



SUSTAINABILITY REPORT 2015





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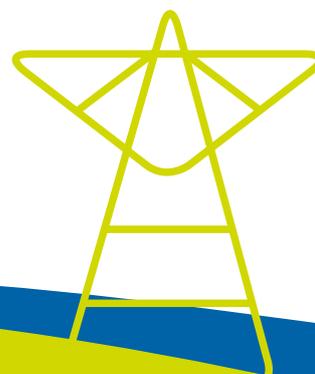
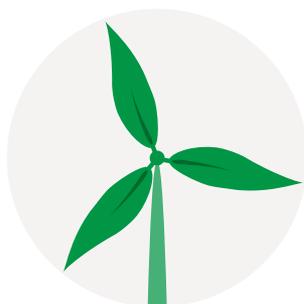
Cover: HPP Furnas (MG)





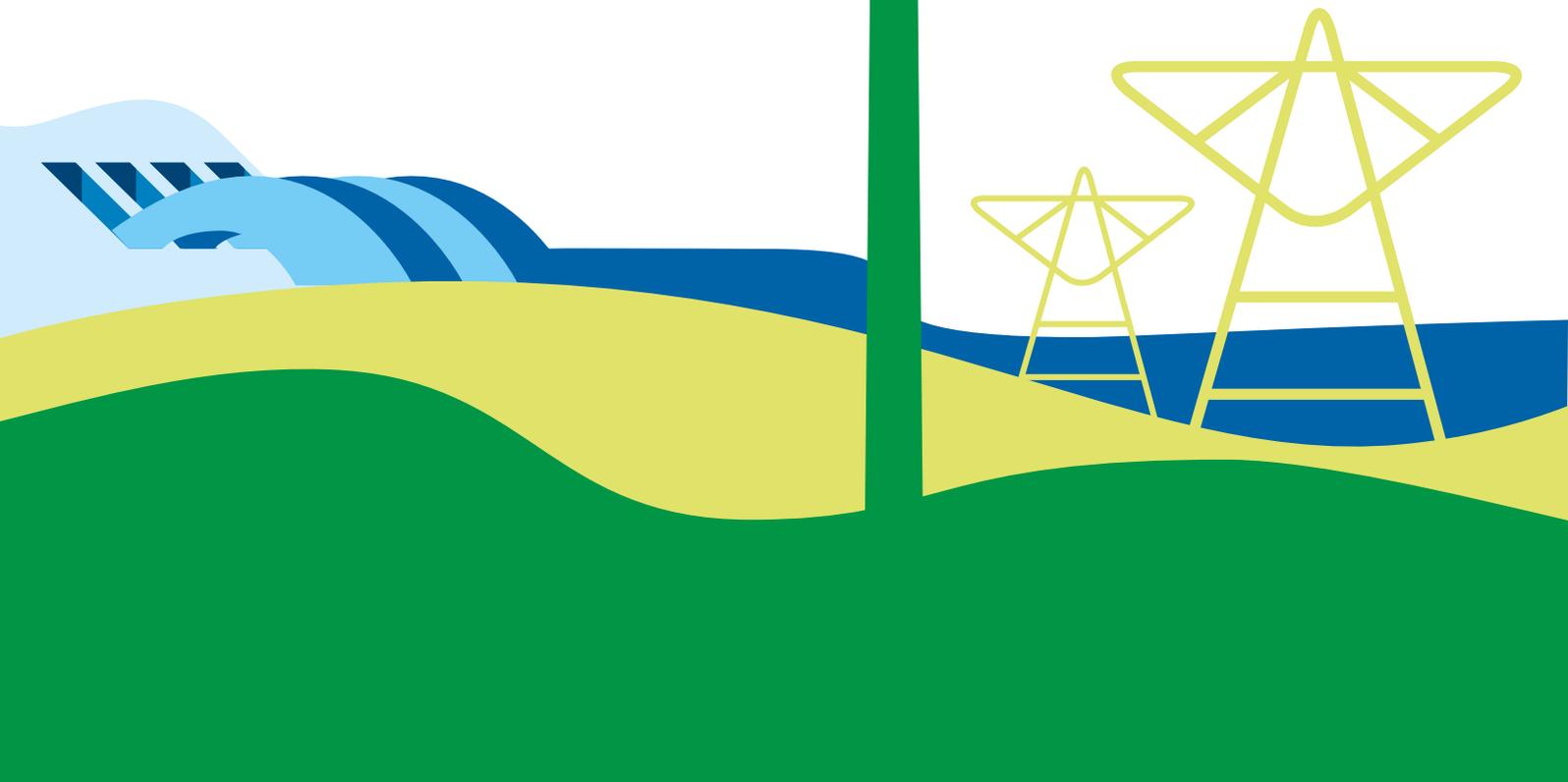
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FURNAS CENTRAIS ELÉTRICAS



With operations in generation, transmission and sale of electricity, Furnas Centrais Elétricas is present in all regions of Brazil, with installations in 15 states and the Federal District. It is a closed, mixed economy federal corporation, privately owned, controlled by Centrais Elétricas Brasileiras S.A. - Eletrobras.

[GRI G4-3, G4-4, G4-6, G4-7, G4-8]

Its generation and transmission assets are its own or built in partnership with the private sector, through Specific Purpose Entities (SPEs)¹. At the end of 2015, it maintained generating facilities comprised of 20 hydroelectric plants, two thermal plants and three wind farms, totaling 15,581 MW of installed capacity; of this total, 11,116 MW belonged to Furnas. In the transmission segment, the assets include 24,154 kilometers of lines, of which 4,247 km are partnerships. Furthermore, there are 70 substations with total transformation capacity of 119,118MVA, including the 15,750 MVA from 20 substations through SPEs.

[GRI EU4, G4-4]

In 2015, it generated 40,174 GWh of energy, of which 18,908 GWh by its own plants and 21,266 GWh from projects held in partnership; and it commercialized 42,367 GWh. During the year it made investments totaling R\$ 1,652 million, of which R\$ 729 million was for its own projects and R\$ 923 million was through SPEs. [GRI EU2]

Furnas' performance at year's end showed individual adjusted EBITDA of R\$ 1.799 billion and a net loss of about R\$ 70 million, 83% less than that recorded in 2014. Although not yet positive, it is evidence of the recovery efforts to mitigate the impacts caused by the extension of the concessions under the new economic regimen established by Law 12.783/2013.

Furnas ended 2015 with 3,548 permanent employees, 1,178 non-permanent employees and 422 trainees, for a total headcount of 5,148 persons. [GRI G4-9]

¹ The Specific Purpose Entities (SPEs) are contractual partnerships established between Furnas and public and private capital companies to implement and manage projects.



Transparency Trophy

Awards in 2015

PRO-GENDER AND RACE EQUALITY SEAL

The Company received recognition for promoting equality between women and men in the work environment. The seal is awarded by the President's Secretariat on Policed for Woman.

TRANSPARENCY TROPHY

For the fifth time - and the fourth consecutive year - Furnas won the Anefac-Serasa Experian-Transparency Trophy, awarded by the National Association Finance, Administration and Accounting Executives in the Closed Capital Companies category. The recognition was for the quality of its financial statements for the 2014 fiscal year.

GOLD SEAL OF THE BRAZILIAN GHG PROTOCOL PROGRAM

The Company's greenhouse gas inventory received the gold seal for the third consecutive year. This is the highest recognition granted by the Brazilian GHG Protocol Program and demonstrates comprehensiveness of transparency in emissions inventory information and the Company's commitment to combat the effects of climate change.

Furnas' generation or transmission installations are located in **15** Brazilian states and the Federal District

FURNAS' BUSINESSES

GENERATION



HYDROELECTRIC

20 plants,

of which four are own plants, six under special administration (affected by Law 12.783/2013), two in partnership with private initiative and eight under the SPE regimen, with total installed capacity of 14,842.5 MW.



WIND

3 farms,

with total installed capacity of 187.04 MW, plus another 1,215 MW under construction.



THERMOELECTRIC

2 plants,

with total installed capacity of 530 MW.

Starting operations in 2015 were two of the five turbines of the Teles Pires Power Plant (1,819.8 MW total power) and the 35th of the 50 turbines being installed in Santo Antônio Power Plant (3,568.8 MW total capacity). São Manoel Power Plant (700 MW), also in the SPE regimen, ended 2015 with 36.8% of construction completed, and is scheduled to enter into operation in 2018. [\[GRI 64-13\]](#)

O&M SERVICES

HYDROELECTRIC

The Três Irmãos Power Plant, with 807.5 MW capacity, on the Tietê River, state of São Paulo, which is operated in partnership with Triunfo. The contract was signed in 2014 for a period of 30 years. In 2015, it generated 1,274.6 GWh.

SMALL HYDROELECTRIC PLANTS (SHPs)

In 2015, Furnas was designated by the Ministry of Mines and Energy to be responsible for providing power generation services for the SHPs Ervália and Coronel Domiciano, totaling 12.01 MW of installed power.

Since last year, it also has been rendering the same services for the SHPs Neblina, Sinceridade and Dona Rita, totaling 10.3 MW. The five plants, all in the state of Minas Gerais, were auctioned at the end of 2015 and will be operated by Cemig as of July 2016. In 2015, they generated 10.7 GWh.

TRANSMISSION



TRANSMISSION LINES

24,154 km

of lines, of which 4,247 km through participation in SPEs. With voltages of 138, 230, 345, 500, 750 e ± 600 kV, its lines run through 15 states and the Federal District. They include the Itaipu Transmission System (five lines, with 900 km between the states of Paraná and São Paulo).



SUBSTATIONS

70

facilities, with total transforming capacity of

119,118 MVA

(15,750 MVA in 20 substations in which it has stakes).

Transmission assets were increased in 2015 by two new lines and two substations that added 13.7 km and 160 MVA of transforming capacity. In the year, work began on transmission line construction in direct current of 800 kV, which will connect the Belo Monte plant in the Amazon with the Southeast Region, a Project that extends for more than 2,000 km.

[\[GRI 64-13\]](#)

VISION, MISSION AND VALUES

[GRI 64-56]

VISION OF THE FUTURE

To be the largest and most successful Brazilian agent in the electricity industry.

MISSION

To act within the highest standards of business excellence and social and environmental responsibility in the electricity industry, contributing to society's development.



São José Substation (RJ)

VALUES

Furnas' actions and management must observe the following principles:

Give people their due value, recognizing that the Company's labor force is one of its most valuable assets;

Function as a network, with plurality and cooperation;

Focus on results, taking into account the impact of all of its actions on the Company;

Adaptability, developing the capacity to change in step with the business environment;

Sustainability, operating with economic, social and environmental responsibility;

Transparency, through permanent interaction with society to meet its needs and in the disclosure of its business results;

Entrepreneurial spirit, pro-actively overcoming challenges.

FURNAS' PRESENCE

Generation and transmission systems

[GRI G4-8]

PLANTS IN OPERATION [GRI EU1]

Hydroelectric MW

Simplicio	305.7
Itumbiara	2,082.0
Marimbondo	1,440.0
Furnas	1,216.0
L.C.B. Carvalho (Estreito)	1,050.0
Batalha	52.5
M. de Moraes (Peixoto)	476.0
Corumbá	375.0
Porto Colômbia	320.0
Funil	216.0
SHP Neblina	6.468
SHP Sinceridade	1.416
SHP Dona Rita	2.410
SHP Ervália	6.970
SHP Coronel Domiciano	5.040
Subtotal	7,555.5

Thermoelectric MW

Santa Cruz	500
Campos (R. Silveira)	30
Subtotal	530

Total 8,085.5

Partnership/SPE

Hydroelectric MW

Serra da Mesa	1,275.0
Manso	212.0
Peixe Angical	498.75
Baguari	140.00
Retiro Baixo	82.00
Serra do Facão	212.58
Foz do Chapecó	855.00
Santo Antônio ¹	2,498.55
Teles Pires ²	727.92
Três Irmãos	807.50
Subtotal	7,309.30

Wind MW

Rei dos Ventos I and III (*)	118.57
Miassaba 3 (*)	68.47
Subtotal	1,029

Total 7,496.34

¹ HPP Santo Antônio in partial operation.

The total capacity is 3,568.3 MW

² HPP Teles Pires in partial operation.

The total capacity is 1,819.8 MW

PLANTS UNDER CONSTRUCTION/EXPANSION [GRI EU10]

Hydroelectric MW

Anta	28
São Manoel (*)	700
Santo Antônio (*)	1,069.75
Teles Pires (*)	1,091.88
Subtotal	2,889.63

Wind MW

Complexo Energia dos Ventos (*)	126
Complexo Famosa (*)	84
Complexo Famosa III (*)	124
Complexo Punaú/Baleia (*)	255
Complexo Serra do Mel (*)	84
Complexo Itaguaçu da Bahia (*)	280
Complexo Acaraú (*)	76
Subtotal	1,029

Total 3,918.63

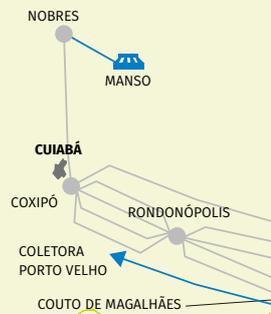
Consolidated data as of December 31, 2015

(*) Projects in partnership

-  Furnas Hydroelectric Power Plant/SPE (operating)
-  Furnas Hydroelectric Power Plant/SPE (in feasibility study or under construction)
-  Hydroelectric plant of another company. Interconnection points with the Furnas System
-  Furnas/SPE Wind Farm (operating)
-  Furnas/SPE Wind Farm (under construction or planned)
-  Furnas Thermoelectric Power Plant (operating)
-  Thermoelectric Power Plant of another company. Interconnection points with the Furnas System
-  Nuclear power plant from another company (operating)
-  Furnas Substation/SPE (operating)
-  Furnas Substation/SPE (under construction)
-  Substation of another company. Interconnection points with the Furnas System
-  Substation of another company (under construction or planned)
-  Furnas transmission lines in operation
-  Furnas transmission lines under construction
-  Line of another company. Interconnection with Furnas system
-  Existing optical fiber
-  Planned optical fiber



MATO GROSSO



MATO GROSSO DO SUL



FURNAS' HIGHLIGHTS

[GRI G4-9]

Consolidated	2011	2012	2013	2014	2015
FINANCIAL (R\$ Million)¹					
Net operating revenue	7,049	7,266	4,292	6,182	6,368
Adjusted EBITDA	1,647	1,952	-89	1,047	1,799
Net income	260	-1,306	-818	-406	-70
Added value to distribute	2,596	1,727	2,308	2,888	3,884
Investments in new projects	988	1,148	945	849	729
Investments in company ownership interests	1,031	1,473	1,127	1,459	923
MARGINS (%)					
EBITDA adjusted margin	23.4%	26.9%	-2.1%	17.0%	28.3%
Net margin	3.7%	-18.0%	-19.1%	-6.6%	-1.1%
OPERATING					
Generation (installed capacity in operation and under construction)					
Operating (MW) – Total	9,593	9,844	10,366	10,887.5	11,161.2
Own hydroelectric stations	7,175	7,175	7,509	7,533.2	7,533.2
SHP (services)	-	-	-	10.3	22.3
Hydroelectric stations in partnership (Furnas' portion)	766	766	766	766.3	766.3
Hydroelectric stations in SPEs (Furnas' portion)	690	941	1,129	2,002.4	2,174.4
Own thermoelectric stations ²	962	962	962	530	530
Wind farms in SPEs	-	-	-	45.8	45.8
In construction (MW) – Total	2,260	2,009	697	1,859.5	3,253.6
Own hydroelectric stations	386	386	53	-	-
Hydroelectric stations in SPEs (Furnas' portion)	1,674	1,423	446	1,179.4	1,007.2
Wind farms in SPEs (Furnas' portion)	200	200	198	652.1	620.65
Own SPH (Anta)	-	-	-	28	28
Power generated (GWh)	37,988	41,820	35,371	42,186	40,174
Hydraulic (100% own and portion of SPEs participation)	37,807	41,216	32,780	38,947	36,944
Own thermal	181	604	2,591	2,727	2,798
Wind	-	-	-	512	432
Transmission					
Length of transmission lines (km) [GRI EU4]	19,420	19,420	19,868	24,140	24,154
Own substations	46	46	47	48	48
Substations in partnership	2	2	2	2	2
Substations in SPEs	6	6	14	18	20
Installed transformation capacity (MVA)	104,122	106,897	109,865	118,243	119,118
Commercialization					
Energy purchased (GWh)	16,973	17,654	4,159	3,332	3,536
Energy sold (GWh)	54,892	56,569	42,231	40,561	38,831
SOCIO-ENVIRONMENTAL					
Number of permanent employees	4,860	4,567	3,547	3,517	3,548
Number of non-permanent employees	1,541	1,515	1,339	1,330	1,178
External social investment (R\$ million)	38	40	32	29	31
Environmental investment (R\$ million)	69	60	132	80	89

¹ Data from 2011 and 2012 adjusted according to the IFRS, with equity restating of the Special Purpose Companies (SPEs). [GRI G4-22]

² Power from TPP Santa Cruz was reduced from 932 MW to 500 MW, in 2014, corresponding to the Aneel-ordered temporary shutdown of generating units 3 and 4

MARKET CONTEXT

Macroeconomic context

Brazil experienced an adverse scenario in 2015, reflecting unfavorable macroeconomic conditions and policies, driven by lower commodity prices in the international market and the slowing growth of the Chinese economy, among other factors.

According to the Brazilian Institute of Geography and Statistics, the Gross Domestic Product (GDP) fell 3.8% in 2015 and accumulated unemployment reached 6.9% in December 2015 compared to 4.3% in the same month of the previous year.

Inflation accumulated 10.67% in 2015. The Central Bank raised interest rates to 14.25% in July and kept them stable for the rest of the year - in 2014, the Selic rate had ended the year at 11.8%.

The consolidated primary public sector deficit reached a record amount of R\$ 111.2 billion, or 1.88% of GDP (0.57% in December 2014). The current account deficit, in turn, decreased due to the more depreciated exchange rate and slowdown of activity. The deficit in the external accounts fell from 4.3% of GDP in 2014 to 3.3% of GDP in 2015. The dollar appreciated 47% against the real in 2015, ending the year at R\$ 3.90. International reserves totaled US\$ 370 billion.

Energy Scenario

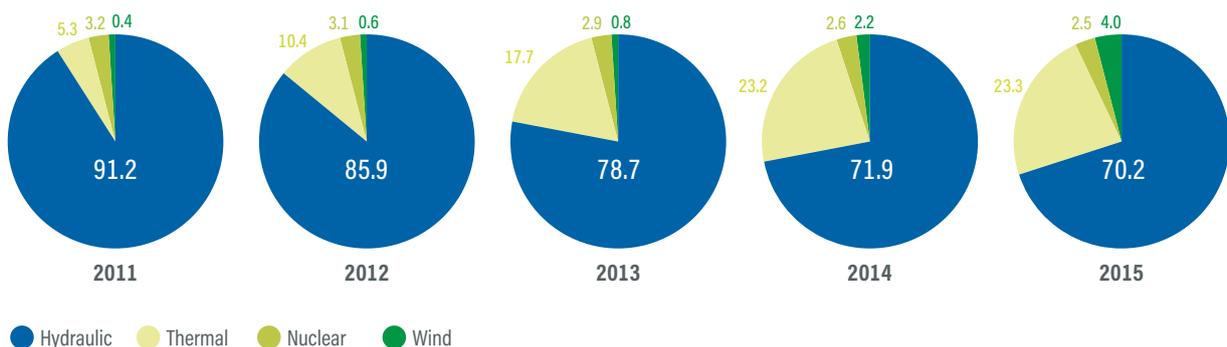
Power consumption in Brazil retreated 2.1% in 2015 and totaled 464,700 GWh, according to data from the Empresa de Pesquisa Energética (EPE). There was a strong decline in industry (-5.3%) due to the unfavorable economic environment throughout the year. Influenced especially by higher tariffs and the economic situation, residential consumption also recorded a decrease, of 0.7% - the largest annual decline since 2004. The commerce and services class, representing 19.5% of the market, was the only to post a positive result (+ 0.6%), but still below the last five years (annual average of 6%).

The volume of power generated in the National Interconnected System (SIN) fell by 0.6% in the year to 533,925 GWh (537,227 GWh in 2014), according to the Electric System Monitoring Bulletin of the Ministry of Mines and Energy. Hydro sources accounted for 70.2% of the energy generated, a percentage that had reached 91.2% in 2011. Thermal generation was equivalent to 23.3% of the total; wind, nuclear, 2.5%, and wind, 4.0% (respectively 5.3%, 3.2% and 0.4% in 2011).

Regulatory Scenario

Two high-impact subjects marked the regulatory environment in 2015: financial losses of electricity generators from exposure to the Short-term Market, the reflection of the adverse conditions hydropower faced from the previous year; and renewal/bidding for expiring concessions. The topics involved review of the physical guarantee of hydroelectric projects, the deficit in the generation of hydroelectric power, known by the acronym GSF (Generation Scaling Factor) and the subsequent renegotiation of the hydrological risk.

EVOLUTION OF THE BRAZILIAN ELECTRICITY MATRIX





HPP Serra do Facão (GO)

Furnas Renegotiation

In December 2015, Furnas opted for renegotiation of the hydrological risk of its plants in the regulated environment. Aneel granted the request for the HPPs Manso, Simplicio, Batalha, Peixoto (Mascarenhas de Moraes) and Serra da Mesa (Dispatch No. 160/2015 of January 20, 2016).

The product chosen was the SP100, with payment of a risk premium of R\$ 9.5/MWh. With the compensation related to the effects of renegotiation in 2015, the premium payment was postponed for four years and six months.

Hydrological risk

Law No. 13.203/2015 (originating from MP 688/2015) established the conditions for the transfer of hydrological risk of electric power generators to consumers through tariff flags. This risk occurs when a lack of water prevents power generation that had been committed to in contracts in the Regulated and Free Environments (ACR and ACL). To meet its obligations, the generator must purchase power on the spot market, at higher prices.

The transfer to consumers comes about through payment of a risk premium and the transfer of rights and obligations of generators dropping out of lawsuits requesting the exemption or mitigation of hydrological risks. In the ACR, the generators could choose between three product classes: P (the generator retains the ownership of the secondary energy); SP (secondary energy also is transferred to the consumer); and SPR (in addition to secondary energy, the risk of a reduction of the physical guarantee is transferred to the consumer). In the S and SP products, the transfer risk percentage to the consumer ranges from 0% to 11%, and for the SPR, it is set at 11%. In the ACL, the renegotiation will be done by the contracting of 5% to 11% of the physical guarantee in reserve energy.

Southeast and Center-West Energy Fund (Fesc)

On November 3, 2015, Law 13.182/2015 was published, which authorizes Furnas to participate in the Southeast and Center-West Energy Fund (Fesc) for electric power projects. The funds must be invested in generation and transmission projects, respecting the minimum of 50% in these two regions, through SPEs in which Furnas holds an equity interest of up to 49% of the capital.

The law also establishes that the concession of HPP Itumbiara will be extended for a period of up to 30 years, as of February 27, 2020, thus removing the advance foreseen under Law 12.783 of 2013. Auctions for the sale of physical guarantee from the plant with supply contracts starting in January 2016, 2017 and 2018, and ending on February 26, 2035 must be conducted.

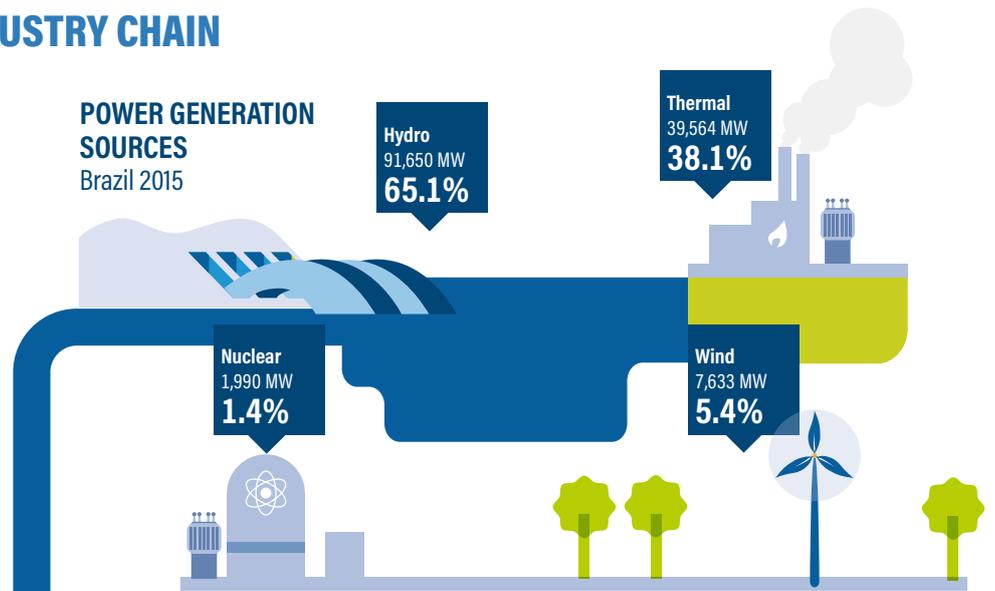
The Fesc funds will come from Furnas' contributions, deriving from the difference between the revenues from the contracts to be signed and the amount that exceeds the Annual Generation Revenue (RAG) calculated by Aneel. The amount to be contributed to the fund will be 88% of the difference between February 27, 2020 to February 26, 2030 and 100% from February 27, 2030 to February 26, 2035.

THE ELECTRICITY INDUSTRY CHAIN

GENERATION

Brazil closed 2015 with 4,467 electricity generation projects, totaling 140,858 MW of installed capacity, of which 65.1% were hydro sources, 28.1% thermal, 5.4% wind, 1.4% nuclear and 0.01% solar. The energy generated in the National Interconnected System was 533,925 GWh. (Source: *Electric System Monitoring Bulletin of the Ministry of Energy and Mines*).

POWER GENERATION SOURCES Brazil 2015

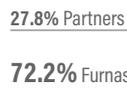


TRANSMISSION

The system operates the energy transportation infrastructure at high voltages (above 138 kV) from the generating plants to the substations that connect to local distribution networks. At the end of 2015, it consisted of about 129,258 kilometers of lines, with the involvement of 77 concessionaires. (Source: *Electric System Monitoring Bulletin of the Ministry of Energy and Mines*).

FURNAS' GENERATION INFRASTRUCTURE

Generation assets



11,161.17 MW

Capacity equivalente to **7.9%** of the country's total

In 2015, it generated **40,174 GWh**, representing 7.5% of the total

FURNAS'S TRANSMISSION INFRASTRUCTURE

Transmission lines



24,154 km

18.7% of the total length of the National Interconnected System Nacional (SIN)

SUBSTATIONS



70 substations (SEs)

119,118 MVA Total transforming capacity

COMMERCIALIZATION

Furnas sells electricity through two Contracting Environments: Regulated (ACR), with generation and power distribution agents; and Free (ACL), between generators, distributors, traders, importers and exporters, in addition to free and special consumers.

In the free market, or ACL, purchase and sale transactions occur through bilateral contracts containing freely negotiated conditions.

Furnas sells much of its energy in the ACR through public auctions operated by the Electric Energy Trading Chamber (CCEE). As an electricity generation public service utility under federal control, its contracts must be signed at auctions or through public tenders made by the Company itself or by third parties.

Furnas commercialized **42,367 GWh** of electric energy in 2015

DISTRIBUTION

In 2015, there were 63 distribution utilities in Brazil, responsible for serving 79 million consumer units, of which 64.7 million were residences (Source: *Aneel*).

Furnas does not operate in this market.



MESSAGE FROM MANAGEMENT

[GRI G4-1]

Recovery is the key word regarding Furnas' performance in 2015, a notable year for the Company, one which saw it overcome the impacts from the changes in the regulatory model and return to growth. In order to assure consistency regarding the commitment to sustainability and prepare Furnas for the future, further progress was achieved on a set of process optimization initiatives within the Organizational Restructuring Plan, delivering gains in efficiency and productivity that were reflected throughout the Company.

With the measures implemented, we reduced operating costs and boosted revenues, generating more cash in the year, at the level seen before the extension of the concessions. Although the final earnings results were directly impacted by the establishment of provisions relating to investments in business stakes using conservative evaluation criteria, the R\$ 70 million loss

2015 was a year of recovery for Furnas, with process optimization and efficiency and productivity gains that were mirrored across the organization

posted in fiscal year 2015 was a significant improvement over the loss of R\$ 406 million registered the previous year.

As of the consolidation of a new management approach in all its activities, whether in the social, environmental or economic spheres, Furnas is demonstrating the necessary strength to continue on the path to sustainable growth. For 2016, the forecast points to a return to profitability, especially due to the receipt of an indemnity in the amount of R\$ 13 billion for non-amortized and non-depreciated transmission assets, authorized by

the Brazilian Electricity Regulatory Agency (Aneel). This will represent an important injection of funds to be used for investments in our power generation and transmission projects. The regulatory body's approval rewards the work of a team of 200 people dedicated full time for several months to retrieve past accounting records, enabling Furnas to obtain financial gains in future tariff review cycles and add value to the Company.

We continue to invest in modernizing and strengthening the transmission system's construction work, which received R\$ 396 million during the year and, including investments as of 2011, now total R\$ 1.8 billion. The results have been significant in terms of efficiency and reliability. Together with our partners, we placed projects into operation such as the Olympic Substation (RJ), which strengthens energy security for the Rio 2016 Olympic Games; two turbines at the Teles Pires Hydroelectric

Power Plant (MT/PA); and new generation machinery for HPP Santo Antônio (RO).

Due to the very large volume of investments characteristic of the electricity sector, our growth has been accomplished with emphasis on the partnership model. To boost the efficiency of the management of current equity interests, we are implementing a restructuring plan featuring the creation of holding companies, designed to improve the governance of these businesses.

We also progressed with regard to compliance and risk management aspects through the updating of the Company's Compliance Manual and the running of an internal and external campaign focusing on anti-corruption practices. And for the fourth time, we were recognized as a Transparency Trophy "Highlight" for the quality and integrity of our financial statements.

For Furnas, sustainable development is only possible

Projects and initiatives reiterate our commitment to ethics, citizenship and the creation of opportunities for the communities where we have operations

through the merging of economic, environmental, cultural and social interests. Therefore, the Company's social actions no longer are considered a secondary aspect, and now are being incorporated into strategic management, contributing effectively to the development of the communities near our projects.

Through various projects and initiatives, we are reiterating our commitment to ethics, citizenship and the creation of opportunities for the communities where we have operations. Furthermore, we encourage the preservation of the environment, which is the caretaker of water, our main

source of energy and which is used to generate more than 90% of the Company's power output. We also invest in innovation, through projects that prioritize the development of renewable energy sources.

Thus, we have fulfilled our commitments to the ten principles of the Global Compact, based on advances in the fields of human rights, labor rights, the environment and anti-corruption practices as well as the new Sustainable Development Objectives.

All these initiatives are aligned with the strategic pillars of sustainable growth, operational excellence and adjustment to the electricity sector model that orient Furnas' activities, providing the conditions to continue its important role to operate and maintain the country's principal electric power generation and transmission system.

Flavio Decat de Moura
CEO



STRATEGY AND
MANAGEMENT



[GRI G4-DMA]

Based on three concepts — sustainable growth, operational excellence and adjustment to the model — the Furnas Strategic Plan was defined in 2013. It was devised to allow the Company to act successfully in a challenging industry scenario. It set objectives and targets for divisions and departments to implement agile, competitive, efficient and profitable actions towards fulfilling its institutional role and making effective use of market opportunities.

Monitoring the performance of the objectives contained in the strategic panels occurs every two months through Follow up Strategy Meetings (SARs). Held since 2014, with the participation of officers, consultants and superintendents, they make it possible to share the challenges and support commitments made between the Company's different areas, leading to agreements on corrective actions.

