | <b>13,918,517</b>       | <b>9,180,214</b>        |
| <b>2 - INTERNAL SOCIAL INDICATORS</b> |                                                    |                         |                         |
|                                       |                                                    | <u>% of Net Revenue</u> | <u>% of Net Revenue</u> |
| NE 32.3                               | <b>Management remuneration</b>                     | 16,066 0.1              | 13,187 0.1              |
|                                       | <b>Employee remuneration</b>                       | 754,218 5.4             | 789,784 8.6             |
|                                       | <b>Food and meals (meal allowances and others)</b> | 105,425 0.8             | 105,972 1.2             |
|                                       | <b>Mandatory social charges</b>                    | 247,826 1.8             | 255,952 2.8             |
|                                       | <b>Pension plan</b>                                | 66,972 0.5              | 66,069 0.7              |
|                                       | <b>Health (plan)</b>                               | 153,539 1.1             | 129,605 1.4             |
|                                       | <b>Training and development</b>                    | 6,829 -                 | 10,928 0.1              |
| NE 32.3                               | <b>Profit share</b>                                | 92,657 0.7              | 80,048 0.9              |
| NE 32.3                               | <b>Worker indemnities</b>                          | 6,588 -                 | 37,925 0.4              |
| (1)                                   | <b>Other benefits</b>                              | 10,513 0.1              | 11,705 0.1              |
|                                       | <b>Total</b>                                       | <b>1,460,633 10.5</b>   | <b>1,501,175 16.4</b>   |
| <b>3 - EXTERNAL SOCIAL INDICATORS</b> |                                                    |                         |                         |
|                                       |                                                    | <u>% of Net Revenue</u> | <u>% of Net Revenue</u> |
|                                       | <b>Culture</b>                                     | 13,016 0.1              | 5,910 0.1               |
|                                       | <b>Health and sanitation</b>                       | 4,421 -                 | 1,200 -                 |
|                                       | <b>Sport</b>                                       | 3,130 -                 | 1,246 -                 |
|                                       | <b>Others</b>                                      | 40,596 0.3              | 35,483 0.4              |
|                                       | Luz Para Todos Program                             | 8,181 0.1               | 20,200 0.2              |
|                                       | Morar Bem Program                                  | 19,692 0.1              | 5,697 0.1               |
|                                       | Tarifa Noturna Program                             | 4,665 -                 | 6,362 0.1               |
|                                       | Others                                             | 8,058 0.1               | 3,224 -                 |
|                                       | <b>Total contributions to society</b>              | <b>61,163 0.4</b>       | <b>43,839 0.5</b>       |
|                                       | <b>Taxes (excluding social charges)</b>            | <b>4,394,165 31.6</b>   | <b>3,663,635 39.9</b>   |
|                                       | <b>Total</b>                                       | <b>4,455,328 32.0</b>   | <b>3,707,474 40.4</b>   |

| 4 - ENVIRONMENTAL INDICATORS                               |                                                     | % of Net Revenue |            | % of Net Revenue |            |
|------------------------------------------------------------|-----------------------------------------------------|------------------|------------|------------------|------------|
|                                                            |                                                     |                  |            |                  |            |
|                                                            | Investments related to company operations           | 329,240          | 2.4        | 209,057          | 2.3        |
|                                                            | Investments in external programs and/or projects    | 624              | -          | 315              | -          |
|                                                            | <b>Total</b>                                        | <b>329,864</b>   | <b>2.4</b> | <b>209,372</b>   | <b>2.3</b> |
| (2)                                                        | Number of environmental sanctions                   | 2                |            | 5                |            |
| G4-EN29                                                    | Value of environmental sanctions (thousands of R\$) | 1,600            |            | 31,583           |            |
| NE - Explanatory Note                                      |                                                     | 2014             |            | 2013             |            |
| <b>5 - LABOR FORCE INDICATORS (including subsidiaries)</b> |                                                     |                  |            |                  |            |
|                                                            | Employees at end of year                            | 8,777            |            | 8,815            |            |
| G4-LA12                                                    | Admissions during year                              | 235              |            | 391              |            |
|                                                            | <b>Employee schooling:</b>                          | Total            | Men        | Women            | Total      |
|                                                            | Total Higher and postgraduate                       | 3,849            | 2,684      | 1,165            | 3,837      |
|                                                            | Total Secondary                                     | 4,802            | 4,044      | 758              | 4,835      |
|                                                            | Total Primary                                       | 126              | 124        | 2                | 143        |
|                                                            | <b>Employee age group:</b>                          |                  |            |                  |            |
| (3)                                                        | Abaixo de 18 anos                                   | -                |            |                  | 11         |
|                                                            | From 18 to 30 years (exclusive)                     | 1,331            |            |                  | 1,612      |
|                                                            | From 30 to 45 years (exclusive)                     | 4,159            |            |                  | 4,067      |
|                                                            | From 45 to 60 years (exclusive)                     | 3,232            |            |                  | 3,083      |
|                                                            | Over 60 years                                       | 55               |            |                  | 42         |
|                                                            | <b>Women working in the company</b>                 | 1,927            |            |                  | 1,906      |
|                                                            | <b>% Women in management positions:</b>             |                  |            |                  |            |
|                                                            | in relation to total n° of women                    | 5.3              |            |                  | 4.6        |
|                                                            | in relation to total n° of managers                 | 20.6             |            |                  | 18.6       |
|                                                            | <b>Black people working in the company</b>          | 1,002            |            |                  | 981        |
|                                                            | <b>% Black people in management positions:</b>      |                  |            |                  |            |
|                                                            | in relation to total n° of black people             | 2.7              |            |                  | 3.0        |
|                                                            | in relation to total n° of managers                 | 5.4              |            |                  | 6.1        |
|                                                            | <b>Employees with special needs</b>                 | 195              |            |                  | 178        |
|                                                            | <b>Dependents</b>                                   | 16,256           |            |                  | 15,998     |
| (4)                                                        | <b>Third-parties</b>                                | 5,895            |            |                  | 5,626      |
| (5)                                                        | <b>Apprentices</b>                                  | 177              |            |                  | 235        |
| (5)                                                        | <b>Interns</b>                                      | 313              |            |                  | 285        |
| (6)                                                        | <b>N° of labor suits in course at end of year</b>   | 4,836            |            |                  | 3,432      |
|                                                            | <b>N° of labor suits terminated at end of year</b>  | 540              |            |                  | 1,070      |

**6 - RELEVANT INFORMATION ON CORPORATE CITIZENSHIP**

|     |                                                                                                                     |                                          |                                          |
|-----|---------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| (6) | <b>Ratio of highest to lowest remuneration in the company</b>                                                       | <b>19</b>                                | <b>21</b>                                |
|     | <b>Total number of work accidents</b><br>(including accidents involving third-parties)                              | <b>266</b>                               | <b>273</b>                               |
|     | <b>Total number of consumer complaints and criticisms:</b>                                                          |                                          |                                          |
|     | to company                                                                                                          | <b>34,106</b>                            | <b>46,958</b>                            |
|     | at Procon                                                                                                           | <b>515</b>                               | <b>507</b>                               |
|     | in court                                                                                                            | <b>2,680</b>                             | <b>1,703</b>                             |
|     | <b>% of complaints addressed or resolved:</b>                                                                       |                                          |                                          |
|     | to company                                                                                                          | <b>100.0%</b>                            | <b>100.0%</b>                            |
|     | at Procon                                                                                                           | <b>95.0%</b>                             | <b>94.9%</b>                             |
|     | in court                                                                                                            | <b>17.2%</b>                             | <b>24.0%</b>                             |
|     |                                                                                                                     | <b>2014</b>                              | <b>Targets 2015</b>                      |
|     | The company's social and environmental projects were defined by                                                     | <b>Board and management</b>              | <b>Board and management</b>              |
|     | Work place safety and sanitary standards were defined by:                                                           | <b>all + Cipa</b>                        | <b>all + Cipa</b>                        |
|     | Regarding freedom of association, right to collective bargaining and internal worker representation, the company:   | <b>incentivizes and follows ILT/will</b> | <b>incentivizes and follows ILT/will</b> |
|     | Private pension plan covers:                                                                                        | <b>all</b>                               | <b>all</b>                               |
|     | The profit share scheme covers:                                                                                     | <b>all</b>                               | <b>all</b>                               |
|     | In selecting suppliers, the same ethical, social responsibility and environmental standards adopted by the company: | <b>are required/will</b>                 | <b>are required/will</b>                 |
|     | Regarding employee participation in volunteer work, the company:                                                    | <b>organizes and encourages it/will</b>  | <b>organizes and encourages it/will</b>  |