After consolidating the monitoring of the indicators and initiatives, the Company took another step towards more mature Strategy Management, kicking off its Strategic Learning Cycle in May 2015. Based on internal and external scenarios put together by the Strategy team and the general framework of indicators and initiatives, Furnas' executives began a process of reflection about the existence of gaps and opportunities to improve the objectives of the chosen strategy.

The monitoring of implementation of the plan is supported through the Balanced ScoreCard model, which defines objectives and goals from four perspectives: financial, market, internal processes and learning.

Priorities

One of the highlights of Strategy Management in 2015 was the identification of the need to achieve excellence in Asset Management that, given the new sectoral rules, has become Furnas' core business. This strategic issue became the focus of attention, leading to the emergence of the Asset Management Program (PGA) with a regulatory and asset approach intended for this specific purpose. Another priority established during the year was the Value Generation Plan (PGV) for adding shareholder value. Both initiatives aim to preserve and ensure the Company's revenues.

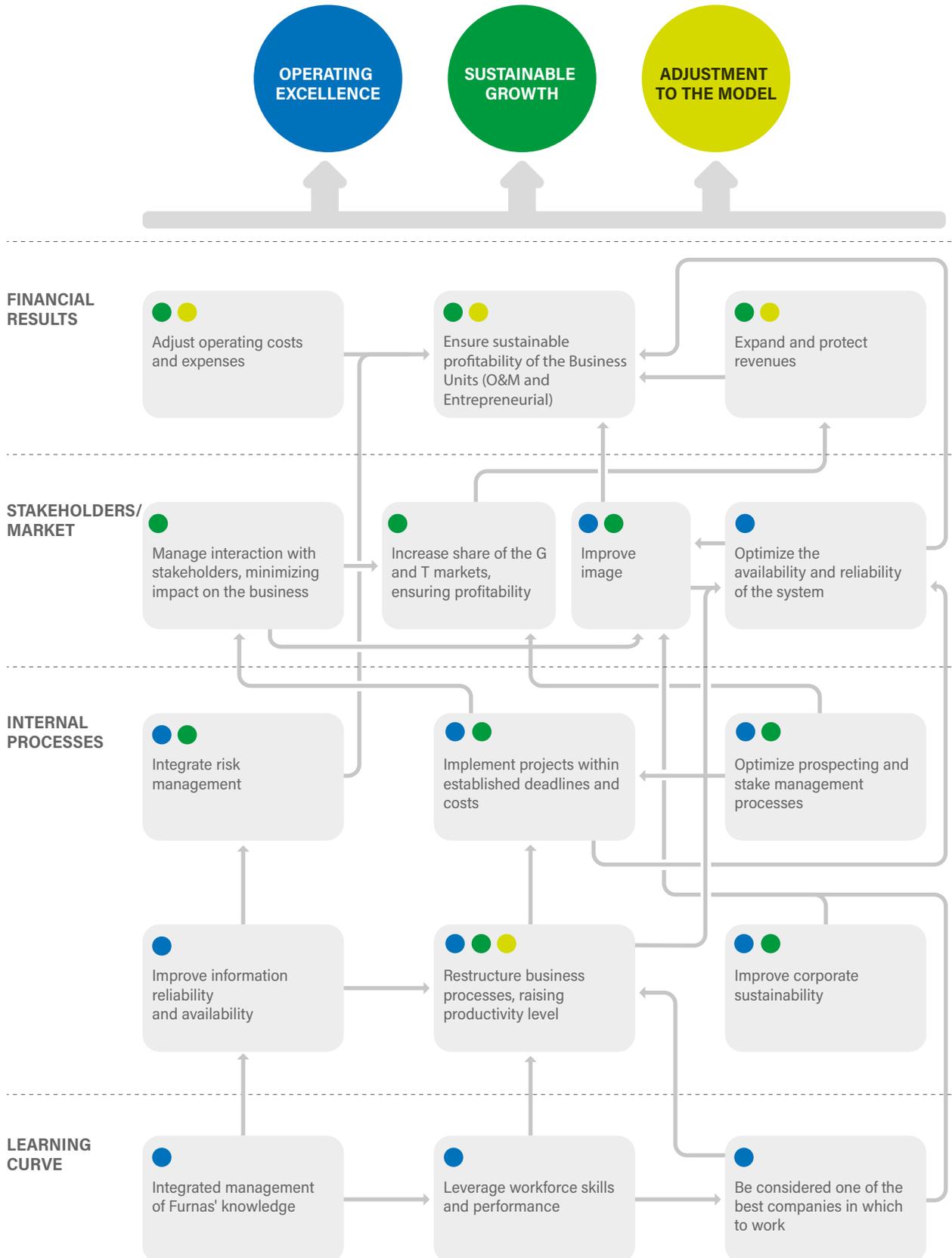
Optimization initiatives identified in the organizational restructuring program continued to be pursued through a technical cooperation agreement with the Inter-American Development Bank (IDB) and advisory support from Roland Berger Strategy Consultants. Its second phase, called the Furnas Organizational Restructuring Project II (PRO-Furnas II), was based on 230 initiatives, which were consolidated into 219. The implementation used its own methodology and a customized computerized support system specially developed for this purpose. Since the project began in 2014 until the end of 2015, 113 optimization initiatives were completed (about 56% of those scheduled to start before December 31, 2015). [GRI G4-2]

Shared Services Centers -

PRO-Furnas II also developed a more strategic profile for the human resources and information technology areas, with the Shared Services Centers (CSCs) absorbing their operations, thus efficiently centralizing all operational activities to support the business. Currently, the CSC's matrix is being structured to be more in line with the Company's current organizational stage, including the size of the geographical area its projects encompass. The goal is to evolve to a highly functional stage.

The Asset Management Program (PGA) and Value Management Program (PGV) have been defined as priorities to preserve and assure the Company's revenues

STRATEGY MAP



INVESTMENTS

To comply with the strategic Sustainable Growth strategy, Furnas invested R\$ 1,652 million in 2015, of which R\$ 729 million was earmarked for its own projects and R\$ 923 million in equity investments. In the SPEs, the largest volume went to the HPP Santo Antônio, representing 17.9% of the total.

Investments in Generation totaled R\$ 108 million, of which R\$ 73 million went for modernization and maintenance and R\$ 19 million was for expansion.

Transmission activities received R\$ 621 million, of which R\$ 396 million, or 63.8% of the total, was for the modernization program of the General Plan of Transmission Projects in Facilities in Operation (PGET), seeking operational excellence in Furnas systems; an additional R\$ 232 million went to other projects linked to the existing transmission system.

In the context of PGET for 2011-2015 period, 107 reinforcement and improvements projects were concluded. Throughout 2015, 335 obsolete or end of life pieces of equipment were replaced, among which 24 transformers totaling 4,125 MVA of transformation capacity, 36 circuit breakers and 93 isolating switches at voltages varying from 138 kV, 230 kV, 345 kV, 500 kV and 750 kV. The goal is to expand and replace out of date equipment, totaling 6,600 pieces between 2011 and 2018 – most notably 169 transformers, 840 circuit breakers and 2,348 isolating switches, as well as smaller equipment.

[GRI G4 DMA EX-EUG]

Concluded projects [GRI G4-13]

In the transmission segment in 2015, two new transmission lines and two new substations built in partnership entered into commercial operation. The SS Niquelândia, located in Goiás, has 40 MVA transformation

capacity. The SS Olímpica and the TLs (138 kV) Barra da Tijuca-SS Olímpica and Gardênia-SS Olímpica are part of the complex designed to ensure energy security for the 2016 Olympic Games.

Ongoing projects [GRI EU10]

Generation

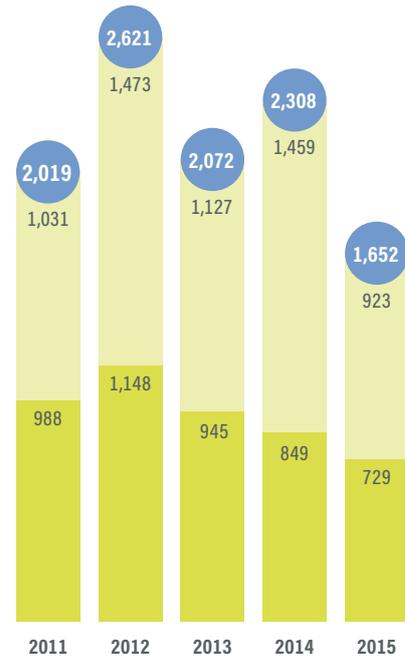
HPP Santo Antônio –With the entire project scheduled to be completed by the end of 2016, the Madeira Energia consortium put the 35th turbine into operation in December 2015, boosting its installed capacity to 2,498.55 MW. When all of its 50 turbines are running, it will be the third largest plant in the country in terms of physical guarantee (2,424.2 MW of assured power). The total capacity of 3,568.8 MW is enough to meet the average consumption of 45 million people. Installed on the Madeira River in Rondônia, Furnas is the largest shareholder in the project (39%), whose partners include Odebrecht Energia (18.6%), SAAG Investimentos S.A. (12.4%), Cemig (10%) and FIP (20%).

HPP Teles Pires – In 2015, the first two generating units of the plant under construction on the Teles Pires River between the states of Pará and Mato Grosso went on stream. The physical works were completed on August 31, 2015 and the first turbine entered into commercial operation on November 7, using the Sinop Substation. When its five turbines are in operation, the total installed capacity of 1,819.8 MW will be enough to supply a city of 5 million inhabitants. Furnas holds a 24.5% stake in Companhia Hidrelétrica Teles Pires, which also has the involvement of Neoenergia (50.1%), Eletrosul (24.5%) and Odebrecht Energia (0.9%) as its other shareholders.



INVESTMENTS (R\$ million)

- Equity interests
- Own projects



CORPORATE INVESTMENTS (R\$ million)

Category	Value (R\$ million)
Generation	108
Preservation of the capacity of the operating system	40
Modernization of the Furnas Hydroelectric Plant	33
Implementation of HPP Simplício and SHP Anta	19
Others	16
Transmission	621
Expansion of the electric energy transmission system	259
Preservation of the electric energy transmission system	221
TL HPP Mascarenhas (MG)-Linhares (ES)	28
Environmental conservation	25
Others	88
Total	729



Rei dos Ventos Wind Farm (RN)

HPP São Manoel – On the Teles Pires River on the border of the states of Mato Grosso and Pará, the plant's capacity is 700 MW and Furnas holds a 33.3% ownership interest. The plant is scheduled for completion in 2018.

SHP Anta – Rated at 28 MW, this wholly owned Furnas facility will be connected to the HPP Simplicio on the Rio Paraíba do Sul, on the border of the states of Rio de Janeiro and Minas Gerais.

Wind farms – A total of 43 wind farms are being built in the states of Ceará, Rio Grande do Norte and Bahia, and Furnas' interest corresponds to 608.35 MW. It is expected to go into operation between 2016 and 2018.

Transmission

The expansion of Furnas' transmission system consists of the construction of new lines and substations, with the completion of three lines for its own projects expected by February 2017, totaling 329 km, besides the 4,554 km in 14 transmission lines and 9 new substations scheduled under the SPE regime.

A large ongoing project that began in 2015 is construction of the first DC bipole line for connection of the Belo Monte hydroelectric dam with the Southeast region, allowing the transmission of large blocks of power with minimum losses. The system consists of two converter substations and the 2,092 km, 800 kV TL Xingu-Estreito, considered a pioneer project in the country, with the capacity to

transmit 4,000 MW of power. Furnas owns a 24.5% stake in the project, developed in partnership with the State Grid Brasil Holding (51%) and Eletronorte (24.5%).

Future investments [GRI 64-2]

Furnas' Business and Management Plan foresees investments of approximately R\$ 10.3 billion over the next five years, of which R\$ 5.3 billion in investments already is contracted and R\$ 5 billion is for new ventures. Based on investments already contracted, the Generation segment will be represent R\$ 2.1 billion, while Transmission will receive R\$ 3.2 billion. The new Generation projects will be earmarked to receive R\$ 4 billion while those for Transmission are scheduled to get R\$ 1 billion.

RESEARCH, DEVELOPMENT AND INNOVATION - R&D+I [GRI G4-DMA, EX-EU8]

In the 2013-2016 quadrennium, Furnas will have invested approximately R\$ 300 million in R&D+I to test and develop new forms of clean and renewable energy generation. Its priority focus is on sustainability projects related to new, clean sources of electricity generation, which lead to business development opportunities. The Company also invests in projects related to distributed mini- and micro-generation, as regulated by Aneel, and that in the next decade could represent a significant percentage of generation. It also earmarks funds for the domain of new technologies, such as extra-high voltage (800 kV) transmission.

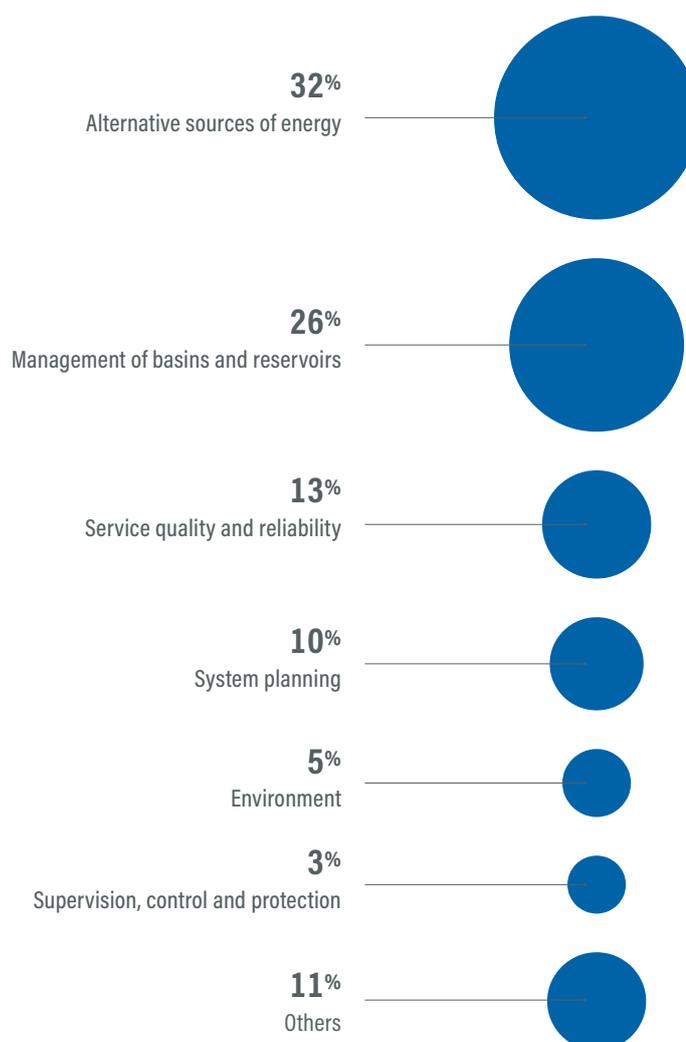
The merger and administration of the Furnas Portfolio's R&D and technology areas was consolidated in 2015, optimizing the management of 27 ongoing projects, with results to become apparent in the coming years. The main and permanent objective is to transform the studies that have been carried out into new services or patented products and, as a result, offer the Company more competitive advantages.

Investments in projects classified as innovative, related to sustainability, have remained focused on R&D management, highlighting solar, photovoltaic and wave energy.

The selection of partners is through public calls, in order to provide transparency and opportunity for all. In addition, since 2012, there has been permanent public collection of ideas between Furnas' employees and external audiences. This process allowed us to establish new partnerships with educational institutions and research centers, as well as technology-based companies. Through this model, advanced projects were engaged in R&D+I, with emphasis on the sustainable use of natural resources for power generation and transmission of large low pass band blocks of energy over long distances with. Among them are the following highlights: ultrahigh voltage laboratory; solar photovoltaic generation; wave power generation station; vertical wind turbine; energy recovery from municipal solid waste; and mobility with electric and hybrid technology.



BREAKDOWN OF R&D INVESTMENTS



R&D INVESTMENTS (R\$ thousand)

	2013	2014	2015
Renewable energy technologies	30,099	3,390	5,456
Transmission and distribution technologies	100,722	3,946	4,417
Innovative services related to sustainability/environment	29,575	3,226	5,220
Others	2,038	1,336	1,735
Total	162,434	11,898	16,828

Note: The atypical amount in 2013 refers to the institutional contribution for implementation of the ultra-high voltage laboratory being built under the responsibility of the Electric Energy Research Center (Cepel).



CORPORATE
GOVERNANCE

Transparency, fairness, corporate responsibility and commitment to providing clear and objective accounts, available to all stakeholders, characterize Furnas' corporate governance model, aligned with the best practices of benchmark institutions and corporate law. The management structure, practices and tools follow guidelines and recommendations contained in various organizational documents: the Eletrobras Code of Ethics; the Bylaws; the internal regulations of Company, the Board of Directors, the Board of Executive Officers, the Supervisory Board and the Internal committees that support the Executive Board, and the attribute descriptions of all formal units in Furnas' structure. [\[GRI 64-34\]](#)

The model is based also on the clear definition of the roles and responsibilities of the Board of Directors and the Board of Executive Officers with

regard to the formulation, approval and implementation of policies and guidelines for conduct of business, and includes the Supervisory Board for oversight of management's actions and accounts.

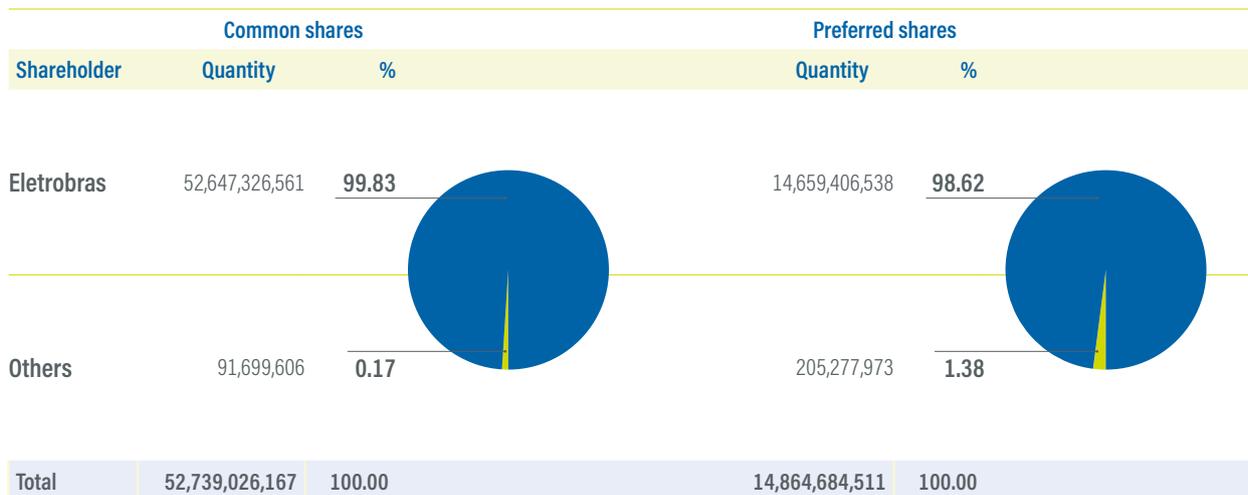
Shareholder breakdown

As a subsidiary of Eletrobras, whose shares are traded in the U.S. market, Furnas meets the requirements of the Sarbanes-Oxley Act (SOX), providing information so that the holding company's shares can continue to be traded in the form of Level 2 American Depositary Receipts (ADR) and be part of the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange and the Corporate Sustainability Index of the Stock Exchange, Commodities and Futures Exchange (ISE-Bovespa). In 2015, the Furnas' share capital, in the amount of R\$ 6,531,154,365, was broken down as follows:

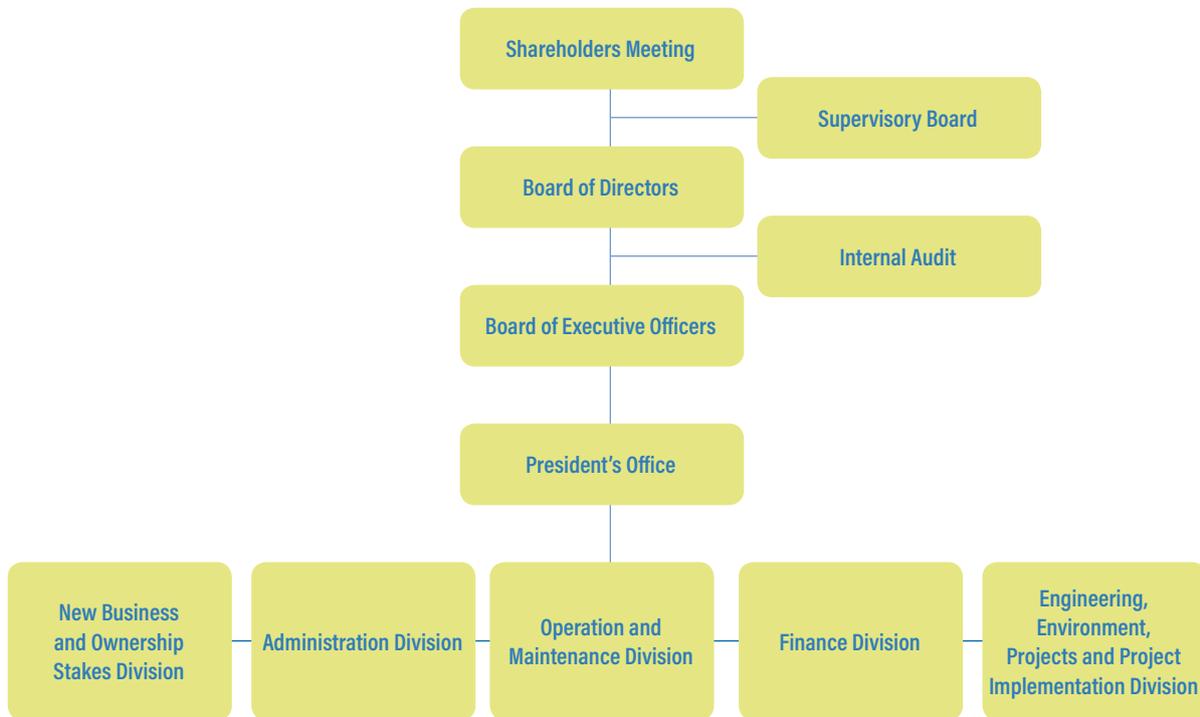
The governance model is based on the clear definition of the roles and responsibilities of members of the Board of Directors and the executive officers



OWNERSHIP BREAKDOWN - ON 12/ 31/2015 [\[GRI 64-7\]](#)



ORGANIZATIONAL STRUCTURE



General Shareholders Meeting

The General Shareholders Meeting is the main shareholder decision-making body. It is held on an ordinary basis once a year, in the first four months following the end of the fiscal period, to examine and discuss the Management Report and the Financial Statements of the previous year, as well as to decide on allocation of profits and distribution of dividends and to elect the members of the Board of Directors and the Supervisory Board. It can meet on an extraordinary basis at any time to discuss issues such as opening up of and increasing capital stock; spin-offs, mergers, transformation or incorporation operations; changes to the Bylaws and others proposed by the Board of Directors or the Supervisory Board. In 2015, one extraordinary meeting was held, on August 27, to elect the member of the Board of Directors who would represent the Ministry of Planning, Budget and Management.

The main concerns addressed in the two meetings held during the year involved: approval of the Management

Report and the Financial Statements, allocation of results for the 2014 fiscal year, election of members of the Board of Directors and Supervisory Board and overall annual compensation of directors and the Supervisory Board members. [GRI 64-49, 64-50]

Board of Directors

The Board of Directors is Furnas' highest governing body, responsible for the overall direction of the business, overseeing the implementation of approved programs and verifying the results. It is composed of six members elected by the General Shareholders Meeting to terms of one year, with reelection permitted. All are male, white; 33% are between 30 and 50 years old and 67% are over 50. The chairman of the Board, who does not perform executive functions, and the CEO of the Company, are chosen from among the members of the Board of Directors. In 2015, the Board met 23 times. [GRI 64-38, 64-39, 64-42, 64-LA12]

One member is appointed by the Federal Minister of Planning, Budget and Management and another is

elected as the employees' representative, chosen by direct vote from among active employees. The only member to have an alternate is the representative of the employees, both elected and obligatorily from a single slate. Ineligible are ascendants, descendants or relatives up to the third degree of members of the Board of Directors, the Board of Executive Officers or the Supervisory Board, as well as persons declared unqualified by the Brazilian Securities Exchange Commission (CVM), prevented by special law or convicted of crimes against the economy, public faith or property. Each member of the management bodies must submit a statement of assets before assuming and leaving office. [GRI 64-40]

Board of Executive Officers

The Board of Executive Officers is composed of a president and five officers, who are responsible for the company's economic, social and environmental performance, and who must submit the general works, management and financial plans to the Board of Directors. The Board of Directors elects the officers

to a three-year term, with reelection permitted. The regulatory and statutory decisions of the Board of Executive Officers are taken at weekly meetings and constitute the deliberative process in which matters of interest of each Division are submitted. There were 70 meetings in 2014. [\[GRI 64-35, 64-36, 64-42\]](#)

Internal committees formed from representatives of each Division support management, including: Information Technology, Human Resources, Research and Development, Insurance, Energy Commercialization, Information Security, Ethics Commission, New Business Coordination, Corporate Sustainability, Risk Management and Permanent Attention to External Audit Organizations (Caoef).

Supervisory Board

The actions of management are overseen by the Supervisory Board, which also checks compliance with its members' legal and statutory duties and is required to report errors, frauds or crimes discovered. It is composed of three regular members and their alternates, who are Brazilians residing in the country, shareholders or not, elected by the General Shareholders Meeting to one-year terms and may be reelected. The Ministry of Finance, representing the National Treasury, appoints one of the full members and respective alternate member. In 2015, the body met 13 times. [\[GRI 64-44\]](#)

Performance control

The Supervisory Board receives monthly reports from the Board of Executive Officers about the main economic, financial, social and environmental results, and evaluations about the meeting of the agreed targets through a Goals and Business Performance Contract (CMDE) signed with the Eletrobras parent company. The performance analysis is based on management reports, checking compliance with risk controls and the provisions of the Code of Ethics' provisions. The consultation process is speeded up by the fact the CEO and a representative of the employees are sitting members of the Supervisory Board. [\[GRI 64-37\]](#)

Internal committees, with representatives of each Board sitting on them, act in support of the management

In regular meetings at its headquarters in Rio de Janeiro, as well as in branch offices, staff is informed by the employees' representative about the main issues discussed by the Supervisory Board. It is also an opportunity to submit questions and suggestions to be forwarded to the Board. Among the subjects covered in 2015 were highly relevant topics, such as: Hydrological Risk (Generation Scaling Factor - GSF) and its impact on corporate profitability, expansion through Specific Purpose Entities (SPEs), the consequences of the deterioration of the macroeconomic scenario for the profitability of the projects, the process of forming partnerships for entering auctions, and the early renewal of HPP Itumbiara based on Law No. 13.182/2015. [\[GRI 64-49, 64-50\]](#)

Regularly conducted Strategy Follow-up Meetings (RAEs) offer the divisions a place to submit their main achievements, challenges and opportunities to the Board of Executive Officers. According to the specificity and relevance, these themes can also be submitted to the Board of Directors. [\[GRI 64-43\]](#)

Conflicts of interest

Furnas' Compliance Manual, updated in December 2015, states that employees and company representatives may not exercise any function or activity that could generate apparent or real conflicts of interest that involve any relationships in which one could assume that the Eletrobras Companies obtained an advantage or undue influence. In addition, the Bylaws establish that

executive officers can not work in any other companies related in any way to Furnas' corporate purpose, excepting the parent company, its subsidiaries or affiliates and/or concession companies in which Furnas holds an equity stake. In these situations, they may hold positions on the Boards of Directors, subject to the provisions of current legislation regarding receiving compensation therefrom. The employees' representative can not participate in discussions on labor relations, compensation, benefits and advantages. [\[GRI 64-41\]](#)

Compensation

The compensation of Board members and executive officers is a fixed amount, which does not include variable compensation based on the evaluation of economic, social or environmental performance. The Board of Directors proposes the total amount for discussion and approval by the General Shareholders Meeting within the limits established by the Ministry of Planning, Budget and Management. In 2015, total compensation of the members of the Board of Directors and the Supervisory Board was R\$ 478,292.28; and for the Board of Executive Officers it was R\$ 2,912,513.75. [\[GRI 64-51, 64-52, 64-53\]](#)

Internal policies

Internal policies are defined by benchmark instruments of the resolutions taken by the Board of Executive Officers, covering the following topics: Materials Logistics, Information Technology, Human Resources Management, Corporate Security, Environment, Social Responsibility, Vehicle Fleet Management, Information Security, Occupational Safety and Health, Property Security, Intellectual Property, Property Management, Waste Management, Procurement and Risk Management and Internal Controls.

GOVERNANCE OF THE SPEs

The management of Furnas' interests in Specific Purpose Entities (SPEs), through which new businesses preferentially are developed, underwent a review process, taking into account recommendations of the Federal Audit Court (TCU). The goal was to improve the governance of these companies, expanding Furnas' influence on their day-to-day activities. This makes it possible not only to monitor the implementation of projects but also to add Furnas' technical expertise.

The management has been segmented according to the characteristics of each business (wind, transmission and structuring projects, which are large ventures such as the HPPs and the Belo Monte transmission line), with coordinators working on each undertaking. This group was composed of 12 people at the end of 2015, who began to strengthen the oversight that previously had been carried out by Board directors and executive officers.

The number of SPEs was reduced from 81 in 2014 to 76, and the companies will be grouped into holding companies based on a model authorized by the State-Owned Companies Coordination and Governance Department (Dest). These holding companies were to be formally constituted in early 2016. One of them, Brasil Ventos, will encompass 26 SPEs dedicated to wind projects in which Furnas is majority shareholder, thus reducing to 51 the companies held in partnership with other companies, which will facilitate the consolidated monitoring of businesses. In the medium term, the goal is to concentrate the ventures in three major holding companies (transmission, generation and wind) and nine structuring projects.

During the year, 70 Furnas employees sat on SPE boards of directors and supervisory boards (between full members and alternates). They participate in forums and have access to documents that allow them to have active management roles in the companies, such as the preparation of business plans and environmental and social demands, among others.

ETHICAL BEHAVIOR | GRI 64-DMA

Furnas has adopted the Single Code of Ethics of the Eletrobras System Companies, which entered into force in 2010. The document defines the principles that guide the commitments in the actions, behavior and professional decisions of employees, managers, officers, members of the Board of Directors and the Supervisory Board, collaborators, suppliers and other stakeholders. All contracts with suppliers include a clause that the contractor pledges to adopt the Furnas Code of Ethics. |GRI 64-56|

The Ethics Committee — which is responsible for providing guidance and advice on professional ethics, the treatment of people and public property — monitors compliance with ethical principles and conduct commitments. Among other duties, it also oversees the Company's auctions and tenders. By law, the Ethics Commission maintains an exclusive e-mail service channel, which also receives complaints through the Ombudsman's office.

The intranet Ethics site contains current legislation, questions and answers related to the management of ethics in public companies, a Contact Us service and the Consultation Channel for Reporting Ethical Deviations and monitoring cases being analyzed by the Ethics Committee, among other information. The risks of corruption, by operation, will be mapped and evaluated by a consultant who will be hired in 2016. |GRI 64-57, 64-S03|

Preliminary investigations conducted on the basis set out in Art. 4 of Decree 8.420/2015 confirmed there were no cases of corruption in the Company. |GRI 64-S05|

In 2015, the Ethics Committee received 29 complaints, of which three were still under analysis at year's end. The 26 complaints that were handled involved issues such as bullying, harassment, abuse of authority, improper payment of overtime, irascibility between

The Code of Ethics defines the guiding principles and actions, attitudes and decisions of employees, officers and Board of Directors members

employees, prejudice, misuse of IT resources, illegal sales of Company materials (which it was learned did not happen), deviation of job function, theft of Company materials (where it was not possible to identify the culprits), irregular service in the Company, improper distribution of functional residence (learned it did not happen), illegal entry of persons into the Company (not proven) and wrong contracting of services. All the cases were dealt with as foreseen in Decree-Law 6.029, of February 1, 2007.