|        |                                                  |                  |                  |
|--------|--------------------------------------------------|------------------|------------------|
| G4-EC1 | <b>7 - GENERATION AND DISTRIBUTION OF WEALTH</b> | <b>2014</b>      | <b>2013</b>      |
|        | <b>Total added value for distribution</b>        | <b>7,835,476</b> | <b>6,608,123</b> |
|        | <b>Distribution of Added Value:</b>              |                  |                  |
|        | Third parties                                    | 8.9%             | 6.5%             |
|        | Personnel                                        | 15.5%            | 18.4%            |
|        | Government                                       | 58.6%            | 58.4%            |
|        | Shareholders                                     | 9.6%             | 4.9%             |
|        | Retained                                         | 7.4%             | 11.8%            |

## 8 - OTHER INFORMATION

- Since 2010, the Instituto Brasileiro de Análises Sociais e Econômicas - Ibase has no longer prescribed its standard model Social Balance Sheet understanding that this tool and methodology are already broadly disseminated among companies, consultancies and institutes that promote corporate social responsibility in Brazil. For this reason, Copel, which had used this model since 1999, decided, upon Ibase advice, to improve its Social Balance Sheet, addressing information requested in NBCT 15 with a view to ensuring transparency.

- The explanatory notes - NEs are an integral part of the Financial Statements and also contain other socio-environmental information not covered in this Social Balance Sheet.

- This Social Balance Sheet contains data related to the Copel holding company, wholly owned subsidiaries, associated companies and consortiums due to the consolidation of their results with Copel's, except when indicated otherwise.

(1) The item Other benefits consists of: Complementary disability compensation, Extended Maternity leave, Insurances, Additional transportation ticket and Disability allowance and Accidental death allowance.

(2) This information refers to socio-environmental fines and notifications for the Copel holding company and Copel Distribuição S.A., Copel Geração e Transmissão S.A, Copel Telecomunicações S.A., Copel Participações S.A. and Copel Renováveis S.A. The original amounts are disclosed; these may be altered in accordance with the administrative defense presented to the environmental body. The values of the sanctions are proportionate to participation of Copel in those businesses. Amounts related to Terms of Commitment - TCs and Terms of Conduct Adjustment - TACs are classified as external social or environmental, depending on the specific nature of each.

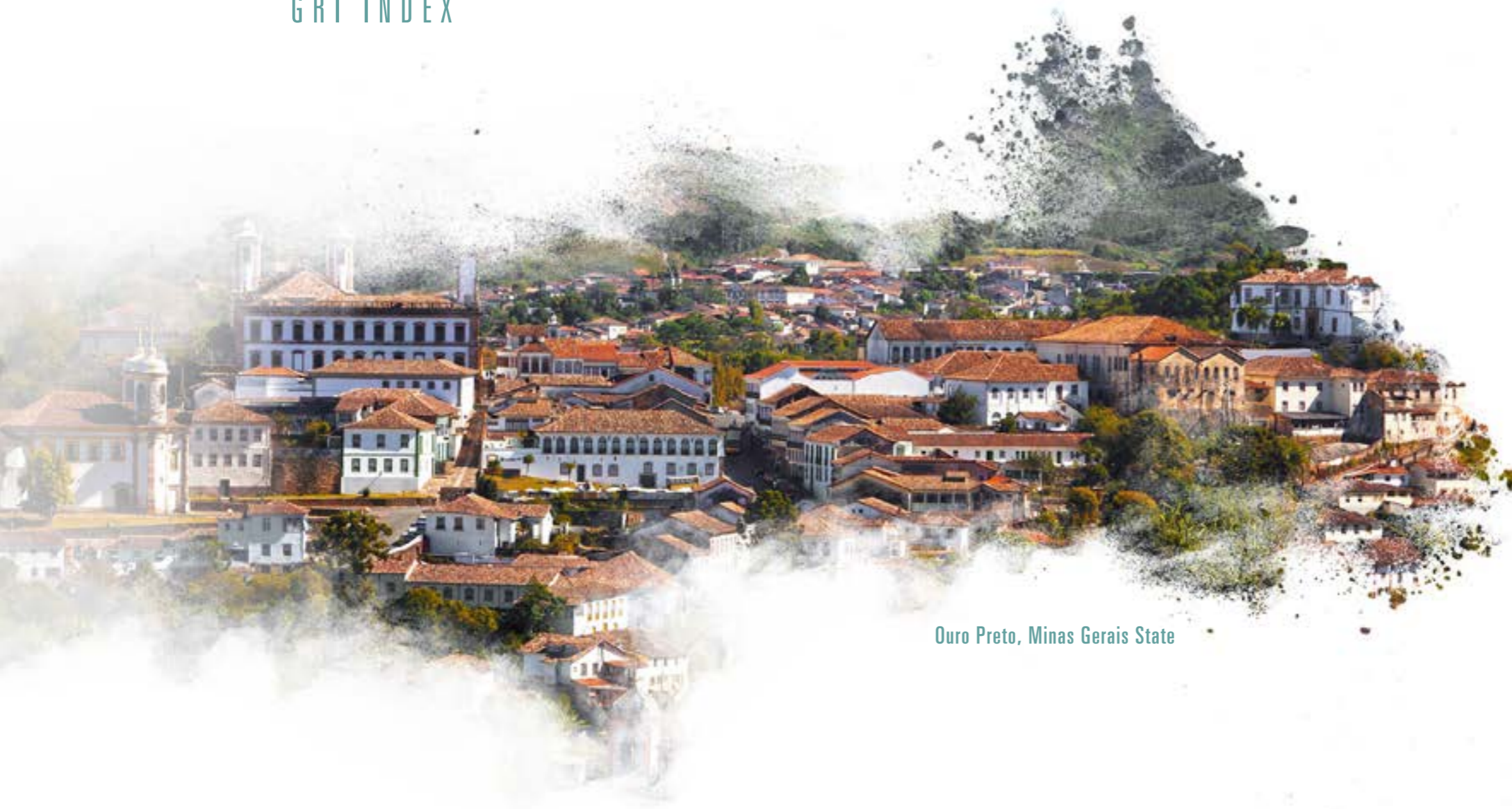
(3) Refers to the apprentice program in conflict with the law, which ended in 2014.

(4) This number corresponds to the total number of third-party workers contracted during the year regardless of the number of hours worked. It does not represent the number of outsourced work posts. Neither does it cover the third parties engaged in the implantation of the works of Copel Geração e Transmissão and the subsidiaries (Plants, Transmission Lines and Substations) or those engaged in the expansion of the Copel Telecom system.

(5) Not part of the employee body.

(6) This information refers only to the Copel holding company and the Copel wholly owned subsidiaries: Copel Distribuição S.A., Copel Geração e Transmissão S.A., Copel Telecomunicações S.A., Copel Participações S.A. and Copel Renováveis S.A.

## GRI INDEX






Ouro Preto, Minas Gerais State

**G4-32**






















The following table shows the indicators of the GRI guidelines reported in this publication and the identification of its location throughout the report's content, or even its direct answer.

The symbol shows which procedures were used to the external verification

 Procedure (g)     
  Procedures (a) to (d)     
  Procedures (a) to (f)

See the description of each procedure at the Auditors' Report



| <b>Profile</b>                                   |                                                                                                                                                                                                                                                                                                               |                                                     |                                                                                       |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>1. Strategy and Analysis</b>                  |                                                                                                                                                                                                                                                                                                               |                                                     |                                                                                       |
| <b>GRI Indicators</b>                            |                                                                                                                                                                                                                                                                                                               | <b>Reference (page) / Direct answer</b>             | <b>External verification</b>                                                          |
| G4-1                                             | Statement from person responsible for the relevance of sustainability to the organization                                                                                                                                                                                                                     | Pages 2 e 3                                         |    |
| G4-2                                             | Description of key impacts, risks and opportunities                                                                                                                                                                                                                                                           | Pages 2, 3, 20, 21, 24 e 35 a 39                    |    |
| <b>2. Organizational Profile</b>                 |                                                                                                                                                                                                                                                                                                               |                                                     |                                                                                       |
| G4-3                                             | Name of the organization                                                                                                                                                                                                                                                                                      | Page 10                                             |    |
| G4-4                                             | Main brands, products and/or services                                                                                                                                                                                                                                                                         | Page 10                                             |    |
| G4-5                                             | Headquarters location                                                                                                                                                                                                                                                                                         | Page 10                                             |    |
| G4-6                                             | Number of countries where the organization operates                                                                                                                                                                                                                                                           | Page 10                                             |    |
| G4-7                                             | Type and legal nature of the property                                                                                                                                                                                                                                                                         | Page 10                                             |   |
| G4-8                                             | Markets served                                                                                                                                                                                                                                                                                                | Page 12                                             |  |
| G4-9                                             | Size of the organization                                                                                                                                                                                                                                                                                      | Pages 12, 27, 63 e 64                               |  |
| G4-10                                            | Labour force profile                                                                                                                                                                                                                                                                                          | Page 27                                             |  |
| G4-11                                            | Percentage of employees covered by collective bargain                                                                                                                                                                                                                                                         | 100% of employees are covered by collective bargain |  |
| G4-12                                            | Company's supply chain description                                                                                                                                                                                                                                                                            | Pages 41                                            |  |
| G4-13                                            | Significant changes in the company's structure during the period covered                                                                                                                                                                                                                                      | Pages 13, 14 e 58                                   |  |
| <b>Commitments with external initiatives</b>     |                                                                                                                                                                                                                                                                                                               |                                                     |                                                                                       |
| G4-14                                            | Explanation of whether and how the organization applies the precautionary principle                                                                                                                                                                                                                           | Pages 20, 35 e 49                                   |  |
| G4-15                                            | Letters, principles or other initiatives developed externally of economic, environmental and social nature that the organization subscribes or endorses                                                                                                                                                       | Pages 7 e 24                                        |  |
| G4-16                                            | Significant participation in national/international organizations and/or associations of defence in which the organization: has seat in groups in charge of the corporate governance; integrates projects or committees; contributes with major resources beyond the basic rate as an associated organization | Page 24                                             |  |
| <b>3. Material Aspects Identified and Limits</b> |                                                                                                                                                                                                                                                                                                               |                                                     |                                                                                       |
| G4-17                                            | List of entities included in the financial statements                                                                                                                                                                                                                                                         | Page 7                                              |  |
| G4-18                                            | Process for content definition and limits of the report                                                                                                                                                                                                                                                       | Page 7                                              |  |
| G4-19                                            | List of material issues identified in the content definition                                                                                                                                                                                                                                                  | Page 8                                              |  |
| G4-20                                            | Limit of each material aspect for the organization                                                                                                                                                                                                                                                            | Page 8                                              |  |
| G4-21                                            | Limit of each material aspect outside the organization                                                                                                                                                                                                                                                        | Page 8                                              |  |

| 3. Material Aspects Identified and Limits                                                                 |                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                      |   |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| G4-22                                                                                                     | Explanation of the effect of any re-statements of information provided in earlier reports                                                                                                                                                                                                      | Reformulations of information are identified throughout the report, together with the change of context                                                                                                                              | ● |
| G4-23                                                                                                     | Significant changes from previous reporting periods in the scope, limits of the points raised                                                                                                                                                                                                  | Page 8                                                                                                                                                                                                                               | ● |
| 4. Stakeholders Engagement                                                                                |                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                      |   |
| G4-24                                                                                                     | List of stakeholders engaged by the organization                                                                                                                                                                                                                                               | Page 8                                                                                                                                                                                                                               | ● |
| G4-25                                                                                                     | Base used for identification and selection of stakeholders for engagement                                                                                                                                                                                                                      | Page 7                                                                                                                                                                                                                               | ● |
| G4-26                                                                                                     | Approach adopted by the Company to engage stakeholders and frequency of engagement                                                                                                                                                                                                             | Page 7                                                                                                                                                                                                                               | ● |
| G4-27                                                                                                     | Main topics raised during the stakeholder engagement and measures adopted by the Company to address them                                                                                                                                                                                       | Page 8                                                                                                                                                                                                                               | ● |
| 5. Report Profile                                                                                         |                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                      |   |
| G4-28                                                                                                     | Period covered by the report                                                                                                                                                                                                                                                                   | Page 7                                                                                                                                                                                                                               | ● |
| G4-29                                                                                                     | Date of the most recent previous report                                                                                                                                                                                                                                                        | 2013                                                                                                                                                                                                                                 | ● |
| G4-30                                                                                                     | Emission cycle of the reports                                                                                                                                                                                                                                                                  | Annual                                                                                                                                                                                                                               | ● |
| G4-31                                                                                                     | Contact information for questions regarding the report                                                                                                                                                                                                                                         | Page 7                                                                                                                                                                                                                               | ● |
| G4-32                                                                                                     | Application options of the GRI Indicators guidelines (essential or comprehensive) and external verification                                                                                                                                                                                    | Page 7                                                                                                                                                                                                                               | ● |
| G4-33                                                                                                     | Description of policy and practice adopted for external verification of data                                                                                                                                                                                                                   | Page 7                                                                                                                                                                                                                               | ● |
| 6. Governance                                                                                             |                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                      |   |
| Governance structure and its composition                                                                  |                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                      |   |
| G4-34                                                                                                     | Governance structure, including committees                                                                                                                                                                                                                                                     | Page 17                                                                                                                                                                                                                              | ● |
| G4-35                                                                                                     | Process of delegation of authority in economic, environmental and social issues by the highest governance body to executives and employees                                                                                                                                                     | Page 24                                                                                                                                                                                                                              | ● |
| G4-36                                                                                                     | Designation process of positions and functions at executive level responsible for the economic, environmental and social issues and if those in charge report directly to the highest body of governance.                                                                                      | Page 24                                                                                                                                                                                                                              | ● |
| G4-37                                                                                                     | Consultation processes used between the stakeholders and the highest governance body in regard to economic, environmental and social topics. If the query is delegated to other structures, organs or persons, indication of the existing processes of feedback to the highest governance body | There isn't a direct channel of consultation and feedback between the Council and stakeholders, however the Company has several structures to dialogue and meet the demands of its stakeholders, as presented in subchapter "Ethics" | ● |
| G4-38                                                                                                     | Composition of the highest governance body and its committees                                                                                                                                                                                                                                  | Page 17                                                                                                                                                                                                                              | ● |
| G4-39                                                                                                     | Indication in case of the president of the highest governance body is also an executive officer                                                                                                                                                                                                | The President of the Board is not an Executive Director                                                                                                                                                                              | ● |
| G4-40                                                                                                     | Processes of selection and appointment to the highest governance body and its committees, including whether it is considered factors such as diversity, independence, expertise and involvement of stakeholders (including acionists)                                                          | Page 17                                                                                                                                                                                                                              | ● |
| G4-41                                                                                                     | Processes of the highest governance body to ensure the prevention and management of conflicts of interest                                                                                                                                                                                      | Page 16                                                                                                                                                                                                                              | ● |
| ROLE OF THE HIGHEST GOVERNANCE BODY ON THE DEFINITION OF PURPOSE, VALUES AND STRATEGY OF THE ORGANIZATION |                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                      |   |
| G4-42                                                                                                     | Role of the highest governance body and executives in development, approval and updating of purpose, mission statement, vision and values, and defining strategies, policies and goals related to economic, environmental and social impacts                                                   | Pages 17 e 22                                                                                                                                                                                                                        | ● |