In some cases, Personal and Professional Conduct Agreements (ACPPs) are signed, through which the employee is monitored for two years by a member of the Ethics Committee and, if there is a recurrence of fact, receives ethical censure, which is sent to the Personnel Department.

The ethical issues include respect for human rights, a subject about which 53 employees were involved in training activities, totaling 313 hours in the year. |GRI 64-HR2|

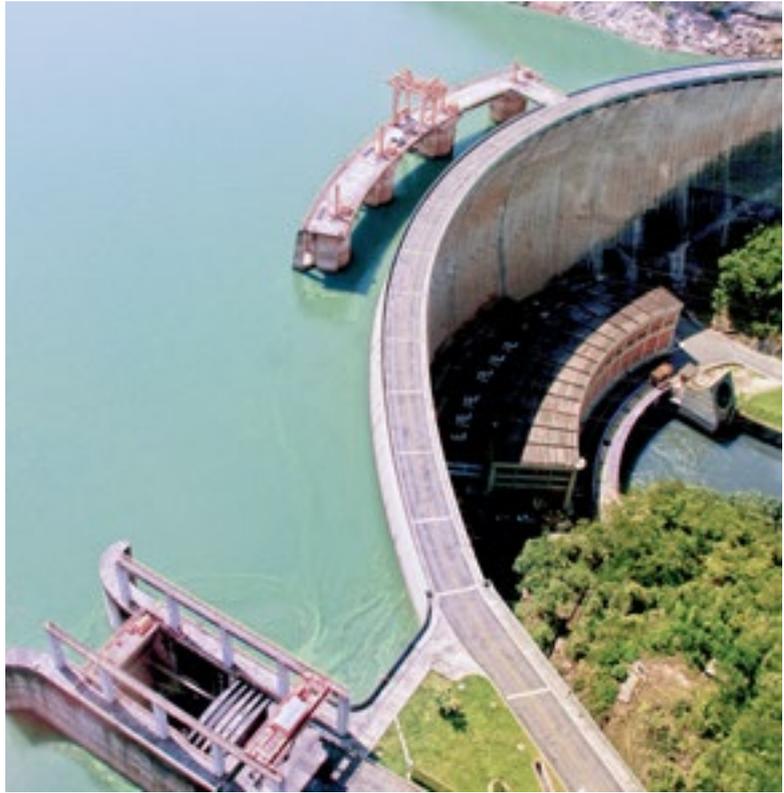
Ombudsman | GRI 64-58 |

The Furnas Ombudsman is an instrument for interaction with internal and external stakeholders, and is the channel for receiving complaints about any violations or suspected violations of the Anti-Corruption Program and/or Brazil's Anti-Corruption Law. The Ombudsman acts as a mediator in the search for extra-judicial dispute resolution, as well as an organizational assessment tool. In addition to meeting the requirements of the Sarbanes-Oxley Act, it follows the guidelines of the Office of the Ombudsman General of Brazil (OGU) and maintains the Citizens Information Service (CIS), which posts information of public interest through the Furnas website. The Ombudsman also manages the Talk to the President program, exclusively for the in-company audience, to answer questions and submit suggestions and comments.

Access to the Ombudsman is assured through an electronic form on the Internet, fax, phone, traditional mail or personal contact. Through the Itinerant Ombudsman program, this service is available in different units of the Company, as well as communities in the vicinity of its operations, such as the Simplicio Citizenship Village, which was carried out in September. In all forms of communication, complainant names are kept confidential and message content is treated in a serious, reserved and impartial and manner. | GRI 64-57 |

In 2015, the three channels managed by the Ombudsman received a total of 1,097 contacts, of which 951 were complaints, 97 were requests for information that were directed to the SIC, of which 18 were appeals, while 49 messages were forwarded to the Talk to the President program. By origin, 69% of the contacts were external, 28% internal and 3% unidentified. Of the total received, there were 508 requests, 323 complaints, 85 accusations, 22 compliments and 13 suggestions.

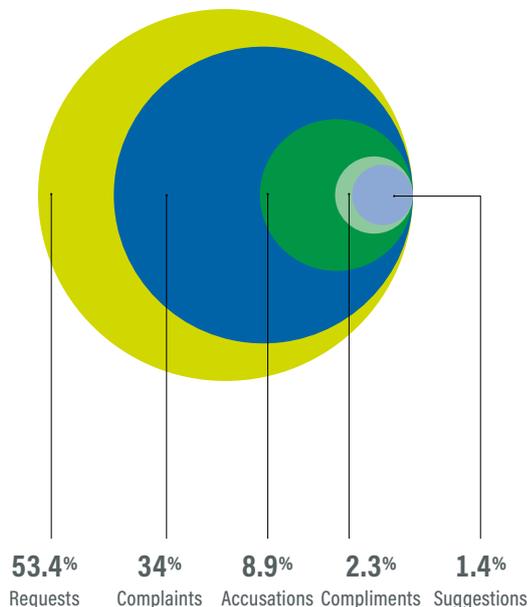
Reports from the Ombudsman and the Electronic Citizen Information Service System (SIC) are available at these electronic addresses: www.furnas.com.br/frmOuvidoriaAtividades.aspx and www.furnas.com.br/frmOuvidoriaRelatoriosSIC.aspx



HPP Furnil (RJ)



CONTACTS WITH THE OMBUDSMAN



RISK MANAGEMENT

GRI G4-DMA, G4-2|

The integrated management of corporate risks is recognized as a key tool for making strategic decisions that are aimed at business sustainability. The definition of principles and guidelines to promote and ensure that integrated corporate risk management permeates all organizational processes has direct participation from the Board of Directors, and this assessment is on the agenda at its monthly meetings.

[GRI G4-45, G4-47]

The process is associated with tangible and intangible benefits, such as improving the Company's institutional image with stakeholders, ensuring quality of services provided to society and the creation of shareholder value. Perfect and timely overview of the various risk factors and their continuous and immediate disclosure allow the entire organization to perform necessary adjustments that increase their level of sustainability and protection against unwanted events that cause financial and image losses. [GRI G4-46]

In 2014, the Corporate Risk Matrix was revised to bring it in line with the Eletrobras System. Based on it, the Risk Management Committee selected 12 priority risk categories for the company to manage in 2015. Of these, two were among the four that were prioritized for 2015, thus totaling 14 prioritized risks, seven of which were worked on in 2015.

These seven were analyzed using Dynamic Corporate Risk Management (DCRM), a new methodology for assessing corporate risk, which enables a quantitative and financial overview of these factors. Thermal maps were developed that consider Impact x Probability and Impact x Vulnerability, which identify degrees of risk vulnerability and mitigation.

The other seven risk categories will be worked on in 2016 using this new methodology. The Company plans to purchase software that will enable the implementation of an online system for risk assessment through information collection and the treatment of corporate risks.

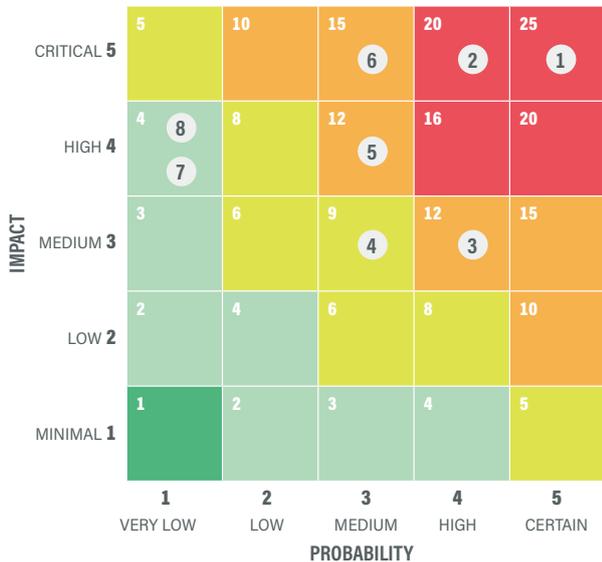
Among the 14 risk events evaluated as priorities for management, seven were effectively handled in 2015 using a new corporate risk assessment methodology

PRIORITY RISKS

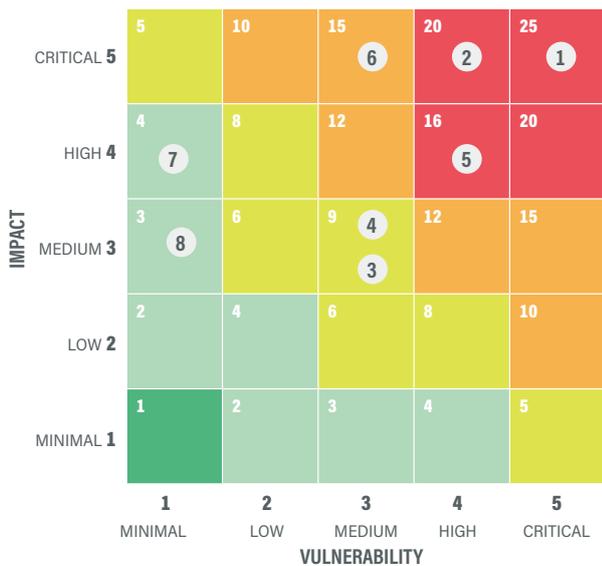
Pillar	Category	Risk Event
STRATEGIC	Market Strategy	New Business and Auctions
		Concessions renewal
	External Factors	Regulatory Framework
FINANCIAL	Investments	SPE and Consortia Business Management
	Taxes	Fiscal-Tax Management
	Liquidity	Cash Flow
	Assets	Asset Accounting Management
OPERATIONAL	Commercialization	Energy Purchase and Sale
	Generation and Transmission	Generation and Transmission Availability
		Generation and Transmission Tariff Review
	Supplies	Availability of Critical Supplies
	Legal	Training and Litigation Management
	Social and Environmental	Environmental Licensing
	Personnel Management	Staff Recruitment, Selection and Retention

● Categories worked on in 2015. The others will be reviewed in 2016.

CORPORATE RISK THERMAL MAPS



- 1 Generation and Transmission Tariff Review
- 2 Environmental Management
- 3 Personnel Recruitment, Selection and Retention
- 4 Critical Supplies Availability (Services Management)
- 5 Asset Management Accounting
- 6 Critical Supplies Availability (Materials Management)
- 7 New Businesses and Auctions
- 8 SPEs and Consortia Business Management



Compliance and risk management

[GRI 64-DMA]

As part of ongoing efforts to improve governance, which began in 2014 with the creation of the Superintendency for Compliance and Risk Management (Compliance Program), Furnas updated its Compliance Program Manual, whose first version was published by Eletrobras in December 2014 when these structures were implemented in all the system’s companies. The new version of the manual added specificity regarding Furnas’ activities and includes a glossary with a definition of key terms used in Compliance and Risk Management documents. [GRI 64-5B]

An internal and external campaign of the Anti-Corruption Program of the Eletrobras Companies was released and made available on the Company’s intranet and its website, in real time, including Compliance Program Manual, Employee Guide, a Questions and Answers document, information about its Document Retention Program, as well an explanatory video and the launch of an e-mail address, compliance@furnas.com.br, for questions and clarifications. As part of the campaign’s kick off, all employees, upon logging on to the Company’s network, received promotional materials and were only able to unlock their computer screens once all of the above-referenced documents had been downloaded. Although there was no formal training provided on the subject, the communication reached 100% of employees and Furnas directors. [GRI 64-S04]

DEGREES OF MITIGATION FOR CONSOLIDATED RISKS

Risk Category	Mitigation degree (%)
New Businesses and Auctions	92
SPEs and Consortia Business Management	87
Asset Management and Accounting	26
Critical Supplies Availability (Materials Management)	58
Critical Supplies Availability (Services Management)	52
Environmental Licensing	43
Personnel Recruitment, Selection and Retention	50

PILLARS OF THE INTEGRITY PROGRAM



The Superintendency is responsible for detecting deficiencies and weaknesses, and improving processes necessary for the elimination and remediation of any irregularities involving control over the accuracy and reliability of financial reporting, as well as compliance with laws, regulations and internal guidelines. The year's work was based on an assessment of the Furnas Integrity Program, which was conducted by the Office of the Comptroller General of Brazil (CGU) that included initiatives to strengthen a culture of integrity and the creation of tools to assist in identifying conflicts of interest, as well as other ethics-related issues.

On Course for the Zero Gap Program

A highlight of the year was the approval by the Board of Directors of the Rumo ao Gap Zero (On Course for Zero Gap) program, which mobilizes the Company, with an explicit commitment by and the direct participation of its governing bodies, to eliminate non-conformities in management and control processes. The starting point focused on the processes needed for Sarbanes-Oxley Act (SOX) certification, which is required for Eletrobras to trade securities in the U.S. market.

In 2015, 29 of the most relevant processes for SOX certification, considered material to financial statements, were selected. These include Materials Management, Equity Management, Human Resource Management, Financial

Management, Purchase and Sale of Energy, Process Technology, Management Contingencies, Management Accounting, Tax Management, Loans and Financing, Fixed Asset Management, Post-Employment Benefits and Transactions between Related Parties.

The goal is to reach the Gap Zero in 2016 through a series of initiatives to optimize the Company's internal risk management processes and controls, as well as improving interactions and communication in the area of internal controls and risk management with managers responsible for action plans to mitigate deficiencies and material weaknesses.

Also involved in this process is the Internal Audit division, which tested 369 controls related to 22 business processes, four information technology processes and five Entity Level Controls, in response to the assessment of relevant risks identified according to materiality defined by Eletrobras. During this effort, reports were issued for process managers, highlighting identified control deficiencies and recommendations for resolving such gaps. The initiative's final report was scheduled for release in the first quarter 2016.

Internal Audit

Internal Audit is linked to the Board of Directors and examines the operations of organizational units to verify procedures to check controls, information systems, records and archives of documents and data, as

well as compliance guidelines, internal standards and legislative precepts.

In 2015, 38 initiatives were carried out by the Internal Audit area, which arose from its Annual Activities Plan (Paint) and special demands that were presented during the year. Two initiatives from 2014 were completed, which resulted in the issuance of 29 reports and led to the strengthening of the internal control environment.

Emergency management

Furnas' operational units maintain Emergency Response Plans, with rules and procedures that trigger an integrated and effective system of response to emergencies of any kind. The plans establish responsibilities, measures and effective actions, which are reviewed annually by these operational areas. Every occurrence is detailed, analyzed and made available through a report that is provided to other units, thus forming a best practices databank.

Operational teams that are in place 24/7 attend to events that occur in substations and power plants. As necessary, duty maintenance professionals are dispatched to provide repairs in the shortest time possible. There is a specific service plan for emergencies involving transmission lines. After analyzing variables, such as relief, access conditions and the number of damaged towers, human resources and the necessary materials are assigned to achieve rapid restoration of service. [\[GRI G4-DMA, ex-EU21\]](#)

STAKEHOLDER RELATIONS

[GRI G4-DMA, G4-24, G4-25, G4-26]

Furnas considers stakeholder relations to be a priority issue for its governance. Entities from the three spheres of government, shareholders, employees and collaborators, clients, labor unions, civil society organizations, suppliers, educational and research institutions, among a number of other groups, form the vast contingent of interlocutors with whom Furnas seeks to strengthen ties and establish communication channels.

To satisfy the expectations and concerns of these groups, Furnas uses a series of consultation mechanisms, including the annual survey of stakeholders conducted by Eletrobras' controller to stake out issues to be covered in Sustainability Reports (*learn more in the About the Report section on page 104*). Another instrument is the community forum, which establishes permanent and direct dialogue with communities adjacent to the Company's projects, designed to integrate sustainable development processes in these areas. To measure the results of engagement initiatives with stakeholders are used spontaneous media scans and persons affected by marketing and advertising campaigns, as well as the total number of beneficiaries of social projects.

Ombudsman systems and other communication channels, such as telephone hotlines (0800 numbers) and Internet sites, provide efficient means for establishing relationships and offer comprehensive information about Company activities, organizational documents, overviews of economic aspects of the electricity sector, as well as services and contact links. One of the available channels for stakeholder relations is the e-mail address, sustentabilidade@furnas.com.br, which is monitored by the Sustainability Coordination team. In 2015, the address received approximately 100 messages seeking information, support for projects and job opportunities, as well as complaints and invitations to engage in a variety of initiatives.

For internal stakeholders, there are intranet channels, such as the Ombudsman, Talk to the President, HR Site, the Ethics Committee, Gender Group, and a banner to access the Compliance page, which includes an e-mail address to which questions, suggestions and complaints can be sent.

Furnas' Clients

Furnas has 45 bilateral energy trading contracts in the Regulated Contracting Environment (ACR), with the main distribution companies, where the five largest customers represented 32.7% of revenue in 2015 and the top ten represented 56% of sales to this segment. This dispersion of clients mitigates any risk of default.

Client satisfaction [GRI G4-PRS]

A first Integrated Generation and Transmission Business Client Satisfaction Survey was conducted in 2014 by Eletrobras, together with all its subsidiaries, including Furnas. In Generation, the survey included free market consumers, traders and distributors, and in Transmission, users connected to the networks (distributors, free and consumers and generators).

The Generation business segment presented the following overall results:



FREE CONSUMERS

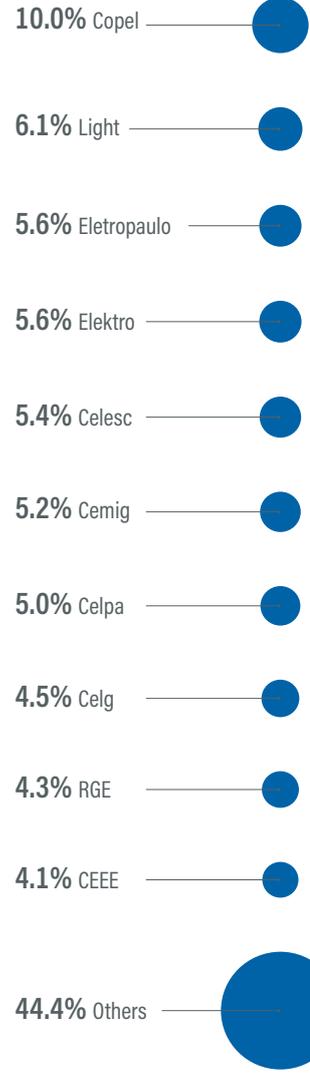
90.22% satisfaction

For the transmission segment, there were not enough responses to be able to produce a reliable result.

Conducted biannually, the second survey will take place in 2016.



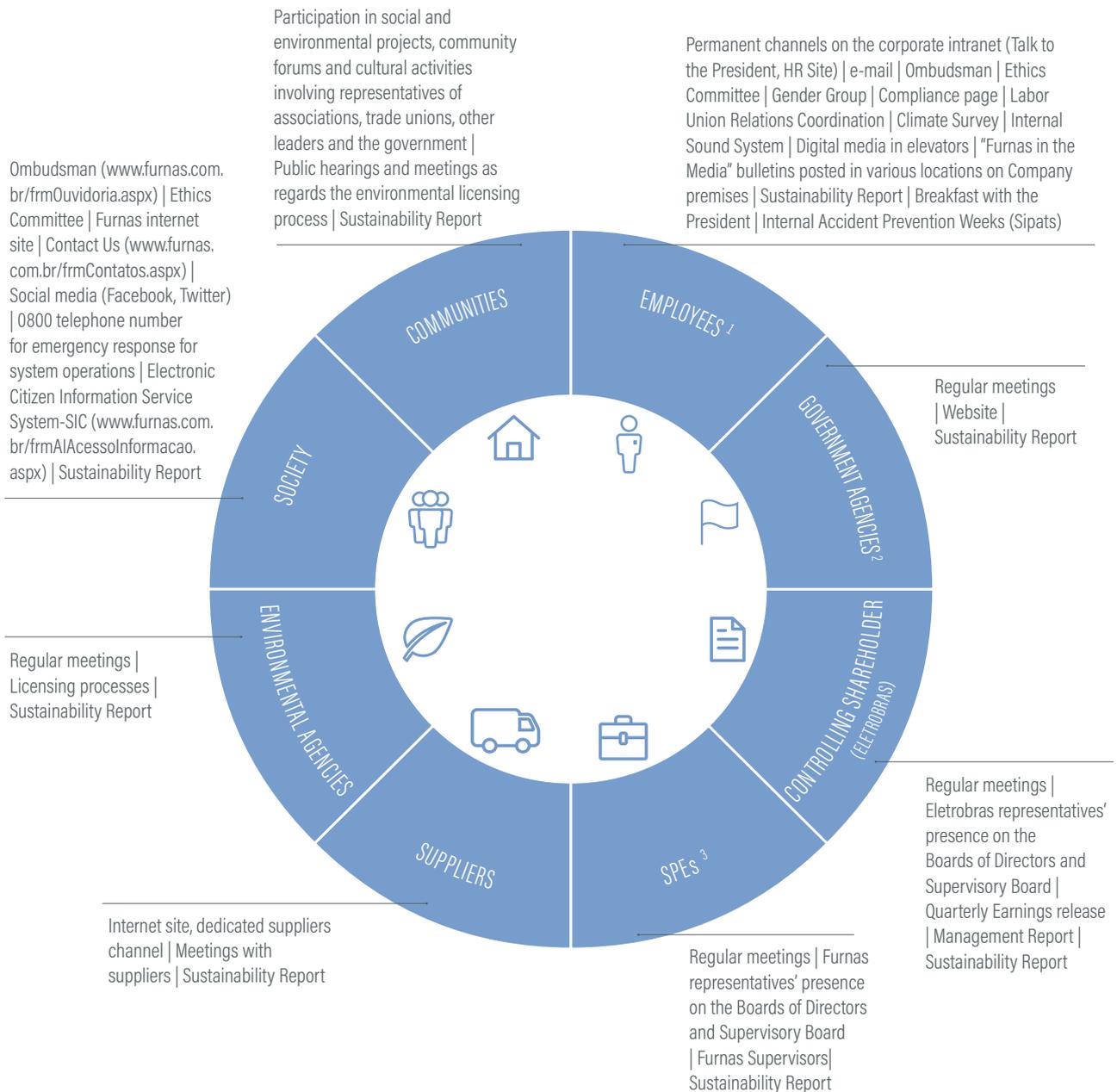
MAIN CLIENTS (% of revenue)



DISTRIBUTORS

77.11% satisfaction

STAKEHOLDERS [GRI 4-24, 4-26]



¹ Permanent employees, non-permanent employees and interns

² Ministry of Mines and Energy (MME), Empresa de Pesquisa Energética (EPE - federal energy research company), Electric Energy Trading Chamber (CCEE), National Electric Energy Agency (Aneel) and the National Electric System Operator (ONS)

³ Specific Purpose Entities (SPes) in which Furnas participates

Commitments | GRI 64-15 |

Furnas voluntarily adopts the following commitments

International:

- UN Global Compact, which supports ten principles for human and labor rights, environmental protection and anti-corruption practices (since 2003).
- UN Sustainable Development Goals (SDGs). In 2015, the member states of the United Nations signed an accord, committing themselves to 17 goals and 169 targets to be achieved by 2030, involving issues including poverty eradication, education, clean energy, climate change, sustainable cities, employment and inclusive economic growth, among others.
- Gender Equality Program of the Brazilian Office of the President's Secretariat on Policies for Women (SPM-PR), since 2005 (obtained the sixth consecutive seal, in 2015).
- Women's Empowerment Principles, an initiative of the United Nations Fund for Women (Unifem) and the Global Compact (since 2010).
- Right Direction Program. An initiative of the Childhood Brazil Institute to combat the sexual exploitation of children and adolescents on Brazilian highways (since 2010).
- U.S.-Brazil Joint Action Plan to Eliminate Racial and Ethnic Discrimination and Promote Equality, coordinated in Brazil by the Office of the President's Secretariat for the Promotion of Racial Equality (Seppir) and the Ministry of Foreign Affairs (since 2012).
- Brazilian Greenhouse Gas Protocol (GHG Protocol) Program promotes voluntary actions for managing GHG emissions (since 2008).

Joining initiatives such as the Global Compact reinforce our commitments to human rights, labor rights, the environment and anti-corruption practices

National:

- Declaration of Commitment to Combat the Sexual Exploitation of Children and Teenagers, an initiative of the Board of the Rio de Janeiro Federation of Industries (Firjan) (since 2010).
- Furnas signed a 4-year agreement in 2012 with the United Nations Development Programme (UNDP) committing itself to the execution of Capacity Development, Sustainable Economic Justice and Promotion of Best Practices for the Achievement of the Millennium Development Goals in Brazil. This agreement is undergoing a pre-renewal legal analysis to assess this initiative's progress in light of UN Sustainable Development Goals (SDGs).
- Environmental Agenda for Public Administration (A3P), which proposes the adoption by Brazilian federal government agencies of the recommendations of Chapter IV of Agenda 21 and Principle 8 of the Rio Declaration on Environment and Development (since October 3, 2012).
- Eletrobras Climate Change Commitment sets forth greenhouse gas (GHG) emission reduction targets (since 2013) (*Learn more in the Environment chapter*)

Membership in associations

| GRI 64-16 |

The Company participates in various forums and associations in Brazil and abroad, such as: Industrial Center of Rio de Janeiro (CIRJ); Rio de Janeiro Federation of Industries (Firjan); Rio de Janeiro Regional Council on Engineering and Agronomy (Crea-RJ); Brazilian Association of Electric Power Sector Accountants (Abraconee); National Association of Executives in Finance, Administration and Accounting (Anefac); Brazilian Association of Electric Power Generation Companies (Abrage); Brazilian Association of Thermoelectric Generators (Abraget); Brazilian Association of Large Electricity Transmission Companies (Abrate); Brazilian Association of Infrastructure and Basic Industries (Abdib); Brazilian Association of Non-Destructive Testing and Inspection (Abendi); Brazilian Association of Technical Standards (ABNT); Brazilian Wind Energy Association (Abeeólica); Brazilian Committee of the World Energy Council (CBCME), associated with the World Energy Council (WEC); Brazilian National Committee of Production and Transmission of Electricity (Cigré-Brazil), together with the International Council on Large Electric Systems (Conseil International des Grands Réseaux aux Électriques-Cigré); Brazilian Committee on Dams (CBDB), together with the International Commission on Large Dams (ICOLD); Brazilian Committee of the CIER-Bracier (Regional Energy Integration Commission); Brazilian Business Council for Sustainable Development (CEBDS); Companies for the Climate Platform (EPC); International Hydropower Association (IHA); and Economic and Social Development Agency of the State of Rio de Janeiro (AD-Rio), among others.

Public policies

[GRI 64-DMA]

As part of its strategic approach to business, Furnas participates in associations in its segment, identifying discussion forums and the opportunities they present for the improvement of public policies. In 2015, main topics of discussion were:

System Maintenance – Furnas worked significantly with the Brazilian Association of Large Electricity Transmission Companies (Abrate) in making contributions to Normative Resolution 669, which takes into consideration all the minimum activities required to maintain the system, a matter that has a large financial impact on energy transmission companies. Recommendations included improvements in maintenance procedures.

Asset Management – The subject was addressed in discussions in Abrate and the Brazilian Association of Thermoelectric Generators (Abraget), particularly as regards indemnity of non-depreciated assets, facilities transfers to distribution companies and recovery of investment capacity for transmission companies. Along with the Brazilian Association on Maintenance and Asset Management (Abraman), a topic of discussion involved a technical procedure (PAS-55) to improve the management system for all types of physical assets at companies; an issue in line with Furnas' strategic planning. Currently, this procedure has achieved ISO certification (ISO 55000, 55001 and 55002). For 2016, Abraman plans to develop an MBA on Asset Management.

Physical guarantees and hydrological risks – The Brazilian Association of Electric Power Generation Companies (Abrage) has been addressing this issue and, in 2015, was particularly focused on several topics, including a review of the physical guarantee for hydroelectric projects centrally situated in the National Interconnected System (SIN); conceptual discussions about the Generation Scaling Factor (GSF); and the renegotiation of hydrological risk.



HPP Itumbiara (MG/GO)





OPERATING
PERFORMANCE

GENERATION

In 2015, the energy generated by Furnas, in its own plants and in partnerships, totaled 40,174 GWh, compared to 42,186 GWh in 2014. Of the total volume, 18,908 GWh came from its own plants and 21,266 GWh represented power from projects in which the Company has an ownership stake. Thermal generation's share was 21,266 GWh, with a 38% efficiency index in Santa Cruz and 30% in Campos. [\[GRI EU2, EU11\]](#)

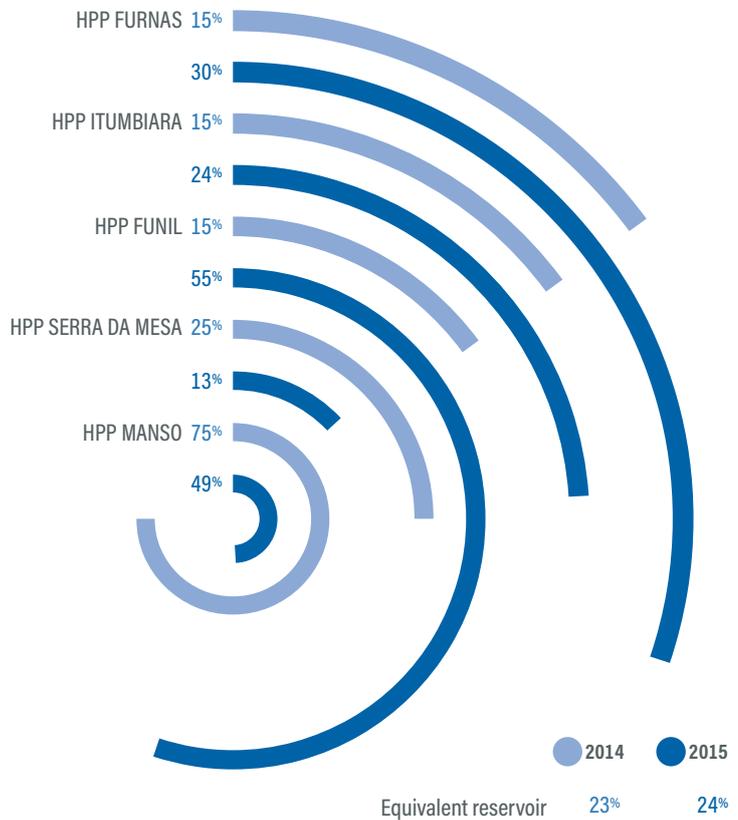
The hydroelectric power plants had an average availability factor of 89.33% in 2014 (86.9% the previous year). In the thermal power plants, the availability index was 95.2% in Santa Cruz and 77.7% in Campos. [\[GRI EU30\]](#)

Of the unavailability index of 10.67%, 6.81% was due to scheduled shutdowns for general or preventive maintenance of generating units and 3.85% represented forced shutdowns due to equipment or system failures. Compared to previous years, there was an increase of scheduled unavailability due to carrying out a number of maintenance services that, until then, had not been permitted by the National Electric System Operator (ONS). With an unfavorable hydrological situation in 2015, it was possible to shut down the generating units for such activities.

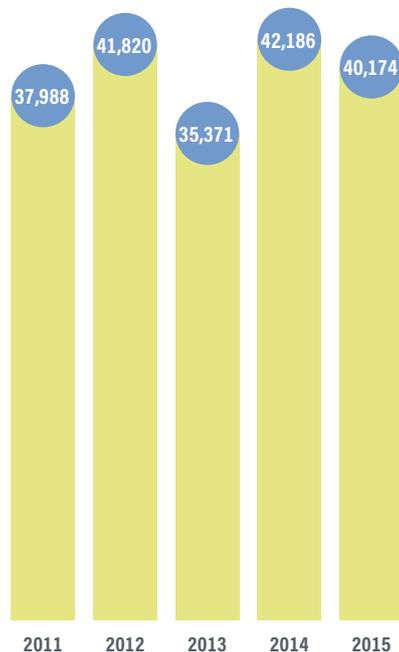
As in 2013 and 2014, the year of 2015 presented a long dry season with water inflows into reservoirs well below the historical average amounts for most of the time. The equivalent reservoir, which is represented by the total volume of water stored in Furnas' hydroelectric reservoirs, ended the period at 24% capacity. Although relatively low, these levels did not impact the generation of electricity.