|       |                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                      |   |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
|       | <b>ROLE OF THE HIGHEST GOVERNANCE BODY ON THE DEFINITION OF PURPOSE, VALUES AND STRATEGY OF THE ORGANIZATION</b>                                                                                                                                                                                               |                                                                                                                                                                                                      |   |
| G4-43 | Measures taken to develop and enhance the knowledge of the highest governance body on economic, environmental and social topics                                                                                                                                                                                | Page 18                                                                                                                                                                                              | ● |
| G4-44 | Evaluation procedures of the highest governing body's performance with regard to the governance of economic, environmental and social topics                                                                                                                                                                   | Page 18                                                                                                                                                                                              | ● |
|       | <b>ROLE OF THE HIGHEST GOVERNANCE BODY ON MANAGING RISKS</b>                                                                                                                                                                                                                                                   |                                                                                                                                                                                                      |   |
| G4-45 | Role of the highest governing body in the identification and management of impacts, risks and opportunities derived from economic, environmental and social issues                                                                                                                                             | Page 17, 20 e 22                                                                                                                                                                                     | ● |
| G4-46 | Role of the highest governing body in analyzing the effectiveness of the organization's risk management processes for economic, environmental and social topics                                                                                                                                                | Page 20                                                                                                                                                                                              | ● |
| G4-47 | Frequency at which the highest governing body analyzes the impacts, risks and opportunities derived from economic, environmental and social issues                                                                                                                                                             | Pages 17 e 20                                                                                                                                                                                        | ● |
|       | <b>ROLE OF THE HIGHEST GOVERNING BODY ON EVALUATING THE ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE</b>                                                                                                                                                                                                     |                                                                                                                                                                                                      |   |
| G4-49 | Process used to communicate critical concerns to the highest governing body.                                                                                                                                                                                                                                   | Page 20                                                                                                                                                                                              | ● |
| G4-50 | Nature and total number of critics communicated to the highest governance body and the mechanism(s) adopted to address them and solve them.                                                                                                                                                                    | Page 20                                                                                                                                                                                              | ● |
|       | <b>REMUNERATION AND INCENTIVES</b>                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                      |   |
| G4-51 | Remuneration policies applied to the highest governing body and to executives                                                                                                                                                                                                                                  | Page 18                                                                                                                                                                                              | ● |
| G4-52 | Process adopted to determine remuneration                                                                                                                                                                                                                                                                      | Page 18                                                                                                                                                                                              | ● |
| G4-53 | Participation of stakeholders in relation to remuneration, including the results of votes on remuneration policies and proposals, if applicable.                                                                                                                                                               | There is no participation of stakeholders                                                                                                                                                            | ● |
| G4-54 | Proportion of the total annual remuneration of the highest paid individual in the organization in each country where the organization has significant operations and the average annual total compensation of all employees (excluding the highest paid) in the same country                                   | The remuneration of the highest paid individual is 6.33 times higher than the average for all employees. The calculation considers all items of the compensation, except the 13 <sup>th</sup> salary | ● |
| G4-55 | Proportion of the percentual increase in total annual compensation of the highest paid individual in the organization in each country where it has significant operations and the average percentual increase in total annual compensation of all employees (excluding the highest paid) in the same country   | The increase of the total annual remuneration of the highest paid individual is equivalent to 0.92 times the average percentage increase in total annual compensation of other employees             | ● |
|       | <b>7. Ethics and Integrity</b>                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                      |   |
| G4-56 | Values, principles and performance standards of the organization, such as conduct and ethics codes                                                                                                                                                                                                             | Pages 12 e 18                                                                                                                                                                                        | ● |
| G4-57 | Internal and external mechanisms adopted by the organization to seek guidance on ethical behavior and in accordance with the law, such as social networking channels                                                                                                                                           | Page 18                                                                                                                                                                                              | ● |
| G4-58 | Internal and external mechanisms adopted by the organization to communicate concerns about unethical behavior and inconsistent with the law and issues related to organizational integrity, as concerns the hierarchical routing pathways, mechanisms for complaints of irregularities and complaints channels | Page 18                                                                                                                                                                                              | ● |

| Economic Performance                       |                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| Information on economic management         |                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| Aspect                                     |                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| EC1                                        | Direct economic value generated and distributed                                                                                                                         | Pages 44 e 68                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ▲ |
| EC2                                        | Financial implications and other risks and opportunities for the organization's activities due to climate change                                                        | Page 55                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |
| Aspect                                     | Market Presence                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| EC5                                        | Proportion of the lowest wage paid by the Company in relation to the local minimum wage, by gender                                                                      | Page 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |
| Aspect                                     | Indirect Economic Impacts                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| EC7                                        | Development and impact of infrastructure investments and services offered                                                                                               | Pages 35, 44 e 49                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ● |
| EC8                                        | Significant indirect economic impacts, including the extent of impacts                                                                                                  | Pages 35 e 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ● |
| Aspect                                     | Purchasing practices                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| EC9                                        | Proportion of spending on local suppliers in important operating units                                                                                                  | Page 41                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |
| Environmental                              |                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| Information about environmental management |                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| Aspect                                     | Energy                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| EN3                                        | Power consumption within the organization                                                                                                                               | Page 50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ■ |
| Aspect                                     | Water                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| EN8                                        | Total water withdrawal by source                                                                                                                                        | Page 51                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |
| EN9                                        | Hidric sources significantly affected by withdrawal of water                                                                                                            | Page 51                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |
| Aspect                                     | Biodiversity                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| EN11                                       | Location and size of land owned, leased or managed in protected areas, or adjacent to them, and areas of high biodiversity value outside protected areas                | Page 54                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ■ |
| EN12                                       | Description of significant impacts on biodiversity of activities, products and services in protected areas and areas of high biodiversity value outside protected areas | Page 51                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ■ |
| EN13                                       | Protected or restored habitats                                                                                                                                          | Pages 52 e 54                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | ● |
| EN14                                       | Number of species on the IUCN Red List and on national conservation lists with habitats in areas affected by operations, by level of extinction risk                    | <p>Regarding fauna, there are 8 fish species present on the "Red Book of Endangered Fauna in Paraná State" in watersheds where Copel operates. At Mauá and Colider hydroelectric power plants, was registered species of land fauna with some degree of threat during Copels research and management of wild animals. Regarding flora, Copel does qualitative and quantitative studies about biomas affected by its operations.</p> <p>In the areas of Company's operation was identified Araucaria specie (<i>Araucaria angustifolia</i>).</p> | ■ |
| Aspect                                     | Emissions                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
| EN15                                       | Direct emissions of greenhouse effect gases (Scope 1)                                                                                                                   | Page 56                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |
| EN16                                       | Indirect emissions of greenhouse effect gases from the acquisition of energy (Scope 2)                                                                                  | Page 56                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |
| EN17                                       | Indirect emissions of greenhouse gases (Scope 3)                                                                                                                        | Page 56                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |
| EN18                                       | Intensity of greenhouse gas emissions                                                                                                                                   | Page 56                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ● |

|                                                |                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                               |   |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| Aspect                                         | Emissions                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| EN19                                           | Reduction of greenhouse gas emissions                                                                                                              | Page 56                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| EN20                                           | Emissions of substances that deplete the ozone layer                                                                                               | Upon completion of the inventory of emissions, the data will be published in the Brazilian GHG Protocol Program's public records, scheduled for the beginning of this year's second half, provided on the following link <a href="https://registropublicodeemissoes.com.br/index.php/participantes">https://registropublicodeemissoes.com.br/index.php/participantes</a> (only in portuguese) | ● |
| EN21                                           | NOx, SOx and other significant atmospheric emissions                                                                                               | Page 49                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| Aspect                                         | Effluents and Waste                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| EN22                                           | Total water discharge, broken down by quality and destination                                                                                      | Page 51                                                                                                                                                                                                                                                                                                                                                                                       | ■ |
| EN23                                           | Total amount of waste, broken down by type and disposal method                                                                                     | Page 49                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| Aspect                                         | Conformity                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| EN29                                           | Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations           | The Company received two notices of violation, totaling 1.6 million reais in the year. The two cases are awaiting trial                                                                                                                                                                                                                                                                       | ● |
| Aspect                                         | Environmental evaluation of suppliers                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| EN32                                           | Percentage of new suppliers selected based on environmental criteria                                                                               | Page 40                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| EN33                                           | significant negative environmental impacts in the supply chain and measures taken in this regard                                                   | Page 40                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| <b>Social: Labor Practices and Decent Work</b> |                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| <b>Informations on social management</b>       |                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| Aspect                                         | Employment                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| LA1                                            | Total and rates of new hires of employees and turnover by age group, gender and region                                                             | Page 28                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| LA2                                            | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations                            | Page 31                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| LA3                                            | Rates of return to work and retention after maternity/paternity, broken down by gender                                                             | In total, have been on maternity and paternity licence in the period, respectively, 84 and 262 employees, and 100% return                                                                                                                                                                                                                                                                     | ● |
| Aspect                                         | Health and Safety at Work                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| LA6                                            | Rates of injury, occupational diseases, lost days, absenteeism and work-related fatalities by region and gender                                    | Page 34                                                                                                                                                                                                                                                                                                                                                                                       | ■ |
| Aspect                                         | Training and Education                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| LA9                                            | Average hours of training per year per employee, broken down by gender and job category                                                            | Page 29                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| LA10                                           | Skill management programs and lifelong learning that support the continued employability of employees in preparation for retirement                | Pages 28 e 33                                                                                                                                                                                                                                                                                                                                                                                 | ● |
| LA11                                           | Percentage of employees receiving regular performance and career development analysis, broken down by gender and job category                      | Page 30                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| Aspect                                         | Diversity and Equality of Opportunities                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| LA12                                           | Composition of governing bodies and breakdown of employees per category according to gender, age group, minority and other indicators of diversity | Pages 27 e 67                                                                                                                                                                                                                                                                                                                                                                                 | ● |
| Aspect                                         | Evaluation of suppliers regarding labour practices                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                               |   |
| LA14                                           | Percentage of new suppliers selected based on criteria related to labour practices                                                                 | Page 40                                                                                                                                                                                                                                                                                                                                                                                       | ● |
| LA15                                           | Real and potential significant negative impacts for labour practices in the supply chain and measures taken in this regard                         | Page 40                                                                                                                                                                                                                                                                                                                                                                                       | ● |

| <b>Social: Human Rights</b>                                 |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| <b>Informations on social management</b>                    |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| Aspect                                                      |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| HR1                                                         | Practices of Investment and Purchase Process<br>Percentage and total number of significant investment agreements that include human rights clauses or that have undergone screening on human rights | Page 40                                                                                                                                                                                                                                                                                                                                     | ● |
| <b>Indigenous and Traditional People Rights</b>             |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| HR8                                                         | Total number of violations involving rights of indigenous and traditional peoples and measures taken in this regard                                                                                 | There haven't been any case of violation in the year. All interferences that may have happened in Indigenous lands have been dialogued and compensated                                                                                                                                                                                      | ● |
| <b>Evaluation of suppliers on human rights</b>              |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| HR10                                                        | Percentage of new suppliers selected based on criteria relating to human rights                                                                                                                     | Page 40                                                                                                                                                                                                                                                                                                                                     | ● |
| HR11                                                        | Real and potential significant negative impacts on human rights in the supply chain and measures taken in this regard                                                                               | Page 40                                                                                                                                                                                                                                                                                                                                     | ● |
| <b>Social: Society</b>                                      |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| <b>Information on social management</b>                     |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| Aspect                                                      |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| <b>Community</b>                                            |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| SO1                                                         | Percentage of operations with local community engagement, impact evaluation and local development                                                                                                   | Page 35                                                                                                                                                                                                                                                                                                                                     | ■ |
| SO2                                                         | Operations with real and potential significant negative impacts on local communities                                                                                                                | Page 35                                                                                                                                                                                                                                                                                                                                     | ■ |
| <b>Combating corruption</b>                                 |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| SO3                                                         | Percentage and total number of operations subject to evaluation of risks related to corruption and identified significant risks                                                                     | Page 19                                                                                                                                                                                                                                                                                                                                     | ● |
| SO4                                                         | Communication and training on policies and procedures to fight corruption                                                                                                                           | Page 19                                                                                                                                                                                                                                                                                                                                     | ● |
| SO5                                                         | Confirmed cases of corruption and actions taken                                                                                                                                                     | Page 19                                                                                                                                                                                                                                                                                                                                     | ■ |
| <b>Public Policies</b>                                      |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| SO6                                                         | Total value of financial contributions to politicians and political parties by country and recipient/beneficiary                                                                                    | Because its composition of mixed capital, the Company is prevented by law from making such contributions                                                                                                                                                                                                                                    | ● |
| <b>Unfair Competition</b>                                   |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| SO7                                                         | Total number of legal actions for anticompetitive behavior, trust and monopoly practices and their outcomes                                                                                         | Copel Telecommunications received a lawsuit, which is in trial process. We consider the risk of loss remote                                                                                                                                                                                                                                 | ● |
| <b>Conformity</b>                                           |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| SO8                                                         | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations                                                                         | The Company was linked in 2014 to eight notices of infraction under Aneel, totaling R\$7.7 million (including three related to energy supply and use of its products and services). One was concluded, resulting in the payment of R\$32,000. The notices of infraction referred in previous years were not taken into account in this data | ■ |
| <b>Evaluation of suppliers regarding impacts on society</b> |                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                             |   |
| SO9                                                         | Percentage of new suppliers selected based on criteria related to impact on society                                                                                                                 | Page 40                                                                                                                                                                                                                                                                                                                                     | ● |
| SO10                                                        | Real and potential significant adverse impacts in the supply chain in society and measures taken in this regard                                                                                     | Page 40                                                                                                                                                                                                                                                                                                                                     | ● |