Because they are part of the National Interconnected System (SIN), the levels of the reservoirs of the hydroelectric plants and the amounts of power to be dispatched are defined by the ONS, which operates the Brazilian reservoir system in an integrated manner, designed to guarantee energy safety at lower costs. [\[GRI G4-DM1\]](#)

RESERVOIR STORAGE LEVELS



ENERGY GENERATED (GWh)



TRANSMISSION

The transmission system's average operational availability factor was 99.75%, a high value for a system as big as Furnas', which is 24,154-km-long. The indicator only was not even higher due to severe weather occurrences that triggered six transmission tower collapses and damage to the lines. In none of these tower-collapse related shutdowns were there losses of power loads recorded by the SIN.

For each occurrence, Furnas triggered its transmission line Emergency Response Plan (PAE), which, depending on the ruggedness of the topography and the difficulties of access to affected areas, require mobilization of large contingents of professionals to deal appropriately with the event. Services for restoration of the damaged towers were always speedily conducted but without compromising the safety of the workers, and there were no accidents. *(More information about the PAE can be found under Risk Management)*

The transmission system is supervised, in general, by the System Operations Center located at the Central Office in Rio de Janeiro, in

conjunction with the regional operation centers. Information from more remote areas are transmitted using communication technologies to the operating centers, which feature a full online overview of the National Interconnected System (SIN) using real-time computer systems and videowall technologies. [\[GRI 64-DMA EX-EUG\]](#)

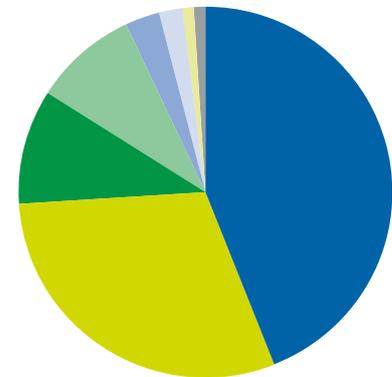
NEW BUSINESS

For new business development, Furnas prioritizes investments through Specific Purpose Entities (SPEs), designed to achieve short- and long-term returns with lower lock-up of financial resources. In 2015, 76 SPEs were involved in generation (hydro and wind power), transmission projects and operation and maintenance services. *(Information about the management of these businesses can be found in the chapter on Governance, on page 26).*

The mechanism of selection of potential partners is a Public Call for New Business Opportunities, to ensure transparency regarding prospecting for new opportunities.



PROJECTS IN PUBLIC CALLS



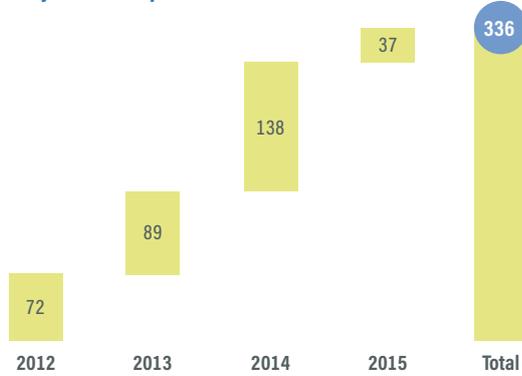
- 44.0% Wind
- 30.1% Solar
- 10.7% SHP
- 8.6% Selloff of assets
- 2.7% TPP Natural gas
- 1.8% TPP Solid waste
- 1.2% TPP Biomass
- 0.9% TPP Coal

SYSTEM EVENTS

Occurrence		Description	Normalization	
Date	Time		Date	Time
1/7/2015	5:27 pm	Shutdown of the TL Itumbiara-Porto Colômbia, with the collapse of 3 towers (T47, T48 and T49)	1/13/2015	11:22 pm
5/28/2015	7:19 pm	Shutdown of the Tls Rio Verde-Barra do Peixe, circuits 1 and 2, with the collapse of 6 towers:	6/1/2015	10:16 pm
		<ul style="list-style-type: none"> • T381, T382 and T383 (of the TL Rio Verde-Barra do Peixe circuit 1) • T383, T384 and T385 (of the TL Rio Verde-Barra do Peixe circuit 2) 	6/3/2015	1:01 pm
10/22/2015	6:35 pm	Shutdown of the TL Itumbiara-Rio Verde circuit 2, with the collapse of 8 towers (T352, T353, T354, T355, T357, T358, T359 and T360)	10/29/2015	3:29 pm
11/24/2015	3:14 pm	Shutdown of the Itumbiara-Rio Verde circuit 2, due to parting of the lightning suppressor cable (OPGW) between towers 37 and 38	11/25/2015	1:58 pm
11/24/2015	5:30 pm	Shutdown of the TL Itumbiara-Rio Verde circuit 2, with the collapse of 4 towers (T110, T111, T112 and T113) damage to 1 tower (T109).	11/29/2015	11:12 pm
11/28/2015	10:06 pm	Shutdown of the TL Itaberá-Tijuco Preto circuit 3, due to parting of the lightning suppressor cable between the T522 and T523 towers.	12/1/2015	12:19 am



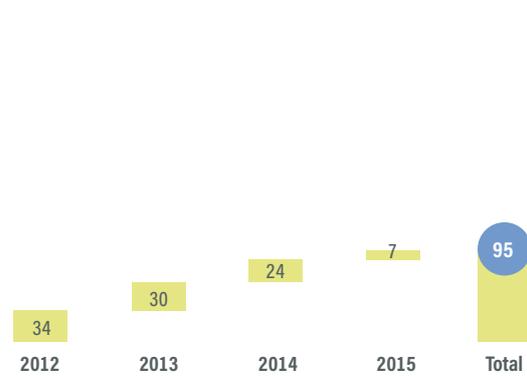
REGISTRATIONS IN PUBLIC CALLS¹
Project developers



¹ Active registrations



REGISTRATIONS IN PUBLIC CALLS¹
Investors



¹ Active registrations

In December 2015, the mechanism registered 95 active investors interested in partnerships for transmission and generation auctions in various power sources, as well as 336 active entrepreneurs, of which 148 wind power and 101 solar power projects were of particular interest. In total, there are around 18,000 MW in projects registered to participate in the hydro, conventional thermal, biomass, wind, biomass thermal, solar and waste generation auctions.

Center for Strategic Solutions

This structure, maintained in partnership with the Triunfo company, renders administrative, financial and technical services to the SPEs in which Furnas participates. In the shared services model, they range from payroll management through to operation, maintenance, construction, monitoring of works and commercialization of energy. The Center provides these services through a market model, participating in tenders, and in 2015, for example, it carried out operation and maintenance activities on behalf of the HPP Três Irmãos.

Operation and Maintenance Services (O&M)

Based on its expertise, integration and synergy of corporate generation

and transmission assets available to it, Furnas also renders Operation and Maintenance services to the electrical sector at large, an activity that adds revenue and boosts the technical capacity of its employees.

One of its businesses in this line is its O&M Service Management Contract for the HPP Três Irmãos (SP), a plant with 807.50 MW installed capacity. The project concession award for the power plant, first among those that had not been renewed under the new rules of the electricity sector, was obtained for a period of 30 years at an auction held in March 2014, through the SPE Tijoá, in which the partner is the Triunfo. In the year, the plant generated 1,274.6 GWh.

By designation of the Ministry of Mines and Energy (Notices 124 and 189), the same service began to be provided in 2014 to the SPHs Neblina, Sinceridade and Dona Rita, whose concessions at the time had not been renewed. In 2015 (Notice 190), the designation also covered the SHPs Ervália and Colonel Domiciano. The services were rendered pursuant to the compensation established by the NT 385/2012-SRE/SRG/Aneel, issued on October 24, 2012 by Aneel.

The five plants were auctioned off by Aneel on November 25, 2015 and picked up by Cemig, which will operate the assets as of July 2016.

Service sales

The commercialization of services is identified as a new business opportunity to boost the number of contracts and revenue volumes, which totaled R\$ 19.8 million in 2015. In this segment, Furnas leverages its core expertise: proprietary engineering; hydraulic studies through scale models; dam safety; technological control of building materials and concrete and soil testing; courses for transmission lines, substation and power plant operators; performance tests and studies of electric systems using Real-Time Digital Simulation (RTDS); and testing, measurement and calibration services.

CONTRACTS AND REVENUE FROM SERVICES

Contracts	Quantity	Value (R\$ thousand)
Signed in 2015	6	10,705
In force on 12/31/2015	20	19,834

Telecommunications

In 2015, a contract with Telebras was signed for the use Furnas' telecommunication services infrastructure over a period of 20 years. The total value of the contract was R\$ 120 million, of which R\$ 17.8 million was billed in 2015. The transmission system has idle capacity that can be sold to clients in the electricity sector and telecom operators. The authorization from Aneel to provide Multimedia Communication Service (SCM) was obtained in February 2015.

Other telecommunications opportunities are related to the rental of infrastructure, comprising optical fibers or physical space in the Company's telecommunication facilities. In the year, 32 demands were received, of which two were approved, totaling R\$ 1.155 million.

To prepare Furnas for this new business, the Company contracted the Maksens Consultoria through a tender process. The final report includes alternatives for better decision-making practices on the topic.

ENERGY SALES

Energy sales totaled 38,831 GWh in 2015, 4.3% below 2014 (40,561 GWh), with sales of R\$ 4,783 million. To fulfill its contracts for the sale of energy, the Company bought 3,536 GWh, at the cost of R\$ 613 million, compared to 3,332 GWh and R\$ 647 million, respectively, in the previous year.

Furnas sells electricity in two contracting environments: Regulated (ACR), with generation and power distribution agents; and Free (ACL), between generators, distributors, traders, importers and exporters, in addition to free and special consumers. ACR sales represented 93.85% of the total.

The power from the HPPs Furnas, Luiz Carlos Barreto de Carvalho, Marimbondo, Porto Colômbia, Funil and Corumbá, whose concessions were renewed under the terms of Law No. 12.783 is sold based on rates set by Aneel and apportionment of the quotas of these plants between the SIN's distributors. The power of the Serra da Mesa and Manso plants is sold through long-term contracts.

Transmission sales

Furnas sells power transmission in two environments: public service (concession) and exclusive interest of the accessing party (other revenues). This activity provided R\$ 1.3 billion in revenue in 2015, 16.2% above the previous year.

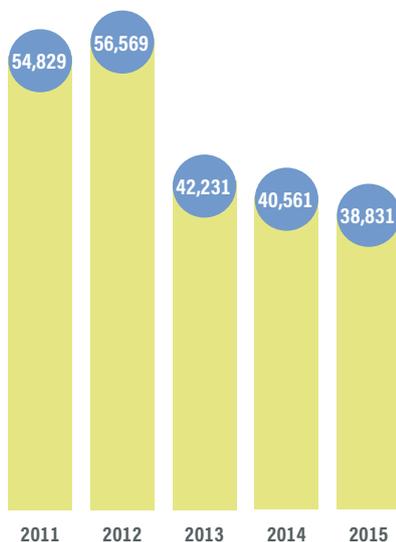
The rendering of public electricity transmission services is characterized in the concession contract (CTT), which provides for the sharing of facilities and infrastructure with other concessionaires, as well as access by the users of the transmission system. The Transmission Services Contract (CPST) regulates the technical and commercial conditions concerning the availability of transmission facilities to the interconnected operation.

The Concession Contract permits the development of other activities through receipt of revenues that are not part of the public services regulated by Aneel. In this category are included Contracts for the Provision of Operation and Maintenance Services (CPSOM) and Contracts for the Provision of Maintenance Services (CPSM).

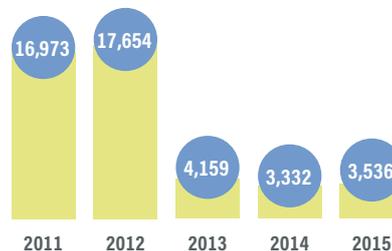
Concession Contract 062/2001, for electric power transmission, was renewed for transmission services, whose remuneration then became solely for the portions of the system operation and maintenance portions. At the present time, the Aneel Approval Resolution 1.918/2015 establishes the transmission revenues for the 2015/2016 rate review cycle.



ENERGY SOLD (GWh)



ENERGY PURCHASED (GWh)





Tower Recovery - TL Itumbiara-Rio Verde 2 (GO)

TRANSMISSION REVENUES (R\$ thousand)	2014	2015
Type of contract		
Contracts for Connection to the Transmission System (CCT)	25,527	31,562
Charges defined by Aneel Approval Resolution	5,545	6,060
Furnas Generation ¹	23,226	21,923
Charges negotiated between the parties	54,299	59,545
Total CCT	7,709	9,910
Facility Sharing Contracts (CCI)	1,542	1,108
Maintenance Service Contracts (CPSM)	7,100	9,387
Maintenance and Operation Service Contracts (CPSOM)	1,038,56	1,268,030
Transmission Service Contract (CPST) ²	1,109,210	1,288,435
General Total	1,109,210	1,288,435

¹ Installment owed by Furnas Generation to Furnas Transmission (Aneel Approval Resolution 1.918/2015 and Aneel Approval Resolution 1.756/2014.

² Includes the revenues of the Ibiúna-Bateias, Macaé-Campos C3 and Tijuco Preto-Itapeti-Nordeste and Zona Oeste projects.



ECONOMIC AND FINANCIAL PERFORMANCE



RESULTS

Revenue

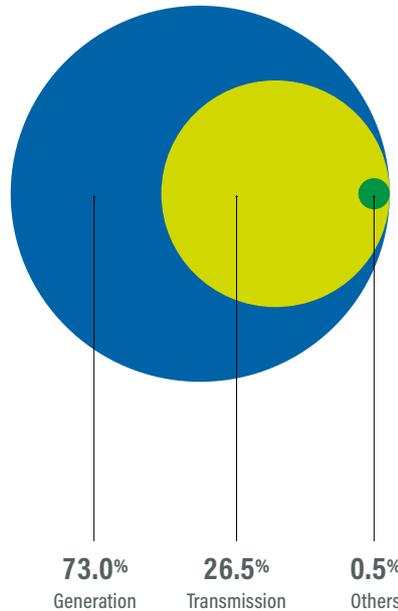
Gross operating revenue reached R\$ 7,239 million, an increase of 4% over the previous year. This meant virtually restoring the level of revenue that Furnas recorded until 2012 before the impact represented by the extension of the concessions under the new economic regimen established by Provisional Measure 579, converted into Law 12.783/2013. The loss of 40% of revenues recorded in 2013, the first year of the new regime, gradually has been restored — especially Generation — to about 87% obtained in 2012. Net revenue of R\$ 6,368 million was 3% higher than in 2014.

Costs and expenses

Operating costs (personnel, materials, third party services, fuel, depreciation and others)



BREAKDOWN OF GROSS REVENUE



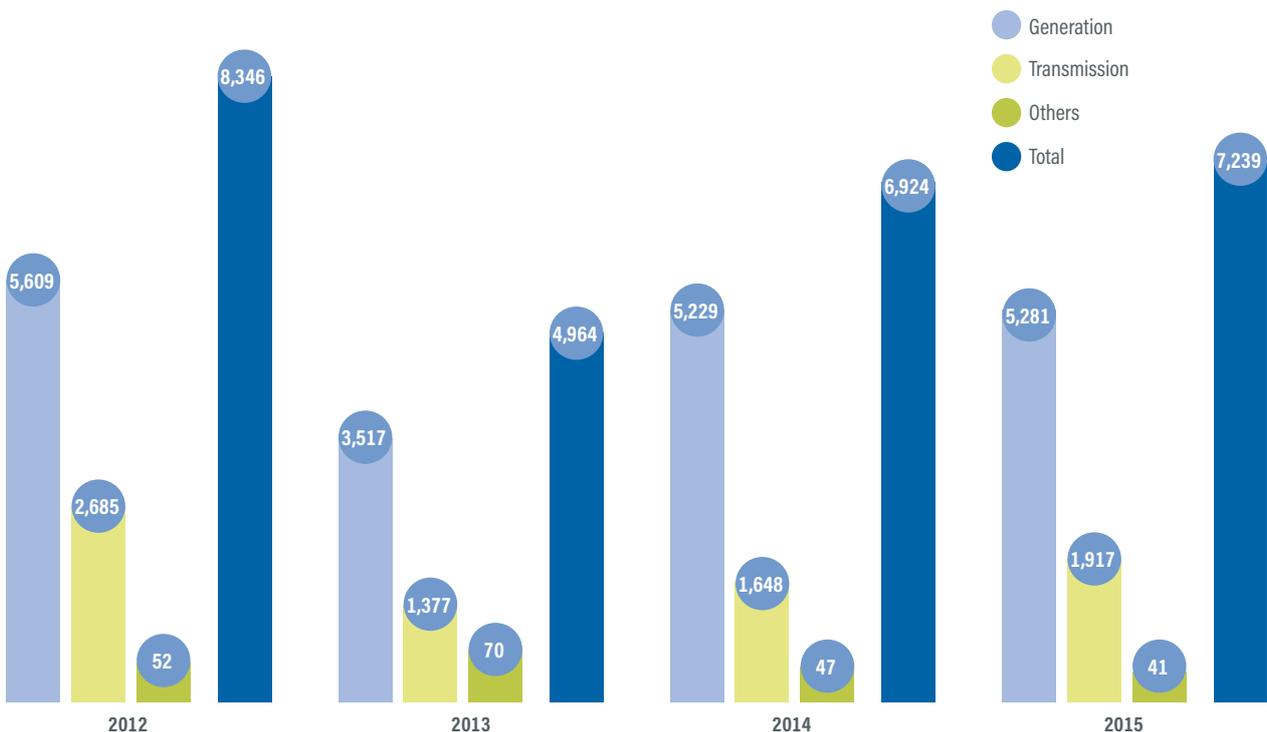
totalled R\$ 2,919 million, with nominal growth of 6.96% over the previous year and, therefore, below inflation of 10.7% in the year.

The result reflected the efficiency gains from optimization measures, such as: streamlining the organizational structure; Plan for Workforce Retraining (Preq); Organizational Restructuring Project (PRO-Furnas) involving 218 initiatives; Zero-base Budget; and the introduction of shared Services Centers. Personnel costs rose 7.1%, demonstrating the benefits of the Company's workforce restructuring and readjustment efforts between 2012 and 2014.

Consolidated gross profit was R\$ 1,890 million, growth of 125% compared to 2014. Gross margin increased from 13.6% in 2014 to 29.5% in 2015.



GROSS REVENUE (R\$ million)



EBITDA

EBITDA totaled R\$ 1,786 million, evolution of 162.6% compared to 2014, calculated according to the methodology established by the Brazilian Securities Exchange Commission (CVM). According to methodology traditionally used by the Company to demonstrate the real cash flow, adjusted EBITDA was R\$ 1,799, up 71.8% compared to the previous year (R\$ 1,047 million). The EBITDA margin was equivalent to 28.3% of net revenues, 11.4 percentage points higher than 2014's margin.

Net income

Consolidated income for 2015 was a loss of R\$ 70 million, compared to a loss of R\$ 406 million in 2014. Despite still not being positive, the result of the recovery efforts from the impacts caused by the extension of the concessions by Law 12.783/13 are in evidence, with losses that reached R\$ 1,306 million in 2012. Consolidated income from electric power service, which expresses the profitability of the Company's operations, was positive by R\$ 1,136 million.

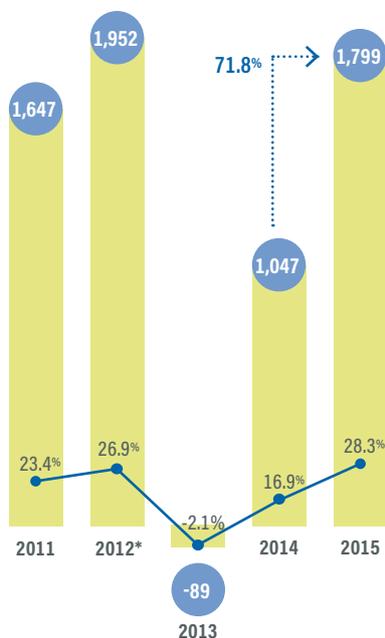
Contributing positively to the result in 2015 was the renegotiation of the hydrological risk, whose impact was R\$ 306 million, and the equity pickup income, totaling R\$ 406 million (as opposed to 2014, when it was negative by R\$ 887 million).

On the other hand, there was a negative impact of the following factors:

- Credit provisions for tax, civil and labor and loan losses, amounting to R\$ 383 million.
- Normative Instruction Registration of R\$ 1,515, of 11/24/2014, which refers to the adjustment to the IFRS Transition Tax Scheme, in the amount of R\$ 194 million, booked as provisions-deferred taxes.



ADJUSTED EBITDA AND MARGIN



● Adjusted EBITDA (R\$ million)

● EBITDA Margin (%)

*2012 reclassified



NET INCOME (R\$ million)



ADJUSTED EBITDA * (R\$ million)

	2012 reclassified	2013	2014	2015
Gross profit	1,998	32	840	1,890
(+) Depreciation and Amortization	236	186	222	245
Other operating income	196	-	145	(166)
(-) Other operating expenses	(478)	(307)	(160)	(170)
(=) EBITDA or adjusted EBITDA	1,952	(89)	1,047	1,799

(*) Adjusted EBITDA = net profit + depreciation + net profit between operating expenses and revenues

EBITDA CVM CRITERION (R\$ million)

	2012 reclassified	2013	2014	2015
Net income (loss) for the year	(1,306)	(818)	(406)	(70)
(+) Taxes on profit	136	152	405	310
(+) Net financial result	106	524	458	1,302
(=) EBIT (*)	(1,063)	(142)	458	1,542
(+) Depreciation and Amortization	236	186	222	245
(=) EBITDA	(827)	44	680	1,786

(*) EBIT: earnings before interest and taxes

- Finally, based on guidance from Eletrobras, a provision for possible losses on investments in partnerships, specifically regarding the HPPs Santo Antônio, São Manoel and Teles Pires, was taken, amounting to R\$ 260 million. This provision was based on evaluation methodology that considers the present value of future dividend flows discounted at a market rate, quoted with the equity effectively contributed by Furnas in these projects.

Financial liquidity

The Company was able to successfully manage its financial resources, fulfilling its corporate investment program, totaling R\$ 1,652 million, ending the year with net cash of more than R\$ 1 billion, which ensured conditions for facing the challenges of 2016.

The good financial liquidity, in large part, is due to the receipt of the remaining indemnity balance related to compensation due from the extension of the New Basic Network Investments (RBNI) of transmission concessions concerning assets not yet depreciated or amortized. The amount, totaling R\$ 1,482 million, was fully received in fiscal 2015.

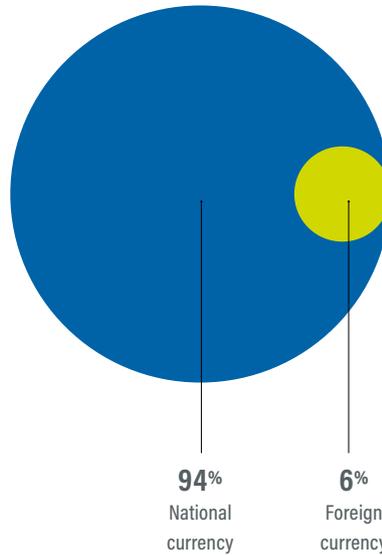
Indebtedness [GRI 64-9]

In 2015, Furnas received R\$ 740 million in funding in order to cover its investment program, of which R\$ 604 million was through a Furnas credit assignment operation and R\$ 136 million through a finance contract signed with State Grid Brazil Holding.

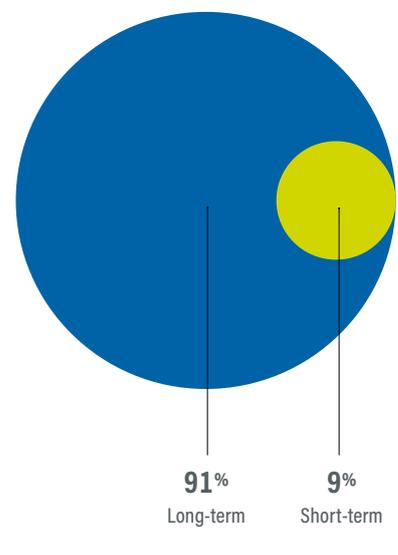
At the end of the year, the debt totaled R\$ 9,841 million, of which R\$ 3,840 million, or 39.0% of the total, was with Eletrobras. The amount was concentrated (94%) in domestic currency, with 42% indexed to the Interbank Certificate of Deposit (CDI).



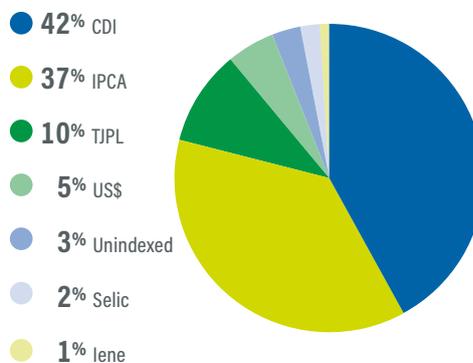
DEBT BY CURRENCY



DEBT PROFILE



DEBT BY INDEXOR

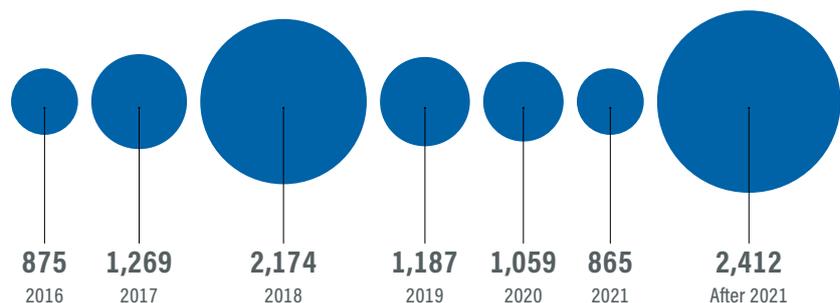


SCHEDULE OF DEBT (R\$ million)

Main creditors	Balance on 12/31/2015
Eletrobras (national currency)	3,840
Eletrobras (foreign currency)	159
IDB (foreign currency)	472
Caixa Econômica Federal (CEF)	1,885
Banco do Brasil	1,411
Others	515
Credit assignment	649
Subtotal	9,841



SCHEDULE OF DEBT (R\$ million)



Compensation for Use of Water Resources (CFURH)

In 2015, Furnas paid R\$ 105.7 million in compensation for the use of water resources for power generation. Five states, the Federal District, 149 municipalities and Direct Administration agencies and organizations of the Federal Government were paid benefits. Of the total proceeds, R\$ 42.3 million was allocated to the states, another R\$ 42.3 million went to 149 municipalities while public agencies received R\$ 21.1 million. The largest amount was allocated to the state of Goiás (R\$ 19.1 million).

Of the Federal Government's portion, the amounts were allocated to the Ministries of the Environment (MMA) and Mines and Energy (MME); the National Fund for Scientific and Technological Development (FNDCT) and the National Water Agency (ANA).

Furnas also contributed proportionally to the compensation for seven other plants in which it has stakeholdings: Baguari (15%) and Retiro Baixo (49%), in Minas Gerais; Peixe Angical

(40%), in Tocantins; Foz do Chapecó (40%), on the border between Santa Catarina and Rio Grande do Sul; Serra do Facão (49.47%), Goiás; and Santo Antonio (39%) in Rondônia and Teles Pires (24.5%), between Mato Grosso and Pará. In 2015, these hydroelectric power projects paid R\$ 107 million in royalties for the use of water, of which the Furnas portion was R\$ 42.3 million.

Fines and penalties

Furnas was fined three times by Aneel in 2015, totaling R\$ 24,000,954.93, including reductions after appeals. In one of these cases, a R\$ 248,265.36 fine was paid in the same year, 2015, and therefore there was no court case filed against the Company.

Also in 2015, there was the decision at the administrative level for nine cases relating to seven infraction notices issued by the agency in 2014 and another two issued in 2015. The fines for these nine cases initially totaled R\$ 14,934,574.53, being reduced to R\$ 13,330,666.85 after sentences proffered in 2015. During the year, Furnas filed suits challenging fines relating to eight violation notices.

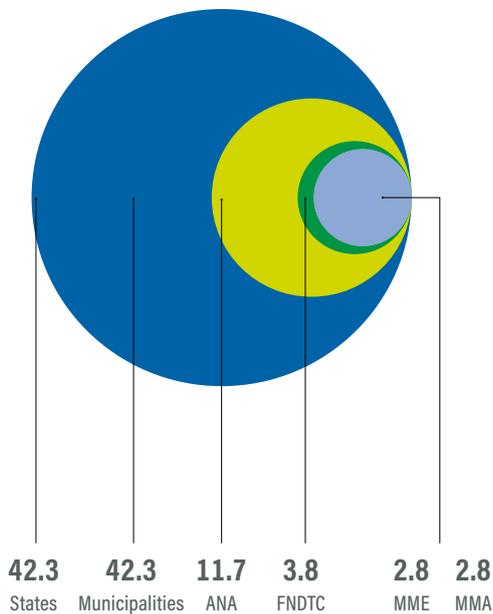
[GRI 64-PR9]

VALUE ADDED STATEMENT

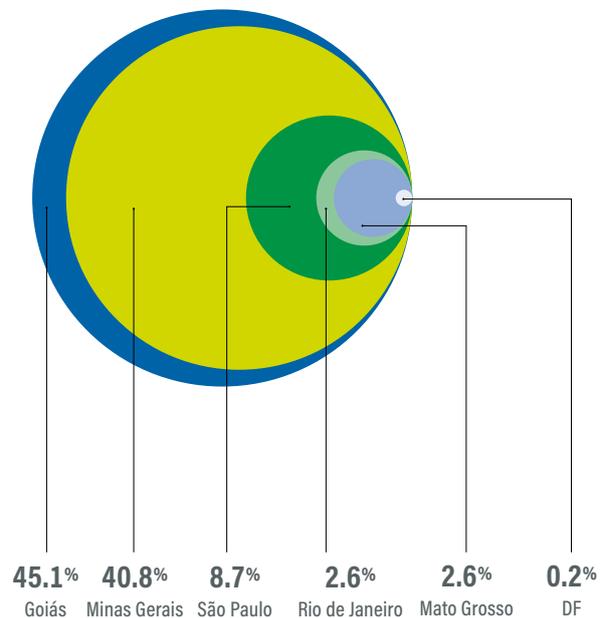
The value added, which represents the wealth produced and distributed from the business activity, totaled R\$ 3,884 million in 2015, 34.5% greater than the R\$ 2.9 billion recorded in the previous year. Of the total, 29.6% was distributed to employees, in payment of salaries and benefits; 29.4% to government and society, in the form of taxes, social contributions and sectorial fees; and 42.9% for funding agents, in payment of interest and rents. In view of the loss of R\$ 70 million during the fiscal year, no amount were distributed to the shareholders.



DISTRIBUTION OF THE CFURH (R\$ million)



DISTRIBUTION OF THE CFURH PER STATE





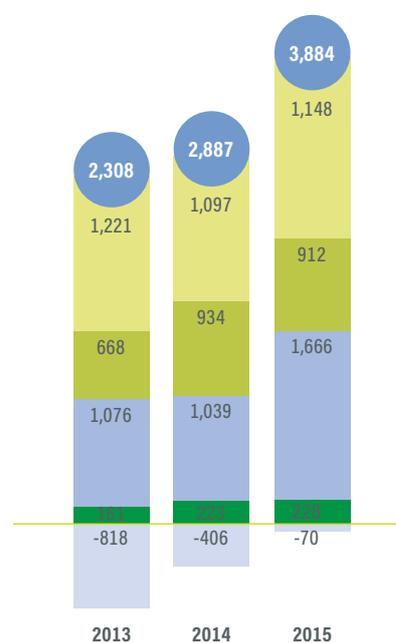
HPP Mascarenhas de Moraes (MG)

ADDED VALUE (R\$ million) [GRI G4-EC1]

	2013	2014	2015
Energy and Services Sales Revenues	4,963	6,877	7,150
Other operating income	6	181	197
Inputs			
Cost of energy purchased	-674	-1,943	-926
Materials	-37	-32	-39
Third Party Services	-692	-727	-837
Other operating costs	-1,763	-1,429	-1,712
Gross Added Value	1,803	2,927	3,833
Depreciation and Amortization	-186	-223	-244
Constitution/Reversal of provisions	-12	489	-384
Net Added Value Created	1,605	3,193	3,205
Financial income (transfers)	551	581	364
Equity Accounting	152	-887	315
Value Added to Distribute	2,308	2,887	3,884
Distribution of Added Value to Distribute	2013	2014	2015
Labor Remuneration	1,221	1,097	1,148
Government (Taxes and Contributions)	668	934	912
Financial Fees and Monetary Changes	1,076	1,039	1,666
Sectorial Fees	161	223	228
Retained Profits (Losses)	-818	-406	-70
Total Value Added Distribution	2,308	2,887	3,884

DISTRIBUTION OF VALUE ADDED (R\$ million)

- Personnel
- Government
- Financing agents
- Sectorial fees
- Retained profit (loss)





PERSONNEL
MANAGEMENT

Furnas had a total of 5,148 employees at the end of 2015, of which 3,548 permanent employees, 1,178 were non-permanent employees and 422 were interns. Since 2011, the total headcount was reduced by 25.3% with 27.0% coming from the ranks of the Company's permanent employees. The data reflects the adoption of the Plan for Workforce Retraining (Preq), and the reorganization process triggered by changes in the energy sector scenario. With the goal of making the Company more competitive, the plan was established on the basis of an agreement with the Federal Supreme Court (STF), The Ministry of Labor (MPT), the Federal Defending Attorney's Office (AGU), the Federal Accounting Court (TCU) and the National Urban Federation.

The Qualitative-Quantitative Frame of Reference

The size of the workforce aligned with Preq – called the Quali-Quantitative Frame of Reference – was determined with the direct involvement of the entire Furnas management staff, which specified the needs for employees at the macro-process, process and organizational unit levels.

The frame of reference was defined with 4,112 openings in 2016, which represents a 34% reduction in relation to the existing work force in 2010. It also indicated an increased focus on business processes – that represent 62% of the total workforce, as compared with 49% in 2010, when 51% of staff worked on business processes – as a result of the optimization and search for excellence in business management.

For the actual establishment of this frame of reference, there are ongoing internal mobility, training and promotion programs, in addition to outside personnel recruitment. As a mixed economy company, Furnas can only hire employees that have been approved in public competitions. After being hired, the new employees undergo a two-week-long New Employee Integration Program (Pine), which consists of lectures on organizational structure, career planning and compensation, and the Company's Code of Ethics, among other subjects. [\[GRI 64-DMA\]](#)



NUMBER OF EMPLOYEES

[\[GRI 64-10\]](#)

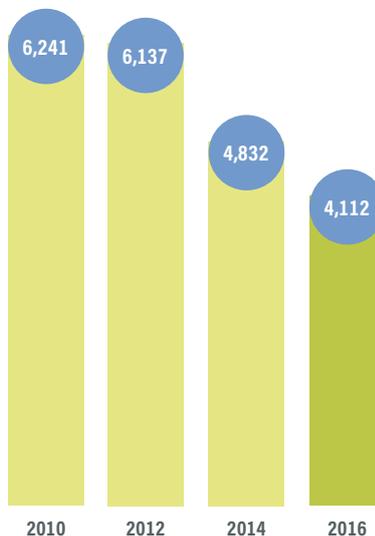


* Revised number of contractors in 2011 [\[GRI 64-22\]](#)



QUALI-QUANTITATIVE FRAME OF REFERENCE

- Effective + direct labor
- Quali-Quantitative framework chart



Note: If disabled, outside advisors, ceded workers and interns are included, the total in 2014 was 5088

Diversity [GRI 64-DMA]

Furnas values diversity in its workforce and collective bargaining agreements include clauses to prevent discriminatory practices and ensure equality of gender and race/ethnicity in career opportunities and compensation. The extension of the period of maternity leave and mechanisms to ensure leave policies for the female workers victims of domestic violence were incorporated into management processes. In 2015, only 15.8% of Furnas' employees were women, in a proportion that reflects a characteristic of the electricity sector. However, with respect to managerial positions, the share of women in these jobs was 17.6%.

In addition, this issue is the subject for the Gender Equality Committee, created to assist in the compliance of a proactive policy of Gender and Race Equality, and in the promotion of Company policy in forums and analyzing legislation, among other issues. In 2015, for the fifth year in a row, the Company received a seal awarded by the Women's Policy Secretariat (SPM-PR), of the Federal Government.

Benefits [GRI 64-DMA]

Spontaneously, based on the assumptions of the Company's Human Resources Policy focused on the development and retention of its employees, Furnas grants benefits that go beyond the legal requirements and obligations contained in collective bargaining agreements. Accordingly, the Company offers the following benefits: a funeral allowance, paternity leave, maternity leave, medical care, incapacity/disability insurance coverage, group life insurance, a retirement fund, daycare assistance, meal vouchers, food vouchers, dental assistance, transportation vouchers, agreement with Fitness Centers, a Christmas basket, marriage and sick leave (death of spouse, partner, ascendant or descendant). [GRI 64-LA2]

Supplementary Pension Plan [GRI 64-EC3]

Furnas is the sponsor of Fundação Real Grandeza (FRG), which supplements the social security benefits of its participants (11,419 people in December 2015). The FRG has two types of pension plans: Defined Benefit plan (DB), a closed fund that is not taking on new members, and a defined contribution plan (DC).

At December 31, 2015, the DB plan contained 8,931 participants, of which

1,070 active, 6,315 assisted, 1,492 pensioners, five self-sponsored and 49 former participants (no longer employees of Furnas and do not contribute to the plan, but entitled to proportional deferred benefits when they become eligible for additional retirement). The DC plan had 2,488 participants, of which 2,360 active, 72 assisted, 24 pensioners, 19 self-sponsored and 13 who selected the deferred proportional benefit.

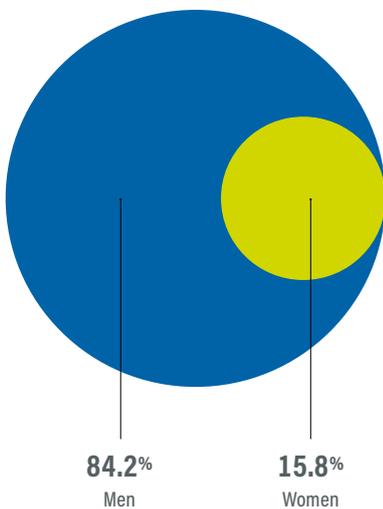
The basic contribution of the participants DC Plan corresponds to 2% of the contribution salary, plus an optional between 4.5% and 10% of the portion of their salary in excess of 7 UR (UR = R\$ 355.28, in 2015). The sponsoring company contributes in proportion to the basic contribution of the participant. They are allowed to expand voluntary contributions, but in this case without the contribution of the sponsor.

During the year, the value of the regular contributions paid by Furnas to constitute mathematical reserves for the benefits to be granted in both plans was R\$ 50,653,711.71 million. The amount allocated by the Company to cover FRG's administrative expenses was R\$ 43,289,261.29 million. At the end of 2015, the Foundation's assets reached R\$ 12 billion and the DB and DC obligations represented a total of R\$ 13.7 billion.



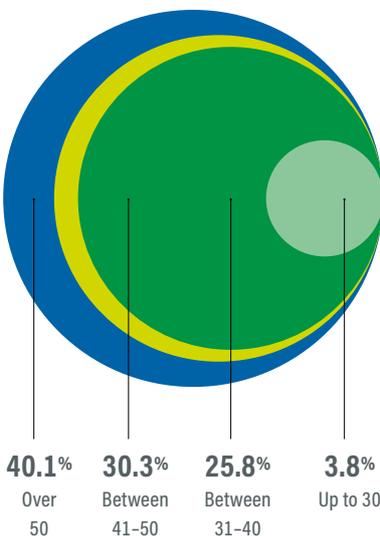
EMPLOYEES BY GENDER

[GRI 64-10]



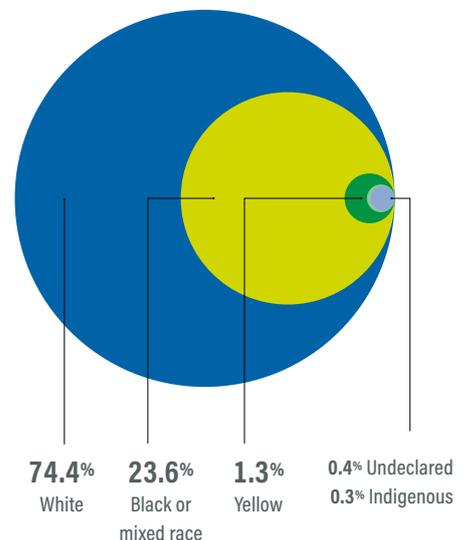
EMPLOYEES BY AGE GROUP

[GRI 64-LA12]



EMPLOYEES BY RACE

[64-LA12]





Assembly of turbines – HPP Santo Antonio (RO)

EMPLOYEES BY FUNCTION ¹ [GRI G4-10]

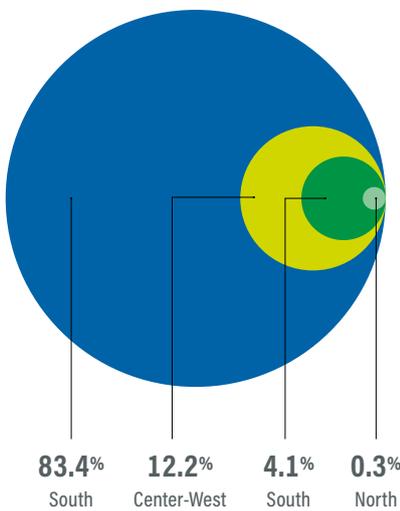
	2014			2015		
	Men	Women	Total	Men	Women	Total
Managerial positions	195	42	237	202	43	245
Positions with higher education degrees	897	322	1,220	912	329	1,241
Positions without higher education degrees	1,876	185	2,060	1,874	188	2,062

¹ Revised numbers from 2014 [GRI G4-22]



EMPLOYEES BY REGION

[GRI G4-10]



15.8%
of Furnas' employees
were women in 2015.
However, they occupied

17.6%
of managerial positions

Training and development

[GRI G4-DMA]

Training and development activities focus on improvement of the work processes of each business area to ensure the alignment with strategic objectives and the achievement of personal and professional growth. In 2015, these programs required a total of 145,468 hours of training, with an average of 41 hours per permanent employee.

The structure of the Global Apprenticeship Plan, with a two-year horizon, includes educational actions and knowledge management, from a broad survey of learning needs arising from strategic planning, the Pro-Furnas and the business areas. Learning Paths were created as a tool for planning of training employees in the long run. In addition, there are Individual Development Plans (PDIs), which are identified in the performance reviews and intended to increase the knowledge, skills and attitudes of employees.

Actions include both strategic issues such as health and safety aspects, language learning, distance education and technical training. Between 2010 and 2015, for example, 13 classes were formed for basic operator courses.

The entire process is supported by the Plans for Knowledge Pass Along (PRC), adopted since 2011 to maintain a continuous employee training process and to also boost the ways how knowledge can be created, shared and applied, supports the entire process. The highlights of the program include the Practice Communities, where people meet to discuss their experiences, share expertise and answer questions that are available over the internet and intranet. It also includes an Expert's Panel, Discussion Forums and Knowledge Transfer programs, among other actions.



Tower Recovery - TL Foz Iguaçu-Ibiúna (PR/SP)

Focus on knowledge management

- Appreciation of informal and collaborative learning
- Integration with business processes
- Environments that accelerate learning and innovation
- Internal and external relationship networks for collaboration and co-creation

AVERAGE NUMBER OF HOURS OF TRAINING [GRI G4-LA9]

Position	2014 ¹		2015	
	Men	Women	Men	Women
Managerial	40.41	76.12	84.60	53.72
Higher education	23.06	34.65	40.27	53.83
Non-higher education	20.15	57.04	15.54	25.79

¹ Revised numbers from 2014 [GRI G4-22]

Health and Safety | GRI G4-DMA

A priority for companies in the electric power sector, Furnas' training in occupational health and safety has its own facilities for this purpose, including a Training Center for Combating Emergencies to train Firefighting Brigades, located at the HPP Furnas in São José da Barra (MG). Its facilities are also used by other organizations like schools, fire departments, etc.

The activities are for the Company's permanent and non-permanent employees. There are constant actions involving prevention of accidents and occupational diseases, and in contracts with service providers established in strict compliance with the legislation. In addition to training, the contracts require programs for prevention of environmental risks (PPRA) and medical control and occupational health (PCMSO) and the provision of personal protective equipment (PPE). | GRI G4-DMA

To help in the prevention of accidents, no activity is initiated before a detailed plan is prepared, with a preliminary risk analysis, verification of procedures, training certificates, and individual and collective safety equipment.

These procedures have led to constant improvements in health and safety indicators. The number of accidents was reduced by 29.4% between 2014 and 2015, from 17 to 12 among the Company's permanent and non-permanent employees, with no registered fatalities or cases that have resulted in mutilation or permanent lost-time. With that, the rate of serious accidents went down from 70 to 7, among permanent employees, and 9 to 0 for non-permanent employees.

SAFETY INDICATORS | GRI G4-LAG

	2013	2014	2015
Number of hours worked	8,366,700	7,101,007	7,110,192
Number of days lost ¹	974	499	50
Average overtime hours worked per employee/year ²	192	356	160
Total number of workplace accidents³			
Permanent Employees	41	14	11
Non-Permanent Employees	12	3	1
Average workplace accidents per employee/year	0.009	0.007	0.003
Accidents resulting in temporary leave			
Permanent Employees	24	5	11
Non-Permanent Employees	6	3	1
Accidents resulting in mutilation with permanent absence	0	0	0
Permanent Employees	0	0	0
Non-Permanent Employees	0	0	0
Accidents resulting in fatalities			
Permanent Employees	2	0	0
Non-Permanent Employees	0	0	0
Frequency rate (FR)⁴			
Permanent Employees	2.87	1.55	1.56
Non-Permanent Employees	2.05	1.02	1
Severity rate (TG)⁵			
Permanent Employees	1,551	70	7
Non-Permanent Employees	22	9	0
Fatalities			
Permanent Employees	2	0	0
Non-Permanent Employees	0	0	0

¹ Days lost are considered calendar days. Counting begins the day after an occurrence. Number of days lost + days debited per million human-hours of exposure to risk.

² Calculation of average overtime hours worked per employee/year in 2015 = Total Extra Hours: 564,931.84 and the average number of permanent employees on 12/31/2015: 3,531.58

³ Does not include minor injuries (first-aid level treatment) for which there was no loss of time.

⁴ FR is the Workplace Accident Frequency Rate, which is obtained by dividing the number of workplace accidents by the million human-hours of exposure to risk total.

⁵ SR is the Workplace Accident Severity Rate, which is obtained by dividing the number of days lost plus days debited as a result of workplace accidents into the million human-hours of exposure to risk total. In Brazil the NBR 14,280 - Accidents Registry and Statistics is used, which differs from the UN's International Labor Organization by considering, in severity rate calculations, not only days lost, but days debited as a result of permanent disability or death due to workplace accidents, and also because it uses, in the calculation of FRs and SRs, a factor of 1,000,000, instead of 200,000.

Commissions

All Furnas employees are represented by 28 Internal Commissions for Accident Prevention (CIPA) and 10 Safety Units (USEGs). In the five units in the Company where, under Occupational Health and Safety Legislation (NR5), there is no requirement to set up a Cipa, employees known as “designees” are nominated for positions on the Cipas. Furnas also has an Accident Prevention and Occupational Health Committee, composed of representatives of all departments, and a Standing Committee for Accident Prevention. [\[GRI 64-LA5\]](#)

Formed by union representatives, the Standing Committee was created by union agreement, which includes a specific clause in which the Company agrees to keep it active. The committee monitors workplace health and safety activities and compliance with legislation, meeting periodically in the central office of Furnas. An annual schedule of meetings defines the issues to be addressed regarding questions raised in consultation with employees. [\[GRI 64-LA8\]](#)

With the aim of disseminating good practices to ensure the safety and welfare of the workforce, an Internal Accident Prevention Week (Sipat) is organized, with lectures and activities, focused on quality of life and safety.

In general, no Furnas or outsourced direct labor employees are involved in workplace activities with a high incidence or high risk of specific disease. However, the Company makes available counseling, treatment and training when necessary to assist employees and family members when faced with serious diseases who rely on health plan coverage. Prevention initiatives are exclusively for employees, while counseling and education programs are also extended to the community. [\[GRI 64-LA7\]](#)



Tower Recovery - TL Itumbiara-Porto Colômbia (MG)

SUPPLIER MANAGEMENT

The Company applies the constitutional principle of equality and includes on the rolls of its suppliers companies from various sectors, ranging from small firms to large corporations for the supply of goods, materials and services to ensure efficiency. The principal products acquired are electrical and electromechanical components and equipment for its transmission and generation businesses. [\[GRI G4-DMA, G4-12\]](#)

In 2015, 1,036 contracts were signed with 578 suppliers, with no significant changes reported in the supply chain. Local suppliers, considered to be installed in the regions where the Company operates throughout Brazil, accounted for 99% of the value of direct purchases (up to R\$ 16,000) and 99.9% of the total products and services contracted. [\[GRI G4-13, G4-EC9\]](#)

Three of the 1,036 contracts were considered significant (worth over R\$ 7 million, with the approval of the Executive Board or the Board of Directors) and included clauses related to human rights. These contracts totaled R\$ 24.5 million, with two for which suppliers were selected through a public tender and another that did not require a tender. [\[GRI G4-HR1\]](#)

To ensure that no child, forced or slave labor is used in its production chain, suppliers must affirm they do not employ minors 16 years of age, except as apprentices, as of age 14; ensure that minors 18 years old do not engage in nighttime, dangerous or unhealthy work; and does not have employees in conditions of degrading or forced labor. They must also ensure freedom of association and the employees right to collective bargaining. [\[GRI G4-HR4\]](#)

Operations identified as being a significant risk for incidents of child or forced labor that were underway during the implementation and operation of transmission and power generation projects in the areas of construction, operation and maintenance of substations, transmission lines and power plants. During the year, there was no record of occurrences of this nature. [\[GRI G4-HR5, G4-HR6\]](#)

Commitments [\[GRI G4-DMA, G4-LA14, G4-HR10\]](#)

Criteria for human rights and labor practices are considered in all the processes of contracting of products and services. All suppliers must commit to respect, comply with and enforce the Code of Ethics of the Eletrobras Companies and the Principles and Standards of Business Conduct in their relations with Furnas and its suppliers. These documents are available at the electronic address www.furnas.com.br, under “A Empresa” (The Company) and “Fornecedores” (Suppliers), respectively.

A clause in signed contracts provides for the completion of due diligence and audits to verify compliance with these commitments, which seek to share values and principles on issues such as occupational health and safety, protection of the environment, human rights, gender equity, transparency, participation and accountability for the entire supply chain.

Audits at the facilities of suppliers and/or locations where services are implemented of services can happen at any time. They verify compliance with the labor and social security legislation, from the presentation of proof of fiscal and labor compliance, concerning Social Security, labor courts and Employee’s Guarantee Fund (FGTS), the enabling acts, and adjudication during the term of the contract.

1,036
contracts with
578
suppliers were
signed in 2015

SUPPLIER RELATED EXPENSES ¹ [\[GRI G4-EC9\]](#)

	2013	2014	2015
Direct purchases¹			
Locally (R\$ thousand)	40,624	45,600	42,570
Total for the organization (R\$ thousand)	42,763	47,800	43,000
Total value of purchased products and contracted services			
Locally (R\$ thousand)	953,200	1,209,000	3,521,000
Total for the organization (R\$ thousand)	1,059,111	1,330,000	3,525,000

¹ Purchases of up to R\$ 16,000.



SOCIAL
PERFORMANCE

[GRI 4-DMA]

The commitments to sustainable development and promoting human rights and citizenship and respect for the law guide Furnas' actions, as the Company seeks to transform its projects into opportunities for local communities and society in general, as well as to establish high standards of social responsibility. The result of this strategy has been the promoting of various activities of a technical, educational and sporting nature that can be identified or have synergy with the Company.

The investments have been made from its own resources or encouraged by tax incentives (Rouanet Law, Sports Incentive Law and donations to the Child and Teen Assistance Fund) and are distributed across the social, cultural and sporting areas. In 2015, these investments amounted to R\$ 14.8 million, bringing the total between 2011 and 2015 to R\$ 14.8 million, of which R\$ 2.076 through incentive projects (Rouanet Law). [GRI 4-EC4]

In total, adding spending on the Light for All programs (access to energy in rural areas), Energy Development Program for States and Municipalities (Prodeem), Committee of Entities against Hunger and for Life (COEP) and Furnas Educa, contributions for the society amounted to R\$ 30.5 million in 2015. (The programs are detailed in pages 61 and 63). [GRI 4-EC7]

Furnas Educa

(Furnas Educates Program) [GRI 4-DMA Ex-EU24]

For Furnas, the conscientious use of energy and conservation of the environment are attitudes that are directly linked to its sustainability values. As a generator of clean, renewable energy, we believe that the company has the responsibility to disseminate good practices amongst its stakeholders. And among the stakeholders of greatest strategic importance are the communities in the vicinity of its projects in 850 Brazilian municipalities.

A major program to meet these goals is Furnas Educa, which focuses its activities on school-age children and teenagers and seeks to raise awareness of the danger of fires near transmission towers and lines; emphasizes the



SOCIAL INVESTMENT

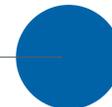
40.3%
Social activities



39.3%
Cultural activities



5.5%
Sponsorship of events



4.3%
Institutional activities



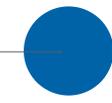
3.6%
Donations and campaigns



3.3%
Sports activities



3.1%
Voluntary activities



0.6%
Human rights and diversity



benefits of the conscientious use of energy and the preservation of water resources and the environment in general; and reinforces the perception of Furnas as a socially responsible company that is committed to environmental preservation.

Fighting land-clearing fires has been highlighted because, in addition to destroying the environment, this illegal practice can have a direct impact on the Company's provision of services, with interruption in the supply of electricity to entire cities. According to the National Institute for Space Research (Inpe), between January and November 2015, approximately 236,000 outbreaks of such fires were registered in Brazil, 66% of them in areas where Furnas operates.

In 2015, the program was run in 133 schools, serving about 50,000 students. Since it was established, in 2013, Furnas Educa has reached out to more than 500,000 people, visiting 417 educational and social institutions in 14 states plus the Federal District.

Sport

Furnas' brand is already associated with sport, through its sponsorship of athletes in different modalities and the encouragement of sporting activities at its business units and in the local communities. One notable program is Equipe Furnas (Furnas Team), which supports 42 athletes, former athletes and coaches linked to Olympic, Paralympic and special sports. The group has 19 athletes with a realistic chance of competing in the 2016 Rio Olympic Games. Support is also provided to various local and international sports tournaments, involving tennis, volleyball, surfing, kite surfing, running and futsal, among others.

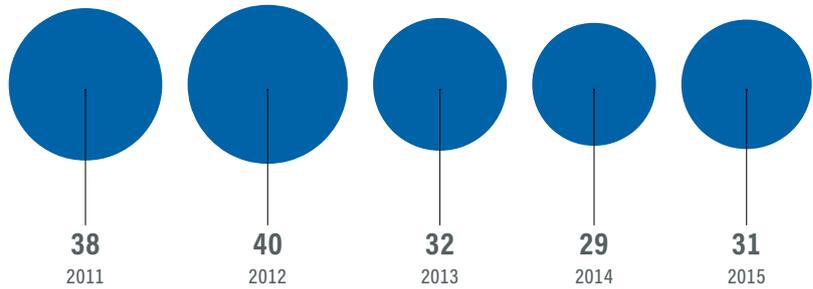
The Equipe Furnas por Furnas (the Furnas by Furnas Team) project includes talk shows held in the power plants, substations and regional offices and involving athletes supported by the Company, who offer messages of motivation and reinforce concepts such as team work and overcoming one's limitations. In 2014 and 2015, 12 such events took place.



Furnas Educa



EXTERNAL SOCIAL INVESTMENT (R\$ million)



Team Furnas athletes

VOLUNTARY SOCIAL INVESTMENT (R\$ million) |GRI G4-EC7, G4-EC1|

	2014	2015
SOCIAL ACTIVITIES	5,572	5,977
Joint social projects and tendering for Furnas Social Program	5,572	5,939
Education	380	321
Promoting Citizenship and Rights	380	830
Generating Employment and Income	1,015	1,134
Health and Food Safety	1,044	622
Sport and Leisure	630	205
Infrastructure	1,463	2,501
Guaranteeing the Rights of Children and Adolescents	65	199
Environment	113	60
Culture	482	67
Land Development Program	-	25
Furnas Social Energy Project	-	13
SPORTS ACTIVITIES	967	486
Incentive related sponsorship (under Sports Incentive Law)	838	424
Sponsorship unrelated to incentives	129	62
PROMOTING HUMAN RIGHTS AND DIVERSITY	-	85
Activities favoring the Rights of Children and Teens	-	11
Activities favoring Gender Equality	-	74
CULTURAL ACTIVITIES	4,792	5,825
Spontaneous cultural sponsorship (Furnas Cultural Center)	1,106	1,823
Incentive related cultural sponsorship (under Rouanet Law)	3,686	4,002
SPONSORSHIP OF EVENTS	-	819
Sponsorship of technical events	-	749
Sponsorship of events related to electricity sector tendering	-	70
VOLUNTARY ACTIVITIES	440	455
Investment in the mobilizing/training of volunteers	101	106
Investment in support of voluntary activities	339	349
Employee time invested in voluntary work	-	-
INSTITUTIONAL ACTIVITIES	1,897	630
Institutional sponsorship	1,897	630
DONATIONS	107	457
Child and Adolescent Assistance Fund	-	-
Emergency situations	107	434
Public calamities	-	23
Unserviceable Company assets	-	-
CAMPAIGN ACTIVITIES	-	82
Campaign support	-	82
TOTAL VOLUNTARY INVESTMENTS	13,775	14,816

50,000
students
participated in the
activities of the
Furnas Educates
Program in 2015

Inclusion and accessibility

Two initiatives in 2015 reflect the Company's commitment to addressing the issue of inclusion and accessibility. The first was Praia para Todos (Beach for Everybody), which promoted activities for people with disabilities (such as assisted bathing in the sea, stand up paddle and adapted surfing, handbiking and racquetball) and was held at the Barra da Tijuca and Copacabana beaches. The second is Pedaleiros (Pedal Unit), a project launched in 2015 whereby the visually impaired, with the help of guides, can live the experience of riding a bicycle.



Citizenship Village
- Sapucaia (RJ)

Impact Management [GRI 64-S01, G4-EC8]

In 100% of Furnas' operations, programs are developed in order to identify, analyze and eliminate or minimize the effects of electricity generation and transmission. These factors have their greatest negative potential during the construction of the assets. It begins with the mobilizing of manpower in other regions, which has an impact on the public service infrastructure and can involve social risks (such as increased violence and sexual exploitation of children and teenagers). Then there is the impact on natural resources and the landscape. All these factors are taken into consideration in the preliminary studies and the licensing procedures and are managed with the support of socio-environmental projects.

At the same time, the expansion, operation and maintenance of the electricity system has a direct positive economic impact on local organizations and communities, through job creation, increased tax revenue, local purchasing, the boosting of commercial activities, the opening of new businesses, etc. For example, corporate and completed projects through SPEs created 8,501 jobs in 2015.

In the decisions on energy and infrastructure planning, local communities have the opportunity to participate in public hearings held by the environmental agency, as well as in specific meetings held in the affected municipalities, in order to clarify doubts about the land

Territorial initiatives

The main initiatives of the Territorial Development Program involve:

- Construction of spaces for collective production, such as communal kitchen and flour mill
- Courses on production processes, managing a small business and entrepreneurship
- Empowering women, through increased income and promoting meetings
- Channeling the local production of handicrafts and natural or processed produce
- Liaising with public policy for the provision of services to local communities: electricity, water, health, education and sanitation
- Deploying partner and/or government resources to make improvements in local communities
- Participatory diagnosis to enhance understanding of local development potential
- Collective leisure and sports facilities, promoting well-being and greater integration within local communities

development procedures that are to be adopted for the project. At these meetings, Furnas is open to hearing complaints and/or suggestions. Channels, such as the Ombudsman, telephone hotline, e-mail contact address and the Contact Us link on the Furnas website, are also made available to handle complaints.

[GRI 64-DMA]

Community forums and meetings for participatory diagnosis and planning also promote greater participation by representatives of all levels and provide greater understanding of the strengths and weaknesses of the locations. The process increases the chances of improved economic performance, through the productive collective and cooperative processes of new business chains (such as rural tourism), among others.

Territorial development – One of the impact management tools is the Territorial Development Program, which aims to stimulate poor communities. Since it was established, in 2007, 21 Integration Centers have been set up at quilombos (communities with descendants of former escaped slaves), rural settlements, the Gramacho waste landfill (Duque de Caxias-RJ), and for those living in the vicinity of transmission lines and reservoirs in the states of Rio de Janeiro, Espírito Santo, Minas Gerais, Mato Grosso and Goiás. A total of over 29,000 people are benefiting from the actions underway.

Aldeia da Cidadania (Citizenship Village)

– The project is aimed at the communities in the vicinity of Furnas’ projects. It promotes recreational activities, educational and handicraft workshops, informative talks about sexually transmissible diseases, drugs, teenage pregnancy, breastfeeding, health services (measuring blood pressure and type, cholesterol and glucose tests and vaccinations), issuing or registering of civil registry documents, work papers, identity and social security cards. The work is shared with partner institutions in the municipality or region and federal, state and/or municipal government entities.

Furnas Voluntary Program – It has encouraged voluntary work by the employees since 2002, to promote the conscientious and supportive use of their talents and free time to further the social development of the areas in which the Company operates.

Committee of Entities Against Hunger and In Favor of Life (Coep)

Furnas supports the Executive Authority of the Coep, which brings together public and private organizations that are committed to supporting initiatives for human, social and sustainable development, and encourages actions supplementing public policies. In 2015, the following were particularly notable:

Mobilization to Promote Citizenship – A Facebook incentive to initiatives in the three Coep network areas of activity: 1) Eradicating extreme poverty; 2) The environment, climate and vulnerability; and 3) participation, rights and citizenship. At the end of 2015, there were 83 registered groups.

Semi-Arid Region Communities – Holding a Forum for Young Leaders in the Semi-Arid Region, with the participation of 80 young people, involving activities and training workshops and the launching of five publications about Brazil’s semi-arid region (available at <https://issuu.mobilizadorescoep>).

Mobilization Network – In addition to the content provided on the www.mobilizadores.org.br webpage, seven training workshops were offered, such as Social Cartography and Vulnerable Populations. Early in 2015, the Distance Learning (DL) program was created, using methodology based on the ideas of Paulo Freire, as well as courses such as Participatory Community Diagnosis and Facebook as a tool for social mobilization.