|                                         |                                                                                                                                                     |                                                                                                                                                                                                                                                                                 |   |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| Aspect                                  | Mechanisms for complaints related to impacts on society                                                                                             |                                                                                                                                                                                                                                                                                 |   |
| SO11                                    | Number of complaints and claims related to impacts on society registered, processed and resolved through formal mechanism                           | Page 43                                                                                                                                                                                                                                                                         | ■ |
| <b>Social: Product Responsibility</b>   |                                                                                                                                                     |                                                                                                                                                                                                                                                                                 |   |
| <b>Information on social management</b> |                                                                                                                                                     |                                                                                                                                                                                                                                                                                 |   |
| Aspect                                  | Labelling of Products and Services                                                                                                                  |                                                                                                                                                                                                                                                                                 |   |
| PR5                                     | Customer satisfaction survey results                                                                                                                | Page 42                                                                                                                                                                                                                                                                         | ■ |
| Aspect                                  | Compliance                                                                                                                                          |                                                                                                                                                                                                                                                                                 |   |
| PR9                                     | Monetary value of (significant) fines for non-compliance with laws and regulations concerning the provision and use of products and services        | Regardin energy supply and use of its products and services, the Company was linked in 2014 to three notices of infraction under Aneel, totaling R\$4 million. All await decision. The notices of infraction refered in previous years were not taken into account in this data | ■ |
| <b>Sectorial Supplement</b>             |                                                                                                                                                     |                                                                                                                                                                                                                                                                                 |   |
| EU1                                     | Installed capacity, broken down by primary energy source and regulatory system                                                                      | Page 12                                                                                                                                                                                                                                                                         | ● |
| EU2                                     | Net energy output broken down by primary energy source and regulatory system.                                                                       | Page 12                                                                                                                                                                                                                                                                         | ● |
| EU3                                     | Number of residential, industrial, institutional and commercial consumer units                                                                      | Page 13                                                                                                                                                                                                                                                                         | ● |
| EU4                                     | Length of transmission and distribution lines overhead and underground, broken by regulatory system.                                                | Pages 13 e 14                                                                                                                                                                                                                                                                   | ● |
| EU6                                     | Management in order to ensure the availability and reliability of the short and long-term electricity supply                                        | Page 59                                                                                                                                                                                                                                                                         | ● |
| EU7                                     | Management programs on the demand side, including residential, commercial, institutional and industrial programs                                    | Pages 45 e 60                                                                                                                                                                                                                                                                   | ● |
| EU8                                     | Activities and expenses related to research and development aimed at reliability of electricity supply and the promotion of sustainable development | Page 45                                                                                                                                                                                                                                                                         | ● |
| EU10                                    | Planned capacity compared to long-term electricity demand projection, broken down by energy source and regulatory system                            | Copel does not perform a comparison between the planned capacity with the projection of demand, because the planning expansion of generation is carried out by the Energy Research Company (EPE), considering the entire load of the National Interconnected System (SIN)       | ● |
| EU11                                    | Average efficiency of power plant generation, broken down by energy source and regulatory system                                                    | Page 12                                                                                                                                                                                                                                                                         | ● |
| <b>Sectorial Supplement</b>             |                                                                                                                                                     |                                                                                                                                                                                                                                                                                 |   |
| EU12                                    | Percentage of loss of transmission and distribution in relation to total energy.                                                                    | Page 62                                                                                                                                                                                                                                                                         | ● |
| EU13                                    | Biodiversity of replacement habitats compared to the biodiversity of the affected areas.                                                            | Page 52                                                                                                                                                                                                                                                                         | ● |
| EU14                                    | Programs and processes that ensure the availability of skilled labour.                                                                              | Page 29                                                                                                                                                                                                                                                                         | ● |
| EU15                                    | Percentage of employees with retirement rights in the next 5 to 10 years, broken down by job category and region.                                   | Page 28                                                                                                                                                                                                                                                                         | ● |
| EU18                                    | Percentage of contractor and subcontractor employees undergo relevant training on health and safety                                                 | Page 34                                                                                                                                                                                                                                                                         | ● |
| EU19                                    | Stakeholder participation in decision-making processes related to energy planning infrastructure development                                        | Page 44                                                                                                                                                                                                                                                                         | ● |
| EU20                                    | Approach to managing the impacts of displacement.                                                                                                   | Page 35                                                                                                                                                                                                                                                                         | ● |
| EU22                                    | Number of people physically and economically displaced and compensation by type of project                                                          | Page 35                                                                                                                                                                                                                                                                         | ■ |

| Sectorial Supplement |                                                                                                                                                                                  |                                                                                                                                                                                                                                                        |                                                                                     |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| EU24                 | Practices to deal with barriers related to language, culture, low literacy and disability that stand to electricity access and customer support service, as well as its safe use | Page 39                                                                                                                                                                                                                                                |  |
| EU25                 | Number of accidents and deaths of service involving company assets, including judicial decisions and agreements, and pending legal cases of diseases                             | Page 36                                                                                                                                                                                                                                                |  |
| EU26                 | Percentage of population not served in areas with regulated distribution or service                                                                                              | Page 13                                                                                                                                                                                                                                                |  |
| EU27                 | Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime                                                          | In accordance with Normative Resolution 414/2010, the suspension of the power supply caused by the breach can occur if the consumer is notified in advance of 15 days. In 2014, the default rate of energy bills led to 342,491 suspensions of supply. |  |
| EU28                 | Frequency of interruptions in power supply                                                                                                                                       | Page 62                                                                                                                                                                                                                                                |  |
| EU29                 | Average duration of interruptions in energy supply                                                                                                                               | Page 62                                                                                                                                                                                                                                                |  |
| EU30                 | Average plant availability, broken down by energy source and regulatory system                                                                                                   | Page 62                                                                                                                                                                                                                                                |  |

## AUDIT REPORT



Araucária, Paraná State



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## Limited assurance report issued by independent auditors

To The Board of Directors, Executive Officers and Other Stakeholders of  
Companhia Paranaense de Energia  
Curitiba – PR

### Introduction

We have been engaged by Companhia Paranaense de Energia (Copel) to apply limited assurance procedures on the sustainability information disclosed in Copel's 2014 Sustainability Report, related to the year ended December 31<sup>st</sup>, 2014.

### Responsibilities of Copel's Management

The management of Copel is responsible for adequately preparing and presenting the sustainability information in the 2014 Sustainability Report in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI-G4)*, with the *"GRI Electric Utilities Sector Disclosures"* and by the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

### Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the 2014 Sustainability Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared upon NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones and also that the engagement is conducted to provide limited assurance that the information in the Copel's 2014 Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly in questions and interviews with the management of Copel and other professionals of the Company involved in the preparation of the information disclosed in the 2014 Sustainability Report and also to apply analytical procedures to obtain evidence that allow us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the 2014 Sustainability Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the 2014 Sustainability Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

1

KPMG Risk Advisory Services Ltda., uma sociedade simples brasileira, de responsabilidade limitada, e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Risk Advisory Services Ltda., a Brazilian limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Engagement planning: considering the material aspects for Copel's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Copel's 2014 Sustainability Report. This analysis defined the indicators to be checked in details;

Understanding and analysis of the process to define the sustainability report content, based on the *Principles for Defining Report Content and Quality of the Global Reporting Initiative - GRI (GRI-G4)*;

Understanding and analysis of disclosed information related to material aspects management;

Analysis of preparation processes of the 2014 Sustainability Report and its structure and content, based on the *Principles for Defining Report Content and Quality of the Global Reporting Initiative - GRI (GRI-G4)*

Evaluation of non financial indicators selected;

Understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;

Application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the 2014 Sustainability Report;

Analysis of evidences supporting the disclosed information;

Visits to Copel's units and/or offices for application of these procedures, also of the items (b), (c) and (d);

Analysis if performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the company;

Comparison of financial indicators to the financial statements and/or accounting records.

We believe that the information, evidences and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Scope and limitations

The procedures applied in a limited assurance engagement are substantially less extensive than those applied in a reasonable assurance engagement. Therefore, we cannot ensure we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the 2014 Sustainability Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretation of the data's materiality, relevance and accuracy are subjected to individual presumptions and judgments. Additionally, we did not examine data regarding prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

2





**Conclusion**

Based on the procedures carried out, described in this report, we have not identified any relevant information that leads us to believe that the information in Copel's 2014 Sustainability Report is not fairly stated in all material aspects in accordance with the *Global Reporting Initiative - GRI (GRI- G4)*, with the *"GRI Electric Utilities Sector Disclosures"* and with its source records and files.

São Paulo, May 8th, 2015

KPMG Risk Advisory Services Ltda.  
CRC SP-023233/O-4



Eduardo V. Cipullo  
Accountant CRC 1SP135597/O-6

## APPENDIX



Pecuarista/Bagé, Rio Grande do Sul State

## Appendix - Global Compact Principles Incorporation

The Company confirms its commitment to the UN Global Compact and features below its Communication on Progress (COP), specifying the initiatives to implement the Global Compact principles within its operations.

Throughout the publication to which this Appendix is attached, the results of these initiatives are also presented, as well as the progress of its commitments during 2014, which can be found in the GRI indicators reported by Copel.

### Global Compact Principals

|  |                                                                                                          |  |                                                                                                           |
|--|----------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------|
|  | <p><b>RESPECT</b> and support internationally recognized human rights in your area of influence.</p>     |  | <p><b>STIMULATE</b> all practices that eliminate any form of discrimination at the workplace.</p>         |
|  | <p><b>ENSURE</b> that your company does not participate in any way in the violation of human rights.</p> |  | <p><b>ASSUME</b> a responsible, preventive and proactive posture towards environmental challenges.</p>    |
|  | <p><b>SUPPORT</b> freedom of association and recognize to open collective bargaining.</p>                |  | <p><b>DEVELOP</b> initiatives and practices to promote and divulge socioenvironmental responsibility.</p> |
|  | <p><b>ELIMINATE</b> all forms of forced or compulsory labor.</p>                                         |  | <p><b>PROMOTE</b> the development and dissemination of environmentally responsible technologies.</p>      |
|  | <p><b>ERRADICATE</b> all forms of child labor in your productive chain.</p>                              |  | <p><b>FIGHT</b> corruption in all of its forms, including extortion and bribery.</p>                      |

**INCORPORATION OF GLOBAL COMPACT PRINCIPLES**

| PROJECTS, PROGRAMS, MANAGEMENT SYSTEMS, PARTICIPATION AND POLICIESS                                                                                                                                                                                                                                                                                                                                                                                                                                                     | COMPACT'S PRINCIPLES THEY COMPLY WITH | DATE START / END       | GRI INDICATORS REPORTED BY COPEL                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------|-------------------------------------------------------------------------------|
| <b>POLICIES AND MANAGEMENT SYSTEMS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                       |                        |                                                                               |
| Management of Supply Chain's Sustainability - aims to contribute to the development of suppliers, establishing parameters linked to sustainability, proposing actions that promote and strengthen good practices along the supply chain.                                                                                                                                                                                                                                                                                | 1 2 3 4 5 6 7 8 9 10                  | 2008 / Undetermined    | G4-EN32, G4-EN33, G4-LA14, G4-LA15, G4-HR1, G4-HR10, G4-HR11, G4-SO9, G4-SO10 |
| Nossa Energia (Our Energy) Program - links new opportunities to careers, remuneration and personal development.                                                                                                                                                                                                                                                                                                                                                                                                         | 1 2 3 4 5 6 7 8 9 10                  | 2013 / Undetermined    | G4-LA11                                                                       |
| Ethical Guidance Council - evaluates and issues guidance on processes related to the Company's ethical conduct.                                                                                                                                                                                                                                                                                                                                                                                                         | 1 2 3 4 5 6 7 8 9 10                  | 2003 / Undetermined    | G4-57, G4-58                                                                  |
| Harassment Committee - aims to order bullying allegations within the Company's labour relations.                                                                                                                                                                                                                                                                                                                                                                                                                        | 1 2 3 4 5 6 7 8 9 10                  | 2009 / Undetermined    | G4-57, G4-58                                                                  |
| Accession to the 5 <sup>th</sup> edition of the Gender and Race Equity Program of the Policies for Women Secretariat.                                                                                                                                                                                                                                                                                                                                                                                                   | 1 2 3 4 5 6                           | 2013 / 2015            | G4-10, G4-LA12                                                                |
| Internal Social and Eviromental Committees - act as multipliers of sustainability concepts, enabling the identification of problematic situations in environmental and social aspect, strengthening the relationship with stakeholders.                                                                                                                                                                                                                                                                                 | 1 2 3 4 5 6 7 8 9 10                  | 2014 / Undetermined    |                                                                               |
| Copel's Corporate University - implementation of the Educational Planning and management of the programns, Leadership Development, Post-graduate, Masters, Doctoral and Languages.                                                                                                                                                                                                                                                                                                                                      | 1 2 6 7 8 9 10                        | 2012 / Undetermined    | G4-15, G4-16                                                                  |
| <b>SUPPORT FOR PUBLIC POLICIES AND MANAGEMENT IMPROVEMENT</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                       |                        |                                                                               |
| Participation in the Global Compact's Brazilian Committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 1 2 3 4 5 6 7 8 9 10                  | 2000 / Undetermined    | G4-15, G4-16                                                                  |
| Participation in energy sector organizations that discuss and promote energy efficiency and environmental improvements – Brazilian Association of Electric Energy Concessionaires; Energy Planning Company; Independent Energy Producers Association; Cigrè Eviromental Committee; Brazilian Association of Electric Energy Generator Companies; Brazilian Association of Electric Energy Distributors; Brazilian Association of Electric Energy Transmission Companies; Brazilian Committee of Great Dams and FUNCOGE. | 1 2 3 4 5 6 7 8 9 10                  | Several / Undetermined | G4-15, G4-16                                                                  |
| Participation in associations that address and promote environmental improvements – Paraná's Agenda 21 Forum; Paraná's Industries Federation; Interagency Commission on Environmental Education of the National Environmental Education Program; Paraná's Basins Committees; Cigrè Eviromental Committee; Paraná's Regional Council of Engineering, Architecture and Agronomy; Waste and Citizenship Forum; Paraná's Forum on Climate Change and Paraná's Public Ministry Eviromental Committees.                       | 7 8 9                                 | Several / Undetermined | G4-15, G4-16                                                                  |

| SUPPORT FOR PUBLIC POLICIES AND MANAGEMENT IMPROVEMENT                                                                                                                                                                                                                                                                 |   |   |   |   |   |   |   |   |   |    |                     |                        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|----|---------------------|------------------------|
| Participation in Paraná's Council for Corporate Citizenship - for the joint promotion of social responsibility in the state of Paraná.                                                                                                                                                                                 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 2005 / Undetermined | G4-15, G4-16           |
| Voluntary participation in the Competitive Paraná Movement and in the judging panels of the prizes, National Quality, MPE Brazil and Paraná's Management Quality.                                                                                                                                                      | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 2000 / Undetermined | G4-15, G4-16           |
| Soil and Water Integrated Management - Copel, Sanepar and State Departments, to create synergy of actions taken in the context of groundwater, in order to encourage improvements in the quality and availability of water by improving the use, management and conservation of soil, water and forests.               | 1 | 2 |   |   |   |   | 7 | 8 | 9 |    | 2010 / Undetermined | G4-15, G4-16           |
| Participation in Paraná's Benchmarking Committee - to share experiences of better management practices with Paraná's organizations.                                                                                                                                                                                    | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 2008 / Undetermined | G4-15, G4-16           |
| PROGRAMS, PROJECTS AND SOCIAL AND ENVIRONMENTAL ACTIONS                                                                                                                                                                                                                                                                |   |   |   |   |   |   |   |   |   |    |                     |                        |
| Donations collection program for charities and social service institutions, with non-profit means and public interest, through the energy bill. To apply, the entity shall have assistance character or be of collective interest, non-profit nature and submit the requested documentation.                           | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 1999 / Undetermined | G4-EC7, G4-EC8, G4-SO1 |
| Annual donation, through tax incentives, to the Fund for Children and Adolescents Rights.                                                                                                                                                                                                                              | 1 | 2 |   |   | 5 |   |   |   |   |    | 2006 / Undetermined | G4-EC7, G4-EC8, G4-SO1 |
| Corporate Volunteering Program - allows employees to use up to four hours a month to perform volunteer work.                                                                                                                                                                                                           | 1 | 2 |   | 4 | 5 |   | 7 | 8 |   |    | 2001 / Undetermined | G4-EC7, G4-EC8, G4-SO1 |
| Cultivate Energy Program - aims to implement community gardens on the safety strips of Copel's electricity networks, in partnership with municipal governments and neighborhood associations.                                                                                                                          | 1 |   |   |   |   |   | 7 | 8 | 9 |    | 2009 / Undetermined | G4-EC7, G4-EC8, G4-SO1 |
| Accessibility Corporate Program - aims to make the Company strictly adapted on accessibility issues in the implementation of technological resources and implementation of training and educational campaigns so that people with specific accessibility needs have full access to premises, information and services. | 1 | 2 |   |   |   | 6 |   |   |   |    | 2007 / Undetermined | G4-EC7                 |
| Eco-efficiency Program - aims to concentrate the various eco-efficiency initiatives at Copel in one program that operates as a hub linking, strengthening, enhancing and enabling new ways of working.                                                                                                                 |   |   |   |   |   |   | 7 | 8 | 9 |    | 2014 / Undetermined | G4-EN3, G4-EN8         |
| Education for Sustainability Program - aims to train and develop professionals, formal and informal leaders within the Company, to the issues related to sustainability.                                                                                                                                               | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 2011 / Undetermined | G4-EC7                 |
| Copel Best Social and Environmental Practices Seminar - aims to promote environmental projects and practices carried out by employees and suppliers.                                                                                                                                                                   | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 2009 / Undetermined | G4-EC7                 |
| Susie Pontarolli Sustainability Trophy - aims to recognize and support initiatives that contribute to the promotion of sustainable development and quality of life.                                                                                                                                                    | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 2012 / Undetermined | G4-EC7                 |