MANAGEMENT OF IMPACTS ON LOCAL COMMUNITIES | GRI 4-SO2

Negative impacts	Operation	Measures taken
Local community affected by the installation of the reservoir	HPP Batalha	Workshops on income generation (beekeeping) with favorable impacts on food production and security and selling of produce; talks about waterborne diseases, with indirect impacts on health indicators. Arca das Letras rural mobile library training course at the São Cristóvão farm (Paracatu - Minas Gerais state), to encourage reading. A mobile library and book collection were delivered to the Residents Association headquarters.
	HPP Simplício	Environmental Education courses specializing in Sustainable Agriculture, Waste and Permanent Preservation Areas (APPs). Training of plant employees, with a total of 420 people.
	HPP Marimbondo	Environmental Education program (EEP) in the municipalities of: Fronteira, Frutal and Planura (Minas Gerais state); and Barretos, Colômbia, Guaiá, Guaraci and Icém (São Paulo state). Thus, Furnas has contributed to the environmental management of the region, through educational activities such as training and enabling social sectors for effective influence over the quality of their environment and their lives. That way, the community can propose solutions to local environmental problems. In total, 1,351 people were assisted at the Marimbondo power plant, including employees, educators and civil society.
Restrictions to land use and occupation; relocation of people	TL Batalha-Paracatu	The EEP included: workshop on homemade confectionary, at the headquarters of the Santa Barbara Residents Association, with talks and exchanging of experience, to encourage the production of homemade confectionary in Paracatu; "Everyone has a story to tell" workshop on story-telling, for 30 teachers at the Joaquim Adjunto Botelho Municipal School, who have begun to put it into practice with their students, plus the delivery of books to be used in both in classroom activities and in the students' homes.
	TL Anta-Simplicio	Courses on Educommunication, Sustainable Agriculture and Handling Agrichemicals, with 180 people trained.
	TL Xavantes-Pirineus	Courses on Sustainable Agriculture and Waste, with 600 people trained.
	TL Itaberá-Tijucu Preto III	Environmental Education program, in partnership with the Municipal Department of Vegetation and the Environment, for the population in the area of the Environmental Protection Area (APA) Capivari-Monos (São Paulo state). Community health and environmental protection workers, managers of Basic Health Units and guests were brought together to participate in educational activities in relation to environmental sanitation.
	TL Norte - Sul	Local socio-environmental diagnosis, with 150 people trained.

HPP = Hydroelectric Power Plant; TL = Transmission Line

Impact of the projects

[GRI 64-DMA EX-EU19, EU20]

Aware of the impact of its operations on local communities, particularly during the construction of power plants and transmission lines, Furnas adapts its projects to cause the least possible displacement of people. Research and socio-economic studies form part of the Basic Environmental Project (BAP), which also guides the communication activities and dissemination of information in relation to the impacts caused and procedures adopted within the area of influence of the project.

Technical surveys are carried out to appraise the affected assets (land, improvements and any existing economic activities) and the amount of compensation is based on market research. The relocation programs are determined according to the characteristics of the region and seek to restore the lifestyle of the families affected, so it is at least similar to that found at the time the socio-economic registration was conducted. After the projects are completed, monitoring of the families resettled in urban and rural areas is performed to check on their adjustment.

All stakeholders participate in and endorse the process, which involves municipal governments, local councils, residents associations, union and community representatives, registry offices, the public prosecution service, the public defender's office, the judiciary, and environmental bodies, among others. Issues involving agrarian reform and indigenous peoples and quilombolas (descendants of escaped slaves) are negotiated by their legal representatives: National Institute of Colonization and Agrarian Reform (Incra), National Indian Foundation (Funai) and the Palmares Foundation.

The projects also drive development, especially through job creation. In 2015, corporate projects under construction generated 914 jobs and those through Specific Purpose Entities (SPEs) employed 7,587 people.

Manso – In July 2015, payment was completed of indemnities to families affected by the implementation of the Manso Multiple Usage project, in the municipalities of Chapada dos Guimarães and Nova Brasilândia, in the state of Mato Grosso. Of the 761 families registered and qualified, 760 have already received their payments, amounting to a total of R\$ 71,943,483.57, representing 99.87% of the total of R\$ 72,033,577.55 agreed between Furnas and the Movement of People Affected by Dams (MAB), which represents the affected families. Payment to the last family is dependent on the opening of probate proceedings, due to the death of the beneficiary and his wife.

8,501
people were
employed in 2015 in
corporate projects
and through
Specific Purpose
Entities (SPEs)

PROPERTIES AFFECTED AND RELEASED

Project	2014			2015		
	Affected	Released	Amount (R\$ million)	Affected	Released	Amount (R\$ million)
TL Mascarenhas-Linhares	177	91	5,650.20	177	37	807,679.64
TL Batalha-Paracatu	121	0	30.3	0	0	0
TL Xavantes-Pirineus	88	30	3,392.50	2	26	5,251.18
HPP Batalha	211	0	50.7	0	0	345.49
Total	597	121	9,123.70	179	63	813,276.31

IMPACT OF THE PROJECTS – DISPLACEMENT, INDEMNITIES AND JOBS [GRI EU22, 64-EC8]

	2012	2013	2014	2015
Number of people physically displaced				
Due to new transmission lines	136	16	0	38
Due to new power plants	1,107	12	0	1
Total	1,243	28	0	39
Number of people economically displaced				
Due to new transmission lines	2,222	325	445	254
Due to new power plants	444	0	27	60
Total	2,666	325	168	314
Financial amount disbursed as indemnification of displaced persons (R\$ '000)	54,959.90	13,815.00	9,123.70	813,276.31
Jobs created	ND	ND	6,782	8,501

HPP = Hydroelectric Power Plant; TL = Transmission Line

Indigenous communities [GRI G4-HR8]

Kaingang – In 2015, Furnas broadened its dialogue with the Kaingang Indigenous Society of Queimadas, in the municipality of Ortigueira, in Paraná state, in order to minimize the impact of the use of part of the tribe's land along the Ivaiporã-Itaberá I and II. With the involvement of the Federal Public Prosecution Service, an agreement will be signed by Furnas, Funai and the Queimadas Indigenous Community Association formalizing the Company's support in meeting the needs of the indigenous community. Social projects will be implemented to stimulate local socio-economic development, especially in the areas of food security, health, sanitation, education, environment and culture, supported by an institution with acknowledged experience in working with indigenous communities. Furthermore, various initiatives were carried out over the course of the year, such as the monthly distribution of 350 baskets of staple food items, financial support for the promotion of traditional festivities (Day of the Amerindian, Children's Day and the year-end celebration), as well as the donation of a vehicle for community representatives to travel to rights forums, seminars, talks and other events.

Avá-Canoeiro – Furnas' partnership with Funai and the Avá-Canoeiro indigenous community has been active since 1992, with the installation of the HPP Serra da Mesa, in the state of Goiás. In August 2015, a new contract was signed, continuing the service of surveillance of this Amerindian land. In December, land was donated in Minaçu (Goiás state) for the construction of the Avá-Canoeiro Technical and Cultural Center. The areas acquired by Furnas to compensate for the Amerindian land are in the process of being transferred to Funai and an Addendum is being drawn up covering the completion of Funai's implementation of the Avá-Canoeiro Support Program (PAAC). In 2015, a girl was born into the community, increasing the number of people in that group to eight, comprising two nuclear families.

Access to energy [GRI G4-DMA EX-EU23]

Furnas participates directly in two public programs that expand and improve the population's access to electricity services: Luz para Todos (Electricity for All), in rural areas, and Energy Development for States and Municipalities (Prodeem), which uses renewable energy sources to serve populations that are not connected to the national power grid.

Luz para Todos (Electricity for All) Program

This federal government initiative aims to extend the electricity network, free of charge, to the rural population that still has no access to this public service, making electricity a driver of development and income generation in the communities served. In 2015, within Furnas' area of operations, 1,545 connections were made, benefiting 7,725 people in three states: Rio de Janeiro (110) São Paulo (882) and Goiás (553). Also during the year, the states of Espírito Santo and Minas Gerais were considered to have universal access, having completed the agreed number of connections.

Launched in 2003, Electricity for All is coordinated by the Ministry of Mines and Energy and operated by the companies that make up the Eletrobras system. By means of Decree 8.387, of December 30, 2014, the program has been extended until 2018.

Prodeem [GRI G4-DMA EX-EU7]

Established in 1994 by the Ministry of Mines and Energy (MME), the program serves populations that are not connected to the national power grid, using renewable pollution-free energy sources. The main source is solar, using photovoltaic cells, and is aimed at rural schools, wells supplying water and for other community activities in locations not yet served by the rural distribution networks of the electricity concession holders and usually far from the municipal center. Since 2004, Furnas has been responsible for implementing the Prodeem Plan for Knowledge Pass Along (PRC/Prodeem) in the states of Minas Gerais, Rio de Janeiro, São Paulo, Espírito Santo and Goiás.

7,725
residents of
rural areas were
benefited with
power connections
installed by Furnas
as part of the Light
for All program

In 2015, under the program for the transferring of public assets to the electricity concession holders, Furnas ceded 18 of a total of 104 photovoltaic systems in operation, three to CEMIG, the Minas Gerais distributor, and 15 to Celg, in Goiás. The other systems in operation are being maintained for subsequent transfer, in accordance with the rulings of the Ministry of Mines and Energy and the provisions of the prevailing legislation.

For the purpose of maintaining and inspecting the systems, the Company conducted some 70 trips to the various locations where they are installed. Five devices were deactivated, as they were located in communities that had benefited from the Electricity for All Program.



ENVIRONMENTAL
PERFORMANCE



Furnas acknowledges that its activities may cause environmental impacts and is committed to conducting its activities with respect for the environment. To that end, it promotes the use of natural resources in a sustainable manner and the conservation of biological diversity, incorporating these impacts into its activities.

The Company's activities are guided by its environmental policies, which consider legal aspects, as well as practices and experience gained. In 2015, the Furnas Environmental Policy, dating from 1998, was revised. The new document is in line with the Environmental Policy of the Eletrobras Companies and includes new fundamentals, such as the conservation of natural capital and the prevention of pollution. [\[GRI 64-DMA\]](#)

The Company's environmental investments amounted to R\$ 88.9 million. Approximately R\$ 540,000 was allocated to environmental compensation in relation to the HPP Simplício and the TLs Macaé-Campos and Ibiúna-Bateias.

Climate change [\[GRI 64-EC2, 64-DMA\]](#)

In 2015, Furnas achieved its targets of reducing its power consumption by 3% and increasing its use of renewable fuels by 6%, with a direct effect on the volume of atmospheric emissions. These results reflect the Company's backing for the Eletrobras Declaration of Commitment on Climate Change, taking action for the management of greenhouse gas (GHG) emissions, giving priority to renewable energy projects and supporting climate change studies. The goal is to identify and understand the impacts on the Brazilian electricity sector and to seek new technology to minimize the effects.

Moreover, the Company completed two years of participation in the Trading System for Emissions – Companies for the Climate Platform (SCEEPC), which has set up a carbon market simulation in order to engage Brazilian companies in combating climate change, managing their greenhouse gas (GHG) emissions and proposing public policies. The



HPP Luiz Carlos Barreto de Carvalho (MG/SP)

cap-and-trade format for emissions trading is already in use in Europe, Australia, New Zealand, California (USA), China and Quebec (Canada). In this market, companies buy and sell carbon credits within the maximum limit of the emissions ceiling established by a steering committee, based on data from GHG inventories.

The Company also participates in the Chamber for Energy and Climate Change of the Brazilian Business Council for Sustainable Development (CEBDS), which looks into possibilities for progress in dealing with the topic.

Action to minimize climate change

Initiatives to reduce GHG emissions:

- Using natural gas as the fuel at the Santa Cruz and Campos thermal power plants, replacing the special diesel oil;
- Raising by 21% the use of renewable fuel (ethanol) for the vehicle fleet;
- Reducing by 5% the consumption of electricity at the company's head office;
- Continuing the electric vehicle project at the Jacarepaguá substation

ENVIRONMENTAL INVESTMENTS (R\$ thousand) [\[GRI 64-EN31\]](#)

	2013	2014	2015
Maintenance of operating processes aimed at environmental improvements	50,796	41,167	40,257
Preservation and/or restoration of degraded environments	49,494	33,920	37,742
Environmental education for local communities	57	857	939
Other environmental projects	31,228	4,326	9,991
Total	131,575	80,270	88,929

CLIMATE CHANGE RISKS AND OPPORTUNITIES | GRI 64-EC2|

Risks	Opportunities
FACTOR: PHYSICAL	
Less water flowing into reservoirs, affecting the water level for the generating of hydroelectric power (HEP)	Identification of new alternative sources for power generation
Financial losses in Generation due to a deficit in the compensation mechanism, with a Generation Scaling Factor of GSF <1	
Losses in the production sector, with potential electricity rationing and voluntary reduction of consumption	Drawing up seasonal operation and maintenance plans
Rupturing of dams and collapsing of transmission towers	Maximizing of power sales gains through hedging and spot market selling
Increase in the price of electricity for the end consumer due to greater thermoelectric dispatching	Redirecting (or increasing) investment in research and innovation focused on the efficiency and durability of the electricity system.
FACTOR: REGULATORY	
High cost of introducing new procedures, equipment or systems	Adopting voluntary measures to improve processes, before any legal provisions are introduced
Unplanned/non-budgeted fines and compensatory measures	Improving the management of GHG emissions to ensure business sustainability
Loss of certification (such as ISO 14001), in the event of non-compliance with regulations.	<i>Increasing training on significant environmental factors and impacts to in-company audience and other stakeholders</i> Submission of carbon credit projects



Fish pisciculture station

Emissions | GRI 64-DMA|

Furnas has been a member of the Brazilian Greenhouse Gas Protocol program since 2008. The GHG Protocol is a tool developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) for companies to conduct the measurement and management of their GHG emissions through internationally accepted methodology.

Furnas has received the Gold Seal in this program since 2012, which is awarded to companies whose inventories are complete inventories and have been verified by Inmetro-accredited agencies, and it should maintain such GHG Inventory recognition for the year of 2015. However, these data were not fully consolidated by the Eletrobras holding company by the time this Sustainability Report was concluded.

EMISSIONS OF GREENHOUSE GASES [GRI G4-EN15, G4-EN16, G4-EN17]

		2013		2014		
Sources		Subtotal by source (tCO ₂ e)	Emissions (tCO ₂ e)	Subtotal by source (tCO ₂ e)	Emissions (tCO ₂ e)	
Scope 1	Fixed	Company owned TPPs	1,439,570		1,778,686.73	
		Generators	79	1,439,719	337.36	
		Others	70		99.21	
	Mobile	Roadways	4,124	4,145	4,528.27	4,531.71
		Waterways	7		3.44	
	Fugitive	SF ₆	13,357		29,697	31,289.46
Refrigeration		2,689	16,138	1,236.83		
Scope 1 subtotal			1,460,002		1,814,944.48	
Scope 2	Electricity consumption	3,285	3,285	3,184.22	3,184.22	
	Transmission losses	54,828	54,828	735,223.12	735,223.12	
Scope 2 subtotal			545,113		738,407.34	
Scope 3	Air travel	2,181	2,181	1,492.02	1,492.02	
	Transportation of employees	31	31	82.67	82.67	
Scope 3 subtotal			2,212		1,574.69	
Total			2,007,327		2,554,926.51	

Note: 2015's inventory had not been consolidated by the time this report was concluded

Water [GRI G4-DMA]

Water consumption amounted to 3.6 million cubic meters in 2015, practically the same level as in the previous year, with 91.8% taken from surface sources. None of these sources is significantly affected by the water withdrawal, since it represents less than 5% of the average annual volume of any of the bodies of water. [GRI G4-EN9]

The water used for hydroelectric generation is taken from the reservoir and returned to the river without any change in its quality.

In the thermoelectric power plants, the water used to cool the heat exchangers also comes from surface sources. At TPP Santa Cruz, it is taken from the São Francisco canal and,

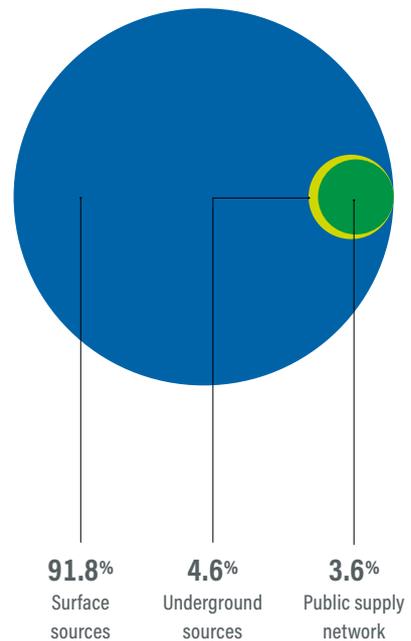
after use, is discharged into the Santo Agostinho canal. At TPP Campos, the water comes from an accumulation lake and is later discharged into the Paraíba do Sul River. In both cases, there is a small increase in temperature, within the norms and standards set out in the prevailing legislation. The TPP Campos' discharge volume is 0.17 m³/h. [GRI G4-EN10]

The Ibiúna substation directly reuses water for washing vehicles and gardening. At TPP Campos, most of the filtered water is used for the demineralization process to supply the plant's boilers, with a replacement rate of 5 cubic meters in five cycles of 20 cubic meters each. [GRI G4-EN10]



WATER CONSUMPTION BY SOURCE

[GRI G4-EN8]



WATER CONSUMPTION BY SOURCE (m³) [GRI G4-EN8]

	2014			2015		
	Administrative activities	Thermoelectric power plants	Total	Administrative activities	Thermoelectric power plants	Total
Surface sources	3,089,104	157,521	3,246,625	3,111,152	172,690	3,283,842
Underground sources	119,682	0	119,682	130,449	0	130,449
Public supply network	154,895	0	154,895	163,808	0	163,808
Total	3,363,681	157,521	3,521,202	3,405,408	172,690	3,578,098

WASTE MANAGEMENT (t) IN 2015 [GRI G4-EN23]

Disposal	Administrative activities	Hydroelectric power plants	Thermoelectric power plants	Transmission
Non-hazardous waste				
Industrial landfill		20.00	132.75	49.97
Composting		61.15	0	0
Municipal collection		1,859.55	17.92	0
On-site storage		2,077.23	246.82	522.21
Recycling		150.26	0	0
Reutilization		270.43	197.72	0
Subtotal		4,438.61	595.21	572.18
Hazardous waste				
Industrial landfill		0.40	35.52	0
On-site storage		9.01	53.88	234.84
Co-processing		0	1.90	0
Incineration		0	11.17	0
Health		155.60	0	0
Subtotal		165.01	102.48	234.84
Total		4,603.63	697.69	807.02

Waste [GRI G4-DMA]

A Normative Instruction for Waste Management was approved in 2015, with a view to improving the Company's environmental performance. The document establishes criteria to ensure control and reduce the risks to people and the environment, in compliance with institutional policies and the prevailing legislation.

Hazardous waste is sent to specialized accredited companies for proper treatment and disposal. This waste encompasses used insulating mineral oil, depleted lead-acid batteries and

tires of various sizes. The hazardous waste transported between states by Furnas' Distribution Centers during 2015 totaled 72 tons. [GRI G4-EN25]

Solidarity Selective Waste Collection

Furnas has a Solidarity Selective Waste Collection Committee, which has been working since 2008 to make better use of waste through reutilization and recycling processes. Since the program began, 1,454 tons of recyclable materials (paper, plastic, metal and glass) have been sent to 29 recycling cooperatives that are partners with a number

of the Company's units. In 2015, the Company earmarked about 150 tons of waste through the program, thereby contributing to the socio-economic inclusion of 2,500 waste pickers' families.

As part of a government program, selective waste collection is monitored by the Office of the General Secretary of the Brazilian Presidency, which conducts half-yearly assessments of the selective waste collection at government-owned companies to ensure correct waste management and channeling to associations and cooperatives set up by collectors of recyclable materials.

Biodiversity [GRI G4-DMA, G4-EN12]

The Company's generation and transmission operations represent a potential impact on biodiversity in the regions where its projects are located.

During the process of installing hydroelectric power plants, the main impacts arise from the damming of the river, with the flooding of the river banks and transformation of the section of the river ecosystem (from river to lake), which may provoke changes in the natural habitats of the fauna and flora, such as in the migratory activities of aquatic life and in the food chain. During the operational phase, there may be alterations in water quality, proliferation of aquatic macrophytes and changes in the composition and abundance of fish species. Moreover, restrictions must be observed regarding the occupation and use of land bordering the reservoirs, because they are surrounded by Permanent Preservation Areas (APPs).

For transmission projects, preventive measures are adopted as of their conception and definition of the route. Protected areas and native forest fragments are avoided, while taller towers and special cable laying techniques are used to avoid suppression of the vegetation. In the implementation stage, the impacts result from the opening up of access roads, assembly of the towers and the laying of cables, with a reduction in plant biomass, fragmentation of land habitats, interference with the aquatic biota and diminished abundance and diversity of fauna. Once in operation, the impacts are basically due to the selective pruning of trees, to prevent vegetation from interfering with the lines because of their electromagnetic fields. A total of 1,402 km of transmission lines use taller tower techniques to avoid vegetation clear-cutting.

During the construction phase of the projects, Environmental Management Programs are implemented, which include reports sent periodically to the responsible environmental bodies for review and approval. Meanwhile, environmental



Seedling nurseries (RJ)

OPERATING UNITS IN AREAS WITH A HIGH BIODIVERSITY LEVEL (km²) [GRI G4-EN11]

	2013	2014	2015
Adjacent protected areas	160.85	164.71	164.71
Furnas' operational areas	7,309.59	7,326.14	7,326.14
Protected areas inserted within operational areas ¹	115.12	83.69	127.17

¹ The increase in the overlapping of operational and protected areas is due to the new cartographic database disclosed by the Ministry of the Environment in 2015, which is now more detailed.

Sweet Nature

Furnas supports the conservation of the Pedra Branca State Park, a protected area of 12,500 hectares in Rio de Janeiro. Eleven of its transmission lines traverse the area. Three years ago, Furnas set up the *Natureza Doce* (Sweet Nature) project, aimed at the conservation of bees native to the Atlantic Forest, in recognition of the importance of Brazilian biodiversity.

studies and monitoring programs take place during and after the construction of the project, and these are compared to the Environmental Impact Assessment (EIA) analyses and supplementary inventories. Before any vegetation is suppressed, a forest inventory is carried out, identifying and quantifying the flora that is to be removed. Subsequently, a Recovery Program for Degraded Areas (Prad) is put into action, whereby the removed vegetation is reestablished in equivalent or larger areas. Other physical activities also are implemented to mitigate the environmental impacts of company operations, such as erosion control.

Forest recovery

During 2015, the Company's nurseries produced 436,270 tree seedlings and planted 74.5 hectares around the reservoirs of the Marimbondo, Porto Colômbia, Estreito, Mascarenhas de Moraes, Furnas, Itumbiara, Corumbá, Funil and Simplício hydroelectric plants and along the TL Mascarenhas-Linhares.

Over the course of the year, the following activities were carried out for the restoration of degraded areas: the planting of native species in 2.12 hectares (0.0212 km²) in the Fazenda Atalaia Municipal Park, in Macaé (Rio de Janeiro state), within the area of the Macaé-Campos III transmission line; and 25.4 hectares (0.254 km²) at the HPP Simplício, of a total of 70 hectares reforested in a Permanent Preservation Area (APP) throughout 2014 and 2015. [\[GRI G4-EN13\]](#)

In the areas of the TL Tijuco Preto-Itapeti-Nordeste, the restoration activities have led to an increase in the number of animal species from 272 to 362. Although they were approved by the environmental agency, the previous studies may be inadequate for an accurate estimation of the local biodiversity. [\[GRI EU13\]](#)

Fish conservation

To minimize the impacts caused by the HPPs' dams on fish populations, Furnas has promoted the farming of giant traira and other native fish that migrate upstream to reproduce for the repopulation of the reservoirs on the Grande and Paranaíba Rivers since 1979. In 2015, 58,130 fry were produced, of which 53,270 were fish that migrate to spawn.

Environmental education

The Environmental Education Programs (PEAs) provide training to the populations directly or indirectly affected by Furnas' projects. Through discussions with the community, one can learn about the local needs and potential and, consequently, develop educational procedures. In some units, Furnas' employees participate in the Employee Education Programs for Workers (PEATs). In 2015, such initiatives involved a total of 3,976 people (3,620 from communities in the vicinity of plants and transmission lines and 356 employees).

In the municipality of Fronteira (Minas Gerais state), where the Marimbondo plant is situated, the population participated in a cleanup of the Rio Grande river. Structural improvements were made and there were initiatives to raise the awareness of the Jardim Veraneio population regarding the conscientious use of water, the planting of plant species in Permanent Preservation Areas (APPs) and the releasing of fingerlings. There were also lectures and dynamic exercises with children from the Guarda Mirim youth corps.

In January 2015, Furnas published the results of the "Environmental Education in the Licensing Process: Methodological Construction" R&D project. Based on three years of data collection among populations living within the areas of influence of transmission lines, conducted in partnership with three universities, a methodology was developed for these processes. The methodology was presented to the Brazilian Institute of Environment

and Renewable Natural Resources (Ibama) and to electricity sector consultants and companies. To date, three scientific papers have been published in relation to the study and presentations have been given at 13 Brazilian and international conferences and seminars.

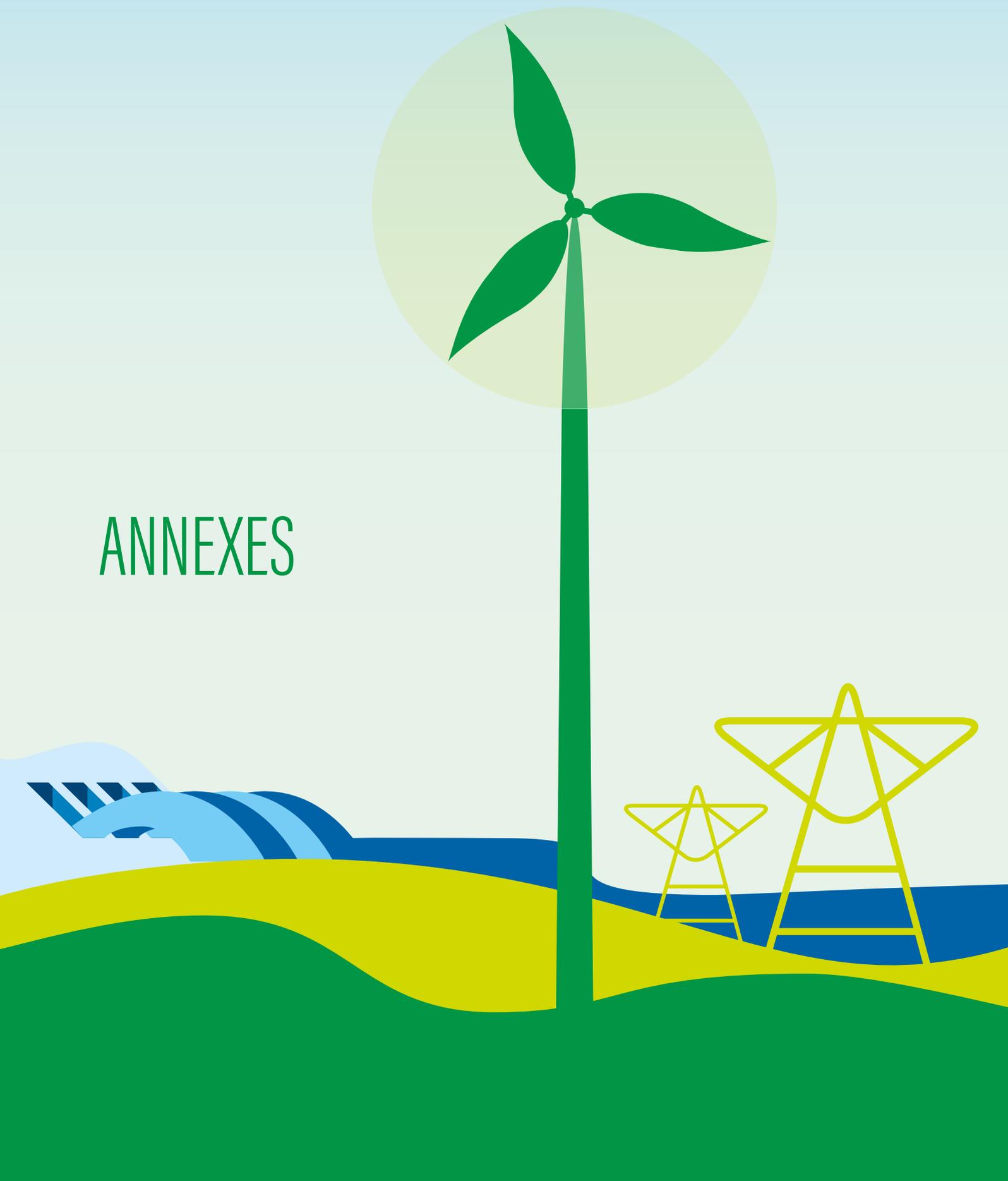
Environmental Agenda in Public Policy (A3P)

Developed by the Ministry of the Environment (MMA), the principles of this government initiative are the integration of social and environmental criteria in government administrative and operational activities, ranging from changes in the way services are purchased and hired (sustainable procurement) to the proper management of the waste generated and natural resources used, as well as promoting improvements in the quality of life within the workplace. Furnas joined the A3P in October 2012.

In May 2015, Furnas was invited to be a part of the Rio A3P Network that brings together existing active groups within public institutions, with public servants from the three spheres (federal, state and municipal) and the three branches: executive, judicial and legislative, in an effort to help combat waste and promote the more conscientious use of resources. Furnas participates in the Joint Thematic Section Coordination.

To celebrate Recycling Day, under the slogan "Be Smart, Avoid Waste!", Furnas A3P conducted a workshop on the Full Utilization of Foodstuffs. The intention was to encourage the minimization of waste, to avoid wasting natural resources and help reduce pollution and water and energy costs, among others. During the event, mugs with permanent messages were handed out to stimulate reflection and the adoption of healthy daily practices and the commitment to reduce all negative social and environmental impacts.