| PROGRAMS, PROJECTS AND SOCIAL AND ENVIRONMENTAL ACTIONS                                                                                                                                                                                                                                                        |   |   |   |   |   |  |   |   |    |                     |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|--|---|---|----|---------------------|-----------------------------------------|
| Luz Fraternal (Fraternal Light) Program - Paraná State Government Program that make the payment of bills of consumers enrolled in the Social Tariff of Energy Power, since 120 kWh of consumption is not exceeded.                                                                                             | 1 | 2 | 4 | 5 |   |  |   |   | 10 | 2003 / Undetermined | G4-EC7, G4-EC8, G4-SO1, G4-EU7, G4-EU19 |
| Energy Universalization - Luz Para Todos (Light for All) Program: connection of the entire rural population of the State to the Company's network.                                                                                                                                                             | 1 | 2 | 4 | 5 |   |  |   |   | 10 | 2003 / Undetermined | G4-EC7, G4-EC8, G4-SO1, G4-EU7, G4-EU19 |
| Night Irrigation Program - encourage the use of irrigation to increase agricultural production and poultry farming, as well as improving the quality of life in rural areas. Subsidized rate and equipment for rural customers.                                                                                | 1 | 2 |   |   |   |  |   | 8 |    | 2003 / Undetermined | G4-EC7, G4-EC8, G4-SO1, G4-EU7, G4-EU19 |
| Energy Efficiency Program - aims to promote efficiency in the end use of electricity, through the application of financial resources determined by Law No. 9,991 / 2000                                                                                                                                        | 1 | 2 |   |   |   |  |   | 8 |    | 2000 / Undetermined | G4-EC7, G4-EC8, G4-SO1, G4-EU7, G4-EU19 |
| Citizenship Effort - Paraná in Action - program promoted by the Special Secretariat for Community Relations, in order to provide free services that promote citizenship and social inclusion. Copel participates delivering orientation on its services and guidance on safe and efficient use of electricity. | 1 | 2 | 4 | 5 | 6 |  |   |   | 10 | 2003 / Undetermined | G4-EC7, G4-EC8, G4-SO1, G4-EU7, G4-EU19 |
| Social Electricity Tariff - Established by Law 10,438 / 2002, offers discounts on the consumption of electricity, up to 220 kWh, to families entered in the Unified Register of Social Programs of the Federal Government, since obeyed the criteria established in Aneel's Resolution 414/2010.               | 1 | 2 | 4 | 5 |   |  |   |   | 10 | 2002 / Undetermined | G4-EC7, G4-EC8, G4-SO1, G4-EU7, G4-EU19 |
| Corporate Waste Management Program - aims to reduce, reuse, measure and monitor the solid waste generated by the Company.                                                                                                                                                                                      |   |   |   |   |   |  | 7 | 8 | 9  | 2006 / Undetermined |                                         |
| Energy Efficiency Program - focused on the efficient use of electricity in residential, industrial, commercial and public facilities, located in Copel's concession area.                                                                                                                                      |   |   |   |   |   |  | 7 | 8 | 9  | 2000 / Undetermined | G4-EC7, G4-EC8, G4-SO1, G4-EU7, G4-EU19 |
| Monitoring and Repopulation of Fish Fauna Program - aims to monitor and repopulate the Company's reservoirs and rivers where Copel enterprises exercise some influence.                                                                                                                                        |   |   |   |   |   |  | 7 | 8 | 9  | 1993 / Undetermined | G4-EN11, G4-EN12, G4-EN13, G4-EN14      |
| Riparian Forests Program - aims to recover natural environments surrounding the reservoirs of plants and other areas of interest to the Company.                                                                                                                                                               |   |   |   |   |   |  | 7 | 8 | 9  | 2006 / Undetermined | G4-EN11, G4-EN12, G4-EN13, G4-EN14      |
| Ichthyology Experimental Studies Station - aims to study and reproduce species suitable for restocking of Paraná's rivers and reservoirs.                                                                                                                                                                      |   |   |   |   |   |  | 7 | 8 | 9  | 1992 / Undetermined | G4-EN11, G4-EN12, G4-EN13, G4-EN14      |
| Monitoring and control of invasive and/or exotic fauna and flora species.                                                                                                                                                                                                                                      |   |   |   |   |   |  | 7 | 8 | 9  | 2000 / Undetermined | G4-EN12                                 |
| Monitoring and recovery of degraded areas.                                                                                                                                                                                                                                                                     |   |   |   |   |   |  | 7 | 8 | 9  | 1999 / Undetermined | G4-EN11, G4-EN12, G4-EN13, G4-EN14      |
| Tree farms - objective the production of suitable plants for use in other programs of the Company.                                                                                                                                                                                                             |   |   |   |   |   |  | 7 | 8 | 9  | 1973 / Undetermined | G4-EN12, G4-EN13, G4-EN14               |
| Botanical Garden - aims to conserve and research of native flora and also house collections of exotic ornamental plants.                                                                                                                                                                                       |   |   |   |   |   |  | 7 | 8 | 9  | 2010 / Undetermined | G4-EN12, G4-EN13, G4-EN14               |
| Corporate Management Program on Climate Change - aims to define strategies, propose corporate goals and indicators to meet the commitments of Copel Climate Change agenda.                                                                                                                                     |   |   |   |   |   |  | 7 | 8 | 9  | 2007 / Undetermined | G4-EN19                                 |

**PROGRAMS, PROJECTS AND SOCIAL AND ENVIRONMENTAL ACTIONS**

|                                                                                                                                                                                                                                                                                                                                                           |  |  |  |  |  |  |   |   |   |                     |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|---|---|---|---------------------|---------------------------------|
| <p>Iguaçu Regional Museum - presents the social, cultural and environmental impacts of populations that have occupied the banks of the Iguaçu River. It keeps collection from the Archaeological Rescue program and from the Cultural Memory and Scientific Use of Flora and Fauna in the implementation of Gov. Ney Braga hydroelectric power plant.</p> |  |  |  |  |  |  | 7 | 8 | 9 | 2000 / Undetermined | G4-EC7, G4-EC8, G4-SO1          |
| <p>Urban Forests Program: assists municipalities in the adequacy of tree planting seeking peaceful coexistence between trees and distribution networks.</p>                                                                                                                                                                                               |  |  |  |  |  |  | 7 | 8 | 9 | 2008 / Undetermined | G4-EC7, G4-EC8, G4-EN13, G4-SO1 |

## CREDITS

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Chief Corporate Sustainability and Social Responsibility Office

### **GRI Consulting, revalidation of materiality and editorial design**

RICCA RI

### **Graphic design**

TIF Comunicação