ANNEXES



FURNAS' ASSETS

GENERATION

WHOLLY OWNED

Hydroelectric Power Plants	Capacity (MW) [GRI EU1]
Renovation projects - under special administration - Law 12.783/2013	
HPP Furnas	1,216.0
HPP Funil	216.0
HPP Porto Colômbia	320.0
HPP Marimbondo	1,440.0
HPP Luiz Carlos Barreto de Carvalho	1,050.0
HPP Corumbá	375.0
SHP Neblina	6.47
SHP Sinceridade	1.42
SHP Dona Rita	2.41
SHP Ervália	6.97
SHP Coronel Domiciano	5.04
Projects not yet renewed	
HPP Itumbiara	2,082.0
HPP Mascarenhas de Moraes	476.0
HPP Simpício	305.7
HPP Batalha	52.5
SHP Anta ¹	28.0
Thermal power plants	
Capacity (MW) [GRI EU1]	
Projects not yet renewed	
UTE Santa Cruz	500.0
UTE Roberto da Silveira (Campos)	30.0

¹Under construction

SHARED CONCESSION (SPEs AND PARTNERSHIPS) - HYDRAULIC GENERATION

Plant	Capacity (MW)	Furnas share	Furnas share capacity (MW) [GRI EU1]
UHE Serra da Mesa	1,275	48.46%	617.87
UHE Manso	212	70%	148.4
UHE Peixe Angical	498.75	40%	199.5
UHE Baguari	140	15%	21.0
UHE Retiro Baixo	82	49%	40.18
UHE Foz do Chapecó	855	40%	342.0
UHE Serra do Facão	212.58	49.47%	105.16
UHE Santo Antônio ¹	3,568.8	39%	1,391.83
UHE Teles Pires ¹	1,819.9	24.5%	445.88
UHE São Manoel ²	700	33.33%	233.31
UHE Três Irmãos ³	807.5	49.9%	402.90
UHE Inambari ⁴	2,000	19.6%	392.00

¹ In partial operation; ² Under construction; ³ Providing O & M service; ⁴ Suspended Implementation

PARTNERSHIPS - SPECIFIC PURPOSE ENTITIES - WIND POWER GENERATION

Wind farm	Number of wind farms	Capacity (MW)	Furnas share	Furnas share capacity (MW) [GRI EU1]
In operation				
Complexo Brasventos	3	186.04	24.5%	45.82
Miassaba 3		68.47	24.5%	16.78
Rei dos Ventos I		58.45	24.5%	14.32
Rei dos Ventos III		60.12	24.5%	14.73
Under construction				
Complexo Energia dos Ventos (Fortim)	5	126	49%	61.74
Complexo Itaguaçu da Bahia	10	280	49%	137.20
Complexo Punaú/Baleia	13	255	49%	65
Complexo Famosa	4	84	49%	41.16
Complexo Famosa III	5	124	90%	111.60
Complexo Acaraú	3	76	90%	68.40
Complexo Serra do Mel	3	84	90%	75.60

TRANSMISSION

WHOLLY OWNED

Projects not yet renewed	Character
Ibiúna-Bateias Circuito	332 km – 500 kV
Ibiúna-Bateias Circuito	332 km – 500 kV
Subtotal	664 km
Tijuco Preto-Itapeti	21 km – 345 kV
Tijuco Preto-Itapeti	21 km – 345 kV
Itapeti-Nordeste	29 km – 345 kV
Campos-Macaé	90 km – 345 kV
Subtotal	161 km
Batalha-Paracatu	85 km – 138 kV
Simplício-Rocha Leão	119 km – 138 kV
Simplício-Rocha Leão	119 km – 138 kV
Subtotal	323 km
TOTAL	1,148 km

In 2015, was beginning the commercial operation of two new lines and two new substations built under the regime of the SPE, listed below began:

IN PARTNERSHIP - SPECIFIC PURPOSE ENTITIES

SPE	State	Voltages (kV)	Transformation Capacity (MVA)	Extension (km)	Furnas share
SS Niquelândia	GO	230 kV	30 MVA	-	49.00
SS Olímpica	RJ	138/13,8 kV	120 MVA	-	49.90
TL Barra da Tijuca-SS Olímpica	RJ	138 kV	-	10.8	49.90
TL Gardênia-SS Olímpica	RJ	138 kV	-	2.9	49.90

The expansion of the transmission system in 2015 was the construction of new lines and substations, as shown below:

ENTERPRISE UNDER CONSTRUCTION

Enterprise/Location	SPE	Extension (km)	Furnas share (%)	Expected to start operation
TL 500 kV Bom Despacho 3–Ouro Preto 2 (MG)	-	180.0	100.0	¹
TL 230 kV Mascarenhas–Linhares (ES)	-	99.0	100.0	Aug/2016
TL 230 kV Xavantes–Pirineus (GO)	-	50.0	100.0	Feb/2017
TL 230 kV Serra da Mesa–Niquelândia (GO)	Transenergia Goiás S.A.	100.0	49.0	Apr/2016
TL 230 kV Niquelândia–Barro Alto (GO)	Transenergia Goiás S.A.	88.0	49.0	Nov/2015
TL 500 kV Marimondo II–Assis (MG/SP)	Triângulo Mineiro Transmissora S.A.	296.5	49.0	Dec/2015
SS Marimondo II	Triângulo Mineiro Transmissora S.A.	-	49.0	Dec/2015
SS Assis	Triângulo Mineiro Transmissora S.A.	-	49.0	Dec/2015
TL 500 kV Barreiras II – Rio das Éguas (BA)	Paranaíba Transmissora de Energia S.A.	244.0	24.5	May/2016
TL 500 kV Rio das Éguas – Luziânia (BA/MG/GO)	Paranaíba Transmissora de Energia S.A.	373.0	24.5	May/2016
TL 500 kV Luziânia – Pirapora II (GO/MG)	Paranaíba Transmissora de Energia S.A.	350.0	24.5	May/2016
SS Barreiras II	Paranaíba Transmissora de Energia S.A.	-	24.5	May/2016
SS Rio das Éguas	Paranaíba Transmissora de Energia S.A.	-	24.5	May/2016
SS Luziânia	Paranaíba Transmissora de Energia S.A.	-	24.5	May/2016
SS Pirapora 2	Paranaíba Transmissora de Energia S.A.	-	24.5	May/2016
TL Brasília Leste–Luziânia	Vale do São Bartolomeu Transmissora S.A	67	39.0	Apr/2016
TL 345 kV Samambaia–Brasília Sul (DF)	Vale do São Bartolomeu Transmissora S.A	14	39.0	Apr/2016
TL 230 kV Brasília Sul–Brasília Geral (DF)	Vale do São Bartolomeu Transmissora S.A	13.5	39.0	Apr/2016
SS 500/138 kV Brasília Leste (DF)	Vale do São Bartolomeu Transmissora S.A	-	39.0	Apr/2016
TL 230 kV Barro Alto–Itapaci (GO)	Lago Azul Transmissora S.A	69	49.9	Nov/2016
TL 500 kV Araraquara 2–Fernão Dias	Mata de Santa Genebra Transmissora S.A.	241	49.9	Nov/2017
TL 500 kV Araraquara 2–Itatiba (SP)	Mata de Santa Genebra Transmissora S.A.	207	49.9	Nov/2017
TL 500 kV Itatiba–Bateias	Mata de Santa Genebra Transmissora S.A.	399	49.9	Nov/2017
SS 500/440 kV Fernão Dias	Mata de Santa Genebra Transmissora S.A	-	49.9	Nov/2017
SS 500/138 kV Itatiba	Mata de Santa Genebra Transmissora S.A	-	49.9	Nov/2017
SS 440 kV Santa Bárbara D'Oeste	Mata de Santa Genebra Transmissora S.A	-	49.9	Nov/2017
TL 800 kV Xingu–Estreito (Bipolo 1)	Belo Monte Transmissora de Energia S.A.	2.092	24.5	Feb/2018
SS 500/800 kV Xingu–Estação Conversora CA/CC	Belo Monte Transmissora de Energia S.A.	-	24.5	Feb/2018
SS 800/500 kV Estreito Estação Conversora CC/CA	Belo Monte Transmissora de Energia S.A.	-	24.5	Feb/2018
Barra da Tijuca–SS Olímpica	Energia Olímpica S.A.	N/d	49.9	May/2015
Gardênia–SS Olímpica	Energia Olímpica S.A.	N/d	49.9	May/2015
SS Olímpica 138/13,8 kV	Energia Olímpica S.A.	-	49.9	May/2015
SS Niquelândia	Luziânia Niquelândia Transmissora S.A.	-	49.0	Mar/2015

¹ Enterprise completed and capable of commercial operation; only the issuance of the operating license of the Superintendency of Environment (MG – Supram) is expected.

IN PARTNERSHIP - SPECIFIC PURPOSE ENTITIES

SPE	Voltage (kV)	Furnas share
In operation		
Interligação Elétrica Madeira S.A.	600	24.5%
Cia. Transleste de Transmissão	345	24.5%
Cia. Transirapé de Transmissão	230	24.5%
Cia. Transudeste de Transmissão	345	25%
Transenergia São Paulo S.A.	500/138	49%
Transenergia Renovável S.A.	230/138	49%
Goiás Transmissão S.A.	500/230	49%
MGE Transmissão S.A.	500/345	49%
Caldas Novas Transmissão S.A.	345/138	49.9%
Cia. de Transmissão Centroeste de Minas	345	49%
Under construction		
Lago Azul Transmissora S.A.	230	49.9%
Paranaíba Transmissora de Energia S.A.	500	49%
Triângulo Mineiro Transmissora S.A.	500	49%
Vale do S. Bartolomeu Transmissora S.A.	500/345/230/138	39%
Transenergia Goiás S.A.	230	49%
Belo Monte Transmissora de Energia S.A.	800	24.5%
Luziânia-Niquelândia Transmissora S.A.	Luziânia: 500/138 Niquelândia: 230/69	49%
Mata de Santa Genebra Transmissora S.A.	500	49.9%

SPE SHAREHOLDING BREAKDOWN

SPE	Company	Stake
Acarau - Ventos de Santa Rosa S.A.	Furnas	90.0000%
	Eólica Tecnologia	7.0000%
	Ventos Tecnologia Elétrica	2.9900%
	Ventos de Santa Rosa	0.0100%
Acarau - Ventos de Uirapuru S.A.	Furnas	90.0000%
	Eólica Tecnologia	7.0000%
	Ventos Tecnologia Elétrica	2.9900%
	Ventos de Uirapuru	0.0100%
Acarau - Ventos do Angelim S.A.	Furnas	90.0000%
	Eólica Tecnologia	7.0000%
	Ventos Tecnologia Elétrica	2.9900%
	Ventos do Angelim	0.0100%
Baguari Energia S.A. www.uhebaguari.com.br	Cemig	69.3878%
	Furnas	30.6122%
Baleia - Bom Jesus Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Bom Jesus	0.0100%
Baleia - Cachoeira Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Cachoeira	0.0100%
Baleia - Pitimbu Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Pitimbu	0.0100%
Baleia - São Caetano Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL São Caetano	0.0100%
Baleia - São Caetano I Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL São Caetano I	0.0100%
Baleia - São Galvão Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL São Galvão	0.0100%
Belo Monte Transmissora de Energia SPE S.A.	State Grid	51.0000%
	Furnas	24.5000%
	Eletronorte	24.5000%
Brasil Ventos ¹	Furnas	100.00%
Brasventos Eolo Geradora de Energia S.A. www.brasventos.com.br	J.Malucelli Energia	51.0000%
	Furnas	24.5000%
	Eletronorte	24.5000%
Brasventos Miassaba 3 Geradora de Energia S.A. www.brasventos.com.br	J.Malucelli Energia	51.0000%
	Furnas	24.5000%
	Eletronorte	24.5000%

SPE	Company	Stake
Caldas Novas Transmissão S.A.	Furnas	49.9000%
	CEL Engenharia	25.0500%
	Santa Rita	25.0500%
Central Eólica Famosa I S.A.	PF Participações	51.0000%
	Furnas	49.0000%
Central Eólica Pau Brasil S.A.	PF Participações	51.0000%
	Furnas	49.0000%
Central Eólica Rosada S.A.	PF Participações	51.0000%
	Furnas	49.0000%
Central Eólica São Paulo S.A.	PF Participações	51.0000%
	Furnas	49.0000%
Chapecoense Geração S.A. www.fozdochapeco.com.br	CPFL	51.0000%
	Furnas	40.0000%
	CEEE GT	9.0000%
Companhia Centroeste de Minas www.centroestedeminas.com.br	Cemig	51.0000%
	Furnas	49.0000%
Companhia Hidrelétrica Teles Pires www.uhetelespires.com.br	Teles Pires Participações ²	99.1000%
	Odebrecht Energia do Brasil	0.9000%
Companhia Transirapé de Transmissão www.transmineira.com.br/web/transirape	Transminas Holding	41.0000%
	Furnas	24.5000%
	Cemig	24.5000%
	EATE	10.0000%
Companhia Transleste de Transmissão www.transmineira.com.br/web/transleste	Transminas Holding	41.0000%
	Cemig	25.0000%
	Furnas	24.0000%
	EATE	10.0000%
Companhia Transudeste de Transmissão www.transmineira.com.br/web/transudeste	Transminas Holding	41.0000%
	Furnas	25.0000%
	Cemig	24.0000%
	EATE	10.0000%
Consórcio HPP Baguari	Baguari I ³	51.0000%
CSE - Centro de Soluções Estratégicas S.A.	FIP Constantinopla	50.1000%
	Furnas	49.9000%
Empresa de Energia São Manoel S.A. www.saomanoelenergia.com.br	Furnas	33.3330%
	CTG Três Gargantas (Ex-CWEI)	33.3330%
	EDP	33.3340%
Energia dos Ventos V S.A.	Furnas	99.9900%
	São Januário	0.0100%
Energia dos Ventos VI S.A.	Furnas	99.9900%
	Nossa Senhora De Fátima	0.0100%
Energia dos Ventos VII S.A.	Furnas	99.9900%
	Jandaia	0.0100%
Energia dos Ventos VIII S.A.	Furnas	99.9900%
	São Clemente	0.0100%

SPE	Company	Stake
Energia dos Ventos X S.A.	Alupar	99.9900%
	Horizonte	0.0100%
Energia Olímpica S.A.	Light	50.1100%
	Furnas	49.8900%
Enerpeixe S.A. www.edp.com.br/geracao-renovaveis/geracao/tocantins/enerpeixe	EDP	60.0000%
	Furnas	40.0000%
Famosa III - Geradora Eólica Arara Azul S.A.	Furnas	90.0000%
	Eólica Tecnologia	7.0000%
	Ventos Tecnologia Elétrica	2.9900%
	Geradora Eólica Arara Azul	0.0100%
Famosa III - Geradora Eólica Bentevi S.A.	Furnas	90.0000%
	Eólica Tecnologia	7.0000%
	Ventos Tecnologia Elétrica	2.9900%
	Geradora Eólica Bentevi	0.0100%
Famosa III - Geradora Eólica Ouro Verde I S.A.	Furnas	90.0000%
	Eólica Tecnologia	7.0000%
	Ventos Tecnologia Elétrica	2.9900%
	Geradora Eólica Ouro Verde I	0.0100%
Famosa III - Geradora Eólica Ouro Verde II S.A.	Furnas	90.0000%
	Eólica Tecnologia	7.0000%
	Ventos Tecnologia Elétrica	2.9900%
	Geradora Eólica Ouro Verde II	0.0100%
Famosa III - Geradora Eólica Ouro Verde III S.A.	Furnas	90.0000%
	Eólica Tecnologia	7.0000%
	Ventos Tecnologia Elétrica	2.9900%
	Geradora Eólica Ouro Verde III	0.0100%
Geradora Eólica Itaguaçu da Bahia SPE S.A.	Iber ⁴	100.0000%
Geradora Eólica Serra do Mel I S.A.	Furnas	90.0000%
	Eólica Tecnologia	9.9900%
	Gestamp Eólica Brasil	0.0100%
Geradora Eólica Serra do Mel II S.A.	Furnas	90.0000%
	Eólica Tecnologia	9.9900%
	Gestamp Eólica Brasil	0.0100%
Geradora Eólica Serra do Mel III S.A.	Furnas	90.0000%
	Eólica Tecnologia	9.9900%
	Gestamp Eólica Brasil	0.0100%
Geradora Eólica Ventos Santa Luiza SPE S.A.	Iber	100.0000%
Geradora Eólica Ventos Santa Madalena SPE S.A.	Iber	100.0000%
Geradora Eólica Ventos Santa Marcella SPE S.A.	Iber	100.0000%
Geradora Eólica Ventos Santa Vera SPE S.A.	Iber	100.0000%
Geradora Eólica Ventos Santo Antônio SPE S.A.	Iber	100.0000%
Geradora Eólica Ventos São Bento SPE S.A.	Iber	100.0000%
Geradora Eólica Ventos São Cirilo SPE S.A.	Iber	100.0000%
Geradora Eólica Ventos São João SPE S.A.	Iber	100.0000%
Geradora Eólica Ventos São Rafael SPE S.A.	Iber	100.0000%

SPE	Company	Stake
Goias Transmissão S.A. www.goias-mge.com.br	Gebbras Participações Ltda.	51.0000%
	Furnas	49.0000%
Inambari Geração de Energia S.A.	OAS	51.0000%
	Eletrobras	29.4000%
	Furnas	19.6000%
Interligação Elétrica do Madeira S.A.	CTEEP	51.0000%
	Furnas	24.5000%
	Chesf	24.5000%
Itaguaçu da Bahia Energias Renováveis S.A.	Furnas	49.0000%
	FIP Salus	49.0000%
	CVER	2.0000%
Lago Azul Transmissão S.A.	CELG GT	50.1000%
	Furnas	49.9000%
Luziânia - Niquelândia Transmissora S.A. www.Intrans.com.br	State Grid	51.0000%
	Furnas	49.0000%
Madeira Energia S.A. www.santoantonioenergia.com.br	Furnas	39.0000%
	Caixa FIP Amazônia	20.0000%
	Odebrecht Energia Do Brasil	18.6000%
	SAAG	12.4000%
	Cemig	10.0000%
Mata de Santa Genebra Transmissora S.A. www.msgtrans.com.br	COPEL GeT	50.1000%
	Furnas	49.9000%
MGE Transmissão S.A. www.goias-mge.com.br	Gebbras Participações Ltda.	51.0000%
	Furnas	49.0000%
Paranaíba Transmissora de Energia S.A. www.paranaibatrans.com.br	State Grid	51.0000%
	Furnas	24.5000%
	COPEL GeT	24.5000%
Punaú - Carnaúba I Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Carnaúba I	0.0100%
Punaú - Carnaúba II Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Carnaúba II	0.0100%
Punaú - Carnaúba III Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Carnaúba III	0.0100%
Punaú - Carnaúba V Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Carnaúba V	0.0100%
Punaú - Cervantes I Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Cervantes I	0.0100%
Punaú - Cervantes II Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Cervantes II	0.0100%

SPE	Company	Stake
Punaú - Punaú I Eólica S.A.	FIP Caixa Milão	50.9900%
	Furnas	49.0000%
	CEOL Punaú I	0.0100%
Rei Dos Ventos 3 Geradora de Energia S.A. www.brasventos.com.br	J.Malucelli Energia	51.0000%
	Furnas	24.5000%
	Eletronorte	24.5000%
Retiro Baixo Energética S.A. www.rbe.com.br/rbe	Cemig	49.9000%
	Furnas	49.0000%
	Orteng	1.1000%
Santo Antônio Energia S.A.	Mesa ⁵	100.0000%
Serra do Facão Energia S.A. www.sefac.com.br	Furnas	49.4737%
	Alcoa	34.9737%
	DME	10.0877%
	Camargo Corrêa	5.4649%
Teles Pires Participações S.A. www.uhetelespires.com.br	Neoenergia	50.5600%
	Furnas	24.7200%
	Eletrosul	24.7200%
Tijóá Participações e Investimentos S.A.	FIP Constantinopla	50.1000%
	Furnas	49.9000%
Transenergia Goiás S.A. www.transenergia.com.br/Grupo/Goiás	Furnas	99.0000%
	J.Malucelli Energia	1.0000%
Transenergia Renovável S.A. www.transenergia.com.br	Gebbras Participações Ltda.	51.0000%
	Furnas	49.0000%
Transenergia São Paulo S.A. www.transenergia.com.br/Grupo/SaoPaulo	Gebbras Participações Ltda.	51.0000%
	Furnas	49.0000%
Triângulo Mineiro Transmissora S.A.	FIP Caixa Milão	51.0000%
	Furnas	49.0000%
Vale do São Bartolomeu Transmissora de Energia S.A.	FIP Caixa Milão	51.0000%
	Furnas	39.0000%
	CELG GT	10.0000%

¹ Total Furnas owned subsidiary. Comprise the "Complexo Acaraú" (Geradora Eólica Ventos de Uirapuru S.A., Geradora Eólica Ventos de Angelim S.A.), the "Complexo Famous III" (Geradora Eólica Arara Azul S.A., Geradora Eólica Bentevi S.A., Geradora Eólica Ouro Verde I S.A., Geradora Eólica, Geradora Eólica Ouro Verde II S.A and Geradora Eólica Ouro Verde III S.A.) and the "Complexo Serra do Mel SA" (Geradora Eólica Serra do Mel I S.A, Geradora Eólica Serra do Mel II S.A. e Geradora Eólica Serra do Mel III S.A.).

² Neoenergia Group 2 (50.1%), Furnas (24.5%) and Eletrosul (24.5%).

³ Baguari consortium whose shareholders are "Baguari I - Neoenergia Group, with 51% and 51% stake, and the SPE Baguari Energia S.A. with 49% share. The "SPE Baguari Energia S.A." shareholders are Furnas (30.6122%) and Cemig (69.3878%).

⁴ Energias Renováveis Bahia Itaguaçu Holding S.A. (Iber). The Geradora Eólica Itaguaçu da Bahia SPE S.A has the following shareholding structure: Furnas (49%), FIP Salus (49%) and Casa dos Ventos (2%).

⁵ "Mesa - Madeira Energia S.A." has the shareholders Furnas (39%), Cemig (10%), SAAG Investimentos S.A. (12.40%), Caixa FIP Amazônia (20%) and Odebrecht (18.60%).

GRI INDICATORS

PERSONNEL MANAGEMENT

EMPLOYEES BY GENDER AND REGION | GRI 64-10 |

	2014				2015			
	Permanent employees		Non-permanent employees		Permanent employees		Non-permanent employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Southeast	2,432	496	739	407	2,452	506	655	366
South	140	7	17	2	139	7	11	2
North	12	0	7	0	12	0	7	0
Midwest	384	46	124	34	385	47	110	27
Total	2,968	549	887	443	2,988	560	783	395
Grand total		3,517		1,330		3,548		1,178

EMPLOYEES BY STATE | GRI 64-10 |

	Permanent employees	Non-permanent employees	Interns	Total
Southeast	2,958	1,021	391	4,370
Rio de Janeiro	1,915	725	328	2,968
Minas Gerais	547	154	29	730
São Paulo	437	137	32	606
Espírito Santo	59	5	2	66
Midwest	432	137	28	597
Federal District	158	53	13	224
Goiás	262	76	15	353
Mato Grosso	12	8	0	20
South	146	13	2	161
Paraná	146	13	2	161
North	12	7	1	20
Rondônia	5	5	1	11
Tocantins	7	2	0	9
Total	3,548	1,178	422	5,148

DIVERSITY INDICATORS [GRI G4-LA12]

	Men		Women		Total	
	Number of permanent employees	%	Number of permanent employees	%	Number of permanent employees	%
Management Functions	202	100	43	100	245	100
White	179	88.6	39	90.7	218	89.0
Black	5	2.5	2	4.7	7	2.9
Mixed	16	7.9	2	4.7	18	7.3
Yellow	2	1.0	0	0.0	2	0.8
Indigenous	0	0.0	0	0.0	0	0.0
Undeclared	0	0.0	0	0.0	0	0.0
Physically or Mentally challenged	0	0	0	0	0	0
Employees	2,786	100	517	100	3,303	100
White	1,996	71.6	424	82.0	2,420	73.3
Black	149	5.3	16	3.1	165	5.0
Mixed	581	20.9	66	12.8	647	19.6
Yellow	37	1.3	7	1.4	44	1.3
Indigenous	11	0.4	1	0.2	12	0.4
Undeclared	12	0.4	3	0.6	15	0.5
Physically or Mentally challenged	22	0.8	2	0.4	24	0.7
Age	2,988	100	560	100	3,548	100
Less than 30 years	104	3.5	31	5.5	135	3.8
30 to 50 years	1,655	55.4	334	59.6	1,989	56.1
More than 50 years	1,229	41.1	195	34.8	1,424	40.1

TURNOVER [GRI G4-LA1]

By gender	Total number of employees	Number new hires	Number of out-sourced workers	Turnover (%)
Male	2,988	37	17	0.90
Female	560	14	3	1.52
Total	3,548	51	20	1.00
By age				
Less than 30 years	135	10	2	4.44
31 to 40 years	915	26	6	1.75
41 to 50 years	1,074	5	4	0.42
More than 50 years	1,424	10	8	0.63
By region				
Southeast	2,958	44	18	1.05
South	146	0	0	0.00
North	12	0	0	0.00
Midwest	432	7	2	1.04

MATERNITY AND PATERNITY LEAVE [GRI G4-LA3]

	2014		2015	
	Men	Women	Men	Women
Employees who took leave	75	21	69	18
Employees who returned to work after leave	75	21	69	18
Employees who were still employed 12 months after their return to work	75	21	69	18
Rates of return after termination of leave	100%	100%	100%	100%
Retention rates 12 months after the leave	100%	100%	100%	100%

RETIREMENT IN THE NEXT 5 TO 10 YEARS [GRI EU15]

	Number of employees	The next 5 years		The next 10 years	
		Number	% of total	Number	% of total
By category					
Management position	245	126	51.43	152	62.04
Positions with university degrees	1,241	419	33.76	565	45.53
Positions without university degrees	2,062	968	46.94	1,195	57.95
By region					
Southeast	2,958	1,229	41.55	1,562	52.81
South	146	87	59.59	92	63.01
North	12	1	8.33	2	16.67
Midwest	432	196	45.37	256	59.26

AVERAGE SALARY OF WOMEN WITH RESPECT TO MEN (R\$) [GRI G4-LA13]

	2015		
	Men	Women	Ratio
Management function (average earnings) ¹	24,176.53	24,841.44	1.03
Positions with university degrees (average earnings) ¹	10,790.11	9,185.76	0.85
Positions without university degrees (average earnings) ¹	5,819.42	5,656.01	0.97

¹ Salary + bonus feature**COMPARISON WITH LOCAL MINIMUM WAGE** [GRI G4-EC5]

	2013	2014	2015
Lowest salaries in the organization (men) – R\$	1,361.53	1,471.76	1,615.90
Lowest salaries in the organization (women) – R\$	2,184.70	2,432.39	2,710.04
Local minimum wages officially established by the government – R\$	678.00	724.00	788.00

ACCIDENTS BY REGION [GRI 64-LA6]

	Southeast		Midwest		South		North	
	2014	2015	2014	2015	2014	2015	2014	2015
Number of hours worked	5,919,816	5,927,832	861,720	865,728	292,584	294,588	24,048	24,048
Number of days lost	499	50	0	0	0	0	0	0
Number of injuries with leave	5	13	0	0	0	0	0	0
Number of injuries without clearance	6	11	0	0	0	0	0	0
Accident frequency rates	1.55	1.56	0	0	0	0	0	0
Accident severity rate	70	7	0	0	0	0	0	0
Deaths	0	0	0	0	0	0	0	0

HUMAN RIGHTS**GRIEVANCES RELATED TO HUMAN RIGHTS** [GRI 64-HR12]

	2014	2015
Total (recorded in the year + pending from previous year)	29	39
Pending from the previous year	4	2
Pending in the year	2	2
Resolved	27	37
Registered (in the year)		
<i>External stakeholders</i>	5	5
<i>Internal stakeholders</i>	20	31
<i>Unidentified stakeholders</i>	0	1
Gender: women	8	9
Gender: men	17	25
Minority groups (discrimination)	0	1
Unidentified	-	2
Resolved (in the year)		
<i>External stakeholders</i>	5	5
<i>Internal stakeholders</i>	22	31
<i>Unidentified stakeholders</i>	-	1
Gender: women	8	9
Gender: men	19	25
Minority groups (discrimination)	0	1
Unidentified	-	2
Origination		
Discrimination (ethnic origin, color, sex, sexual orientation, religion, ideology, nationality or social origin)	1	1
Human rights (work in degrading conditions, forced, slave or analogous to slave status, child labor, sexual abuse and exploitation of children and teenagers)	14	0

Note: Of the eight notifications received by the Ombudsman related to human rights, five concerned the use of barges in Minas Gerais, with regard to the right to come and go, which was submitted to analysis, and the appropriate measures were taken. There was a grievance filed regarding failure of assistance through the "Luz Para Todos" program, also resolved, and two about restriction of mobility for people with disabilities, which were resolved through actions for equal treatment.

SUPPLIER MANAGEMENT

IMPACTS ON THE SUPPLY CHAIN | GRI G4-S010, G4-HR11, G4-LA15, G4-EN33 |

Potential risks or impacts	Significant supply categories	Main tender, contractual and legal requirements	Policies, guidelines, principles and controls
<ul style="list-style-type: none"> • HUMAN RIGHTS • Child labor • Forced or compulsory labor • Discrimination in the workplace (gender, race, sexual orientation, etc.) • Sexual and moral harassment • Inhibiting freedom of association 	<ul style="list-style-type: none"> • Manpower • Engineering and construction • Equipment • Consulting (engineering, management, IT) 	<ul style="list-style-type: none"> • Contractual clause, with commitment to follow Furnas' policies and guidelines • Statement not to employ minors under 16 years of age (except as apprentices), minors under 18 in nighttime, dangerous or unhealthy work • Statement not to require forced or slave labor • Respect for the right to freedom of association and collective bargaining 	<ul style="list-style-type: none"> • Eletrobras companies Code of Ethics • Principles and Rules of Corporate Conduct in Furnas' relations with its Suppliers • Term of Commitment with the OECD Guidelines for Multinational Companies, signed by Eletrobras
<ul style="list-style-type: none"> • LABOR PRACTICES • Non-payment of wages • Non-payment of labor rights (INSS, FGTS, holidays, collective bargaining, among others) • Non-payment of other benefits foreseen in contract 	<ul style="list-style-type: none"> • Manpower • Engineering and construction • Equipment • Consulting (engineering, management, IT) 	<ul style="list-style-type: none"> • Presentation of updated certificates • Proof of compliance with labor, tax, fiscal and social security obligations • Clause permitting Furnas to conduct due diligence and audits on suppliers' premises • Compliance with Law 8.666/93 regarding working conditions 	<ul style="list-style-type: none"> • Eletrobras companies Code of Ethics • Principles and Rules of Corporate Conduct in Furnas' relations with its Suppliers • Term of Commitment with the OECD Guidelines for Multinational Companies, signed by Eletrobras
<ul style="list-style-type: none"> • LABOR PRACTICES/ HEALTH AND SAFETY • Workplace accidents • Non-use of individual protective equipment (IPEs) • Inadequate and unsanitary conditions of workplace accommodations • Risk of endemic or sexually transmitted diseases • Difficulty of transportation to the workplace, • Inadequate meals, among others 	<ul style="list-style-type: none"> • Manpower • Engineering and construction • Equipment • Consulting (engineering, management, IT) • Commissioning of equipment • Toxic and hazardous materials carriers • Inputs (oil and gas) 	<ul style="list-style-type: none"> • Contractual clause to maintain Permanent Accident Prevention Committee • Clauses that require compliance with Workplace Safety and Hygiene Standards issued by the Ministry of Labor and Employment • Standard procedures • For Industrial Safety and Hygiene 	<ul style="list-style-type: none"> • Occupational Safety and Occupational Health Policy • Internal Accident Prevention Commissions (Cipas) and Standing Accident Prevention Committees • Committee on Safety and Occupational Health • Campaigns and training • Term of Commitment with the OECD Guidelines

Potential risks or impacts	Significant supply categories	Main tender, contractual and legal requirements	Policies, guidelines, principles and controls
<p>SOCIAL/CORRUPTION</p> <ul style="list-style-type: none"> • Payment of favors or bribes 	<ul style="list-style-type: none"> • Manpower • Engineering and construction • Equipment • Consulting (engineering, management, IT) 	<ul style="list-style-type: none"> • Contractual clause, with commitment to follow Furnas' policies and guidelines 	<ul style="list-style-type: none"> • Eletrobras companies Code of Ethics • Principles and Rules of Corporate Conduct in Furnas' relations with its Suppliers • Term of Commitment with the OECD Guidelines for Multinational Companies, signed by Eletrobras • Eletrobras companies Anti-corruption Program
<p>ENVIRONMENTAL AND SOCIAL</p> <ul style="list-style-type: none"> • Impacts on biodiversity • Pollution (atmospheric, sound, generation of wastes) • Contamination of soil and water (solid waste and liquid effluents) • Displacement of families (in construction phase) • Change of housing and employment conditions • Impacts on infrastructure (health, transportation, education, etc.) • Interference on local social structures and culture 	<ul style="list-style-type: none"> • Manpower • Engineering and construction • Equipment • Consulting (engineering, management, IT) • Commissioning (suppliers and equipment) • Toxic and hazardous materials carriers • Inputs (oil and gas) • Transport of equipment (exceptional indivisible cargo) 	<ul style="list-style-type: none"> • Environmental Impact Study (EIA) - actions needed to prevent and/or mitigate possible identified impacts • Environmental licenses • Requirement of registration of chainsaws and other equipment with the Brazilian Environmental Institute (Ibama) • Clauses in contracts which foresee appropriate actions • Contractual clause with specific environmental requirements for the activities carried out • Prequalification of proponents for environmental requirements 	<ul style="list-style-type: none"> • Environmental Management Systems; • Environmental, Water Resources, Forest Resources, Waste Management policies • Term of Commitment with the OECD Guidelines for Multinational Companies • Environmental Construction Plan • Social/Environmental programs • Eletrobras Storage Manual • National Solid Waste Policy • Waste Management Plan (PGR) • Operating procedures for the Company's chemical laboratories

ENVIRONMENTAL MANAGEMENT

TRANSMISSION LINES IN CONSERVATION AREAS |GRI G4-EN11|

Voltage class	(km ²)	Voltage class	(km ²)
25 kV	1.23	500 kV	46.18
138 kV	7.68	600 kV	7.08
230 kV	2.37	750 kV	12.51
345 kV	50.13	Total	127.17

BIODIVERSITY - PLANTS IN OPERATION |GRI G4-EN11|

	Total flooded area (km ²)	Value of the biodiversity	Plants that intercept priority areas for biodiversity conservation (APCBs)
Baguari (MG)	16.06		
Batalha (MG/GO)	137.57	<i>Cerrado latu sensu</i>	
Corumbá (GO)	65.00	<i>Cerrado latu sensu</i>	
Foz do Chapecó (SC/RS)	79.90		
Funil (RJ)	40.00	Secondary vegetation in initial stage of Atlantic Forest	
Furnas (MG)	1,440.00	<i>Cerrado latu sensu</i>	Franca/Poços de Caldas - Priority: extremely high
Itumbiara (MG)	778.00		Rio Paranaíba - Priority: insufficiently known Alto Paraná - Priority: Very High
Luiz Carlos Barreto de Carvalho (SP)	46.70	Fields and pastures, crops, tree and shrub vegetation and rocky soils exposed or in preparation	
Manso (MT)	427.00	<i>Cerrado latu sensu</i>	
Marimondo (MG)	438.00	About 6% of the watershed area consists of remaining natural vegetation (native forest)	Barretos - Priority: extremely high
Mascarenhas de Moraes (MG)	250.00	Clean field, dirty field, <i>Cerrado</i> field, <i>Cerrado</i> , Riparian Forest and altitude fields	
Peixe Angical (TO)	294.10		Middle Tocantins - Priority: extremely high South Tocantins/Conceição Manuel Alves Region - Priority: insufficiently known
Porto Colômbia (MG)	143.00	<i>Cerrado latu sensu</i> and mesophilic semi deciduous forests	
Retiro Baixo (MG)	22.58		
Serra da Mesa (GO)	1,784.00	<i>Cerrado latu sensu</i>	Serra da Mesa - Priority: extremely high Rio das Almas - Priority: extremely high
Serra do Facão (GO/MG)	232.37		
Simplício (RJ/MG)	117.00	Pastureland and remnants of Atlantic Forest. Multiple use	Middle Paraíba Valley - Priority: extremely high
Total	6,311.28		

BIODIVERSITY - TRANSMISSION LINES IN OPERATION IN APCBs [GRI G4-EN11]

Voltage class	Total area (km ²)	Area that intersects APCB (km ²)	Priority Areas for Biodiversity Conservation (APCBs)
138 kV	42.07	5.16	Serra dos Órgãos (extremely high priority); Poço das Antas (extremely high); Alto Paraná (very high)
230 kV	73.77	24.18	Rio Paranaíba (insufficiently known); Alto Paraná (very high); Serra da Mesa (extremely high); Rio das Almas (extremely high); Pirenópolis (very high); Goiânia (extremely high); Federal District and Surrounding Areas (extremely high)
345 kV	278.3	83.01	Estuário/Manguezal to Ilha das Garças (very high); Jacarenema Ecological Reserve to the Manguezal de Guarapari (extremely high); Rio Paranaíba (insufficiently known); Furnas do Bom Jesus (very high); Serra dos Rosas (high); Franca Poços de Caldas (extremely high); Serra dos Órgãos (extremely high); Poço das Antas (extremely high); Serra da Mantiqueira (extremely high); Tijuca (extremely high); Serra da Bocaina (extremely high); Serra da Cantareira (extremely high); Morro Grande (extremely high); Baixada Santista (extremely high); Santa Tereza Duas Bocas Region (extremely high); Ouro Preto and Serra do Caraça (extremely high); Fazenda Pindobas IV and Afonso Claudio fragments (extremely high); Restinga de Setiba (high); Usina Paineiras (very high); Serra das Torres (very high); Alto Paraná (very high); Pirenópolis (very high); Goiânia (extremely high); Federal District and Surrounding Areas (extremely high); Northeast of SP (extremely high)
500 kV	241.17	58.47	Rio Paranaíba (insufficiently known); Franca Poços de Caldas (extremely high); Serra da Mantiqueira (extremely high); Tijuca (extremely high); Serra da Bocaina (extremely high); Serra do Japi (extremely high); Baixada Santista (extremely high); Upper Paranapanema (insufficiently known); Upper Middle Rio Tibagi River/Upper Rio Iguaçu (high); wetlands and headwaters of the Iguaçu River and Vila Velha (extremely high); Triângulo Mineiro (extremely high); Middle Tocantins (extremely high); Serra da Mesa (extremely high); Chapada dos Veadeiros (extremely high); Federal District and surroundings (extremely high); Vale do Paraíba (insufficiently known); Campinas (high);
600 kV	148.9	42.39	Upper Paranapanema (insufficiently known); Upper Middle Tibagi River/Upper Rio Iguaçu (high); Jaguarialva, Sengés (very high); Itararé (insufficiently known); Itapeva (high)
750 kV	230.61	0.00000008	Alto do Paranapanema - Priority: insufficiently known
Total	1,014.85	213.21	

SPECIES THREATENED WITH EXTINCTION |GRI 64-EN14|

		IUCN		Ministry of the Environment (2014)	
Risk of extinction	Group	Nº of species	Species	Nº of species	Species
TL 345 kV Tijuco Preto-Itapeti-Nordeste (Mogi das Cruzes and Itaquaquacetuba/SP)					
Nearly threatened	Birds	3	<i>Dryophilaochropyga, Phylloscartesdifficilis</i> <i>Hemitriccusorbitatus</i>	-	
	Mammals	1	<i>Hylaeamyslaticeps</i>	-	
	Amphibians	-		-	
	Reptiles	-		-	
Critically threatened with extinction	Birds	-		-	
	Mammals	-		-	
	Amphibians	-		-	
	Reptiles	-		-	
Threatened	Birds	-		1	<i>Sporophilafrontalis</i>
	Mammals	-		1	<i>Callithrixaurita</i>
	Amphibians	-		-	
	Reptiles	-		-	
Vulnerable	Birds	2	<i>Procniasnudicollis, Sporophilafrontalis</i>	-	
	Mammals	6	<i>Puma concolor, Leoparduspardalis, Leopardustigrinus,</i> <i>Myotisruber, Bradypustorquatus, Callithrixaurita</i>	4	<i>Leopardustigrinus,</i> <i>Bradypustorquatus, Puma concolor, Myotisruber</i>
	Amphibians	-		-	
	Reptiles	-		-	
Lack of data	Birds	-			
	Mammals	1	<i>Lontra longicaudis</i>		
	Amphibians	-			
	Reptiles	-			
Total		13		6	

SPECIES THREATENED WITH EXTINCTION |GRI 64-EN14|

		IUCN		Ministry of the Environment (2014)	
Risk of extinction	Group	Nº of species	Species	Nº of species	Species
HPP Batalha (Cristalina/GO e Paracatu/MG)					
Nearly threatened	Birds	5	<i>Rhea americana, Alipiopsittaxanthops, Aratingaauricapilus, Charitospizaecosma</i>	-	
	Mammals	4	<i>Myrmecophagatridactyla, Chrysocyonbrachyurus, Leoparduscolocolo, Ozotocerusbezoarticus</i>	-	
	Amphibians	-		-	
	Reptiles	-		-	
Critically threatened with extinction	Birds	-		-	
	Mammals	-		-	
	Amphibians	-		-	
	Reptiles	-		-	
Threatened	Birds		<i>Craxfasciolata</i>	2	<i>Phylloscartesroquettei, Coryphaszamelanotis</i>
	Mammals	-		1	<i>Leopardustigrinus</i>
	Amphibians	-		-	
	Reptiles	-		-	
Vulnerable	Birds	1	<i>Coryphaszamelanotis</i>	-	
	Mammals	3	<i>Priodontesmaximus, Leopardustigrinus, Tapirusterrestris</i>	9	<i>Priodontesmaximus, Myrmecophagatridactyla, Lycalopexvetulus, Chrysocyonbrachyurus, Leoparduscolocolo, Puma yagouarundi, Pumaconcolor, Ozotocerusbezoarticus e Tapirusterrestris</i>
	Amphibians	-		-	
	Reptiles	-	<i>Chelonoidiscarbonaria</i>	-	
Lack of data	Birds	-			
	Mammals	3	<i>Lontra longicaudis, Mazama americana, Dasyproctaazarae</i>		
	Amphibians	-			
	Reptiles	-			
Total		18		12	

BIODIVERSITY OF OFFSET HABITATS |GRI EU13|

	Before (prior survey /inventory)	After (monitoring)
TL Tijuco Preto-Itapeti-Nordeste		
Number of animal species	272	362
Amphibians	27	46
Reptiles	6	15
Birds	202	237
Mammals	37	64
Number of vegetable species	142	ND
HPP Batalha		
Number of animal species	408	374
Amphibians	38	30
Reptiles	44	25
Birds	271	242
Mammals	55	77
Number of vegetable species	161	125

Note: At TL Tijuco Black Itapeti Nordeste there was sampling difference between the previous data and those obtained by monitoring. In the case of HPP Batalha, the reduction in the number of species in most groups can be explained by the change of the technical team that conducted the previous survey and monitoring or the reduction of the monitored areas. In the case of the HPP Batalha flora, the monitoring areas were lower than inventory, which may explain the lower subsequent number of species.

QUALITY AND VOLUME OF WATER DISCARDED (m³) |GRI 64-EN22|

	HPP SANTA CRUZ	HPP CAMPOS
Destination	Santo Agostinho Canal	Paraíba do Sul River
Planned discharge (m³)		
Treated effluent	9,477.60	1,500.00
Effluent without the need for treatment	153,720.00	-
Quality of discharge		
Biochemical oxygen demand (BOD)	4.045 mg/l	10.13 mg/l
Sedimentary Waste (SR)	< 0.1 ml/l	< 0.1 ml/l
Chemical oxygen demand (COD)	15.25 mg/l	31.75 mg/l
Total oils and greases	< 10.0 mg/l	4.16 mg/l
Total Non-Filterable Waste (TNFR)	36.5 mg/l	4.37 mg/l
pH	6.37	7.99
Temperature	28.40 °C	32.78 °C
Total chrome	< 0.01 mg/l	< 0.01 mg/l
Total aluminum	0.208 mg/l	0.31 mg/l
Total Manganese	0.544 mg/l	0.105 mg/l
Total lead	0.012 mg/l	0.01 mg/l

(*) Only planned discharges occurred

ANEEL INDICATORS

General Dimension

Technical data (inputs, production capacity, sales, losses)	2015	2014	2013
Number of permanent employees	3,548	3,517	3,547
Number of non-permanent employees	1,178	1,330	1,399
Energy generated (GWh) GRI EU2	40,174	42,186	35,371
Energy purchased (GWh)	3,536	3,332	4,159
Global electricity losses (GWh)	-	ND	ND
Electricity losses – Total (%) of energy requirement GRI EU12	1.11%	1.05%	1.62%
Technical losses – (%) of energy requirement GRI EU12	2.35%	2.19%	2.17%
Installed capacity in generation (MW) – own and in partnership	11,161	10,888	10,366
Energy sold (GWh)	38,831	40,561	42,231
Regulated Contracting Environment (ACR)	36,441	NI	NI
Free Market (ACL)	2,390	NI	NI
Substations (in units) GRI EU1	70	68	63
Installed capacity (MVA) GRI EU1	119,118	118,243	109,865
Transmission lines (in km) GRI EU4	24,154	24,140	23,843
Furnas' own (in km) GRI EU4	19,907	19,907	19,868
Lines in partnership (in km) GRI EU4	4,247	4,233	3,975
Energy sales by installed capacity (GWh/MW*Number hours/year)	0.00041	0.00044	0.00039
Energy sales by employee (MWh/employee)	10,944	11,533	11,906
Value added/GWh sold (R\$ thousand)	100.01	71.18	54.66

Corporate Governance Dimension

ADMINISTRATORS

	2015				2014				2013			
	CA	DE	CF	Total	CA	DE	CF	Total	CA	DE	CF	Total
Number of members	6	6	3	15	6	6	3	15	6	6	3	15
Fixed Annual Compensation (R\$ million) GRI G4-51	315.8	2,912.5	162.5	3,390.8	279.4	3,029.9	139.7	3,449.0	285.7	2,814.4	143.1	3,243.1
Salary or pro-labore	0	0	0	0	0	0	0	0	0	0	0	0
Direct and indirect benefits												
Participation on committees	0	71.3	0	71.3	0	77.2	0	77.2	0	238.4	0	238.4
Others		172.5		172.5		118.4		118.4		133.0		133.0
Description of other fixed compensation	0	0	0	0	0	0	0	0	0	0	0	0
Variable Compensation (R\$ thousand) GRI G4-51	0	0	0	0	0	0	0	0		341.0		341.0
Bonus	0	0	0	0	0	0	0	0	0	0	0	0
Profit sharing	0	0	0	0	0	0	0	0		341.0		341.0
Participation in meetings	0	0	0	0	0	0	0	0	0	0	0	0
Commissions	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0	0
Description of other variable compensation	0	0	0	0	0	0	0	0	0	0	0	0

¹ Includes housing allowance and school reimbursement. In 2013, it included financial aid for transfer of one of the officers.

² Value in 2013 reflects payment of PLR to directors, which was suspended by the Dest as of 2014.

Economic-financial dimension

Statement of Value Added – Parent Company [GRI G4-EC1]	In thousands of reais 2015	In thousands of reais 2014
Energy and Services Sales Revenue	7,150,391	6,877,048
Other Operating Income	196,861	181,292
Inputs		
Cost of Purchased Energy	-926,291	-1,942,894
Materials	-38,529	-32,035
Third Party Services	-837,496	-727,175
Other Operating Costs	-1,712,084	-1,428,477
Gross Value Added	3,832,852	2,927,759
Depreciation and amortization	-244,517	-222,476
Constitution / Reversal of Provisions	-383,693	488,546
Value Added Net Generated	3,204,642	3,193,829
Financial Revenue (Transfers)	363,615	580,759
Equity Accounting	315,391	-887,111
Value Added Distributable	3,883,648	2,887,477
Distribution of Value Added	1,148,167	1,097,419
Work Remuneration	911,622	933,862
Government (taxes and contributions)	1,666,136	1,038,754
Financial Charges and Monetary Variation	228,010	223,096
Sectoral Fees	3,883,648	2,887,477
Retained Profit (Loss)	-70,287	-405,654
Total Value Added Distribution	3,883,648	2,887,477

Investments	2015		2014
	R\$ (million)	Δ%	R\$ (million)
Generation			
Modernization and maintenance	73	- 34.2%	111
Expansion (own)	19	- 53.7%	41
Expansion (SPEs)	571	- 53.1%	1,218
Others	16		-
Transmission			
Modernization and maintenance	221	- 57.6%	521
Expansion (own)	287	237.6%	85
Expansion (SPEs)	352	46.1%	241
Others	113	24.2%	91
TOTAL	1,652	- 28.4%	2,308

Social and sectoral dimension

INTERNAL SOCIAL INDICATORS

	2015	2014	2013
Employees/employability/managers			
a) General information			
Total number of permanent employees [GRI 64-10]	3,548	3,517	3,547
Men	2,988	2,968	2,995
Women	560	549	552
Southeast	2,958	2,928	2,943
Midwest	432	430	423
South	146	147	158
North	12	12	23
Number of non-permanent employees (contractors, subcontractors, self-employed) by employment type, employment contract and region [GRI 64-10]	1,178	1,330	1,339
Men	783	887	892
Women	395	443	447
Southeast	1,021	1,146	1,156
Center-West	137	158	158
South	13	19	19
North	7	7	6
Permanent employees under 30 years of age (%) [GRI 64-LA12]	3.8%	4.7%	7.0%
Permanent employees between 31 and 40 (%) [GRI 64-LA12]	25.8%	27.9%	28.0%
Permanent employees aged between 41 and 50 years (%) [GRI 64-LA12]	30.3%	31.0%	32.0%
Permanent employees over the age of 50 (%) [GRI 64-LA12]	40.1%	36.4%	33.0%
Number of women in relation to the total number of employees (%)	15.8%	15.6%	15.6%
Women in management positions - in relation to total management positions (%)	17.6%	17.7%	20.6%
Black female employees (black and brown) - in relation to the total number of employees (%)	2.4%	2.3%	2.3%
Black male employees (black and brown) - in relation to the total number of employees (%)	21.2%	21.4%	21.5%
Black employees (black and brown) in management positions in relation to total management positions (%)	10.2%	11.2%	11.6%
Trainees in relation to the total number of employees (%)	11.9%	13.9%	12.5%
Employees of the apprentice hiring program (%)	2.2%	2.9%	2.3%
Employees with handicaps [GRI 64-LA12]	248 ¹	249	247
b) Compensation, benefits and career (R\$ thousand) [GRI 64-EC1]			
Compensation			
Gross payroll	1,180,892	1,129,711	1,542,746
Mandatory social charges	256,907	243,615	384,622
Benefits			
Education	4,698	3,945	3,836
Meals	64,461	58,801	59,482
Transportation	1,317	924	498
Health	139,193	133,167	117,876

	2015	2014	2013
Foundation	36,551	33,633	28,962
Safety and occupational health	12,385	9,968	9,796
Culture	2,201	1,745	1,735
Training and professional development	23,148	20,663	18,021
Daycare centers or daycare assistance	13,337	12,817	12,415
Others (Specify)	64,124	48,736	335,952
c) Profit sharing [GRI 64-EC1]			
Total investment in the profit sharing program (R\$ thousand)	47,023	58,159	88,504
Distributed values in relation to gross payroll (%)	3.98%	5.1%	5.7%
Division of highest compensation by the lowest compensation paid by the Company	28	36	47
Division of lowest compensation by the existing minimum wage [GRI 64-EC5]	2.05	2.03	2.01
d) Compensation profile			
Categories (average wage in the current year) – R\$			
Managerial function	16,493.46	14,365.55	12,425.12
Position with higher education	10,364.78	9,440.23	8,477.55
Position without higher education	5,804.52	5,260.25	4,703.80
e) Occupational health and safety [GRI 64-LA6]			
Average overtime per employee/year	160	356	192
Total FR (frequency rate) in the period, for permanent employees	1.56	1.55	2.87
Total GR (severity rate) in the period, for permanent employees	7	70	1,551
Total FR (frequency rate) in the period, for non-permanent employees	1	1.02	2.05
Total SR (severity rate) in the period, for non-permanent employees	0	9	22
Total FR (frequency rate) in the period, for the workforce (own + outsourced)	ND	ND	ND
Total SR (severity rate) in the period, for the workforce (own + outsourced)	ND	ND	ND
Fatalities-own	0	0	2
Fatalities-outsourced	0	0	0
f) Professional development			
Education profile – list, as a percentage, relative to the total number of permanent employees [GRI 64-LA12]			
Primary education	2.37	3.30	3.35
Middle school	9.16	9.50	9.56
Vocational school	31.71	30.17	30.11
Higher education	30.52	30.76	31.83
Postgraduate (specialization. Masters. Doctorate)	26.24	26.27	25.15
Amount invested in professional development and education (R\$ thousand)	3,936	4,803	3,878
Average hours of training per year per employee, by employee category [GRI 64-LA9]			
Managerial			
Men	84.4	40.41	33.13
Women	53.72	76.12	38.41
With university degree			
Men	17.26	23.06	15.95
Women	49.52	34.65	25.65
Without university degree			
Men	15.45	20.15	5.34
Women	25.35	57.04	30.36

ANNEXES

	2015	2014	2013
g) Layoff behavior			
Turnover rate [GRI G4-LA1]	1%	1.9%	13.7%
Labor grievances [GRI G4-SO8]			
Amount provisioned in the period	259,077	227,554	344,481
Number of labor lawsuits filed against the company in the period	682	850	914
Number of labor lawsuits judged against the company in the period	11	496	324
Number of labor lawsuits judged in favor of the company in the period	82	577	362
Total amount of indemnities and fines paid determined by courts in the period (R\$ thousand)	85,782	29,164	23,050
h) Preparation for retirement [GRI G4-SO8]			
Supplemental pension investments (R\$ thousand)	93,943	94,874	93,294
Number of beneficiaries through the supplemental pension program	11,419	11,424	11,173

¹ Refers to a total of 24 own permanent employees and 224 professionals linked to the contract signed with the Brazilian Institute for the Rights of Individual with Disabilities (IBDD).

EXTERNAL SOCIAL INDICATORS

	2015	2014	2013
Community			
Impacts on health and safety¹			
Total number of non-fatal accidents with the population [GRI EU25]	0	1	0
Total number of fatal accidents with the population [GRI EU25]	0	1	0
Litigation arising from accidents with the population - General Litigation Base (R\$)	0	25,680.54	0
Involvement in social actions [GRI G4-EC7]			
Funds invested in education (R\$ thousand)	3,083	2,869	3,294
Funds invested in health and sanitation (R\$ thousand)	7,749	7,746	9,295
Funds invested in culture (R\$ thousand)	8,891	8,307	11,024
Funds invested in sports (R\$ thousand)	1,067	2,538	2,712
Other funds invested in social actions (R\$ thousand)	9,732	7,373	6,077
Employees who perform volunteer work in the community outside the company/total number of employees (%)	ND	ND	ND
Monthly hours donated (freed from normal working hours) by the company to for employees' volunteer work	ND	ND	ND
Company's involvement in culture, sports and similar projects, etc. (Rouanet Law) [GRI G4-EC7, G4-EC4]			
Amount of funds allocated to projects (R\$ thousand)	4,506	4,524	3,680
Amount of funds allocated to the largest project (R\$ thousand)	600	498	525
Name of the largest project	Temporada Artística - Sala Cecília Meireles	Flamengo Olímpico	"O casamento de Gorete"
Beneficiary of the largest project	Associação dos Amigos da Sala Cecília Meireles	Clube de Regatas do Flamengo	Letícia Spiller Pena Produções Artísticas

¹ Events in 2014: 1 traffic accident, oil spill on highway, for which a motorcyclist claims the amount of R\$ 25,680.54 for moral and material damages; 1 teenager holding a kite was found dead in a Furnas substation, in Rio de Janeiro.

² Information not available for the reported year and is expected to have data from 2016.

SCIENTIFIC AND TECHNOLOGICAL RESEARCH AND DEVELOPMENT (R\$ million)

By research topic (Research and Development Manual)	2015		2014		2013	
	Amount	(%)	Amount	(%)	Amount	(%)
FA - Alternative Sources of Power Generation	5,455.7	32.42	3,389.7	28.49	30,098.9	18.53
GT - Thermoelectric Generation	-	-	-	-	-	-
GB - Management of Basins and Reservoirs	4,375.9	26.00	2,050.0	17.23	19,966.3	12.29
MA - Environment	779.9	4.63	1,176.2	9.89	9,577.0	5.90
SS - Safety	64.0	0.38	-	-	31.8	0.02
EF - Energy Efficiency	-	-	-	-	-	-
PL - Electric Energy System Planning	1,691.1	10.05	2,078.5	17.47	98,085.4	60.38
OP - Operation of Electric Power Systems	-	-	-	-	-	-
SC - Supervision, Control and Protection of Electrical Power Systems	441.2	2.62	211.7	1.78	269.4	0.17
QC - Quality and Reliability of Electric Power Services	2,168.5	12.89	72.4	0.61	135.7	0.08
MB - Metering, Billing and Combating Commercial Losses	116.4	0.69	1,583.4	13.31	2,231.8	1.37
OU - Other	1,735.5	10.31	1,336.5	11.23	2,037.6	1.25
Total	16,828.2	100.00	11,898.4	100.00	162,433.9	100.0

Environmental Dimension

ENVIRONMENTAL INDICATORS

	2015	2014	2013
Recovery of degraded areas			
Isolated protected network (ecological network or green line) in urban area (in km)	NA	NA	NA
Percentage of isolated protected network/total distribution network in the urban area	NA	NA	NA
Waste generation and treatment			
Emissions¹			
Annual volume of greenhouse gases (CO ₂ , CH ₄ , N ₂ O, HFC, PFC, SF ₆), emitted into the atmosphere (in tons of CO ₂ equivalents) GRI G4-EN15, G4-EN16, G4EN17	2,433,878.02	2,554,927	2,007,327
Annual volume of destructive gas emissions of the ozone layer (in tons of CFC equivalent) GRI G4-EN20	1,090.89	ND	ND
Effluents²			
Total water discharge, by quality and destination GRI G4-EN22	11,027.6	ND	ND
Solids			
Annual quantity (in tons) of solid waste generated (garbage, waste, rubble, etc.)	32,563	22,895	20,978
Amount of waste contaminated with discarded PCB (Ascarel) GRI G4-EN25	0	0	0
Use of resources in the organization's production process and management processes³			
Total energy consumption by source:			
Energy consumption per kWh sold (GJ/kWh) GRI G4-EN5	0.00085	0.000772	0.000604
Direct energy consumption breakdown by main energy source in GJ GRI G4-EN3	33,077,630	31,305,764	25,518,686
Diesel	53,070	49,185	40,694
Stationary sources	444	548	1,360
Mobile sources	48,476	44,420	39,331

ANNEXES

	2015	2014	2013
Hydroelectric plants	3,796	3,762	ND
Thermoelectric plants	0	53	3
Thermoelectric plants (metropolitan diesel)	0	6	0
Transmission (generator groups in substations)	354	396	ND
Gasoline	33,238	41,776	32,679
Stationary sources	338	322	341
Mobile sources (vessels)	38	64	131
Mobile sources (vehicles)	32,862	41,390	32,207
Ethanol	4,921	1,269	604
Mobile sources (vehicles)	4,921	1,269	604
Natural gas	32,985,480	30,687,151	25,443,670
Stationary sources	217	210	237
Mobile sources	0	0	21
Thermoelectric plants	32,985,263	30,686,941	25,443,412
Others	919	664	1,039
LPG – stationary sources	323	621	614
LPG – mobile sources	254	32	410
2 stroke oil (lubricants) - stationary sources	37	11	13
2 stroke oil (lubricants) - mobile sources (vessels)	1	0	3
Electric energy (GJ) GRI G4-EN3	197,410	525,719	387,273
Administrative activities	74,610	85,228	123,005
Hydroelectric generation	ND	162,057	155,210
Thermoelectric generation	122,800	131,461	109,058
Transmission (auxiliary services in substations)	ND	146,973	ND
Total water consumption by source (in m ³): GRI G4-EN8			
Supply (public network)	163,808	154,895	161,661
Underground source (well)	130,449	119,682	114,279
Surface capture (watercourses)	3,283,842	3,246,625	3,612,979
Total water consumption (in m ³):	3,578,098	3,521,202	3,888,919
Water consumption per employee (in m ³):	1,008	1,001	1,096
Education and environmental awareness raising			
Environmental education - Community - In the organization			
Number of permanent employees being trained in environmental education programs	148	ND	ND
Percentage of permanent employees being trained in environmental education programs/total employees	3.1	ND	ND
Number of training hours/total training hours	ND	ND	ND
Environmental education - Community			
Number of grade school and middle school units attended	26	ND	ND
Number of students attended	700	ND	ND
Number of teachers trained	455	ND	ND
Number of vocational school and higher education units attended	ND	ND	ND
Number of students attended	ND	ND	ND

¹ The emissions inventory had not been concluded by the date this report was ready.

² This information refers to the treated effluents from the TPPs Campos and Santa Cruz

³ 2015 data on the use of resources in the production process and organization management processes are preliminary, not yet audited or consolidated in the GHG inventory, which was not completed at the time of this report was finalized.

ENVIRONMENTAL PERFORMANCE INDICATORS - GENERATION COMPANIES

	2015	2014	2013
Source of hydraulic generation			
Electricity consumption of the generators and auxiliary units (kWh)	ND	ND	ND
Water consumption per KWh generated (Maximum flow consumption (m ³ /s) per kWh delivered)	ND	ND	ND
Riparian area restoration (Seedling units or planted area/recovered per year) - hectares	25.4	ND	ND
Fish rescue in turbines (kg fish per turbine shutdown)	397.5	ND	ND
Fish restocking (Quantity of fingerlings)	56,781	ND	ND
Leakage of lubricating and hydraulic oils in turbines (Tons/year or m ³ /year, depending on the type of oil)	0.00	ND	ND
Recovery of degraded areas for the extraction of coal and waste that is generated (Recovered area unit (ha) per year and commitment of funds to recovery and preservation projects (R\$/year)	NA	ND	ND
Consumption of replacement water during generation (m ³ /MWh)	ND	ND	ND
Source of wind generation			
Noise associated with power generation (decibels)	ND	ND	ND
Interference to radio waves (Measurement unit or occurrences of interferences per year)	ND	ND	ND
Number of dead birds in shocks with turbine blades per year	ND	ND	ND

ENVIRONMENTAL PERFORMANCE INDICATORS FOR ELECTRIC POWER - TRANSMISSION COMPANIES

	2015	2014	2013
Suppression of vegetation (area per ha suppressed per quarter)	ND	ND	ND
Trimming (kg of waste generated per month)	ND	ND	ND
Oil leaks (leakage points per month) [GRI 64-EN24]	6.08 *	ND	ND

* Mineral oil (m³) accidentally leaked by the Poços de Caldas Substation (MG)

ABBREVIATIONS AND ACRONYMS

A3P – Environmental Agenda in Public Administration

Abdib – Brazilian Association of Infrastructure and Basic Industries

Abeeólica – Brazilian Wind Energy Association

Abendi – Brazilian Association of Non-Destructive Testing and Inspection

ABNT – Brazilian Association of Technical Standards

Abraconee – Brazilian Association of Electric Power Sector Accountants

Abraze – Brazilian Association of Electric Power Generation Companies

Abraget – Brazilian Association of Thermolectric Generators

Abrate – Brazilian Association of Large Electricity Transmission Companies

AC – Alternating current

ACL – Free Market

ACPP – Personal and Professional Conduct Agreement

ACR – Regulated Contracting Environment

AD-Rio – Rio de Janeiro State Economic and Social Development Agency

AGU – Federal Defence Attorney's Office

ANA – National Water Agency

Aneel – Brazilian Electricity Regulatory Agency

Anefac – National Association of Executives in Finance, Administration and Accounting

APA – Environmental Protection Area

APCBs – Priority Areas for Biodiversity Conservation

APP – Permanent Preservation Area

BA – Bahia State

BD – Defined Benefit

Bracier – Brazilian Committee of the Cier (Regional Energy Integration Commission)

CAOEF – Standing Committee to Assist External Oversight Organizations

CBCME – Brazilian Committee of the World Energy Council

CBDB – Brazilian Dams Committee

CCEE – Electric Energy Trading Chamber

CD – Defined Contribution

CDI – Interbank Certificate of Deposit

CEBDS – Brazilian Business Council for Sustainable Development

CFURH – Compensation for Use of Water Resources

Cigré-Brasil – Brazilian National Committee of Production and Transmission of Electricity

Cipa – Internal Commission for Accident Prevention

CIRJ – Rio de Janeiro Industrial Center

CMDE – Business Performance Goals Contract

Coep – Committee of Entities against Hunger and for Life

CPSM – Contracts for the Provision of Maintenance Services

CPSOM – Contracts for the Provision of Operation and Maintenance Services

CPST – Transmission Services Contract

Crea-RJ – Rio de Janeiro Regional Engineering and Agronomy Council

CSC – Shared Services Centers

CTT – Concession Contract

CVM – Brazilian Securities Commission

DBO – Biochemical Oxygen Demand

DC – Direct Current

Dest – State-Owned Companies Coordination and Governance Department

DF – Federal District

DJSI – Dow Jones Sustainability Index

DQO – Chemical Oxygen Demand

EAD – Distance Learning Program

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization

EIA – Environmental Impact Study

Eletronbras – Centrais Elétricas Brasileiras S.A.

Eletronorte – Centrais Elétricas do Norte do Brasil S.A.

EPC – Companies for the Climate Platform

EPE – Empresa de Pesquisa Energética (federal energy research organization)

EPI – Personal Protection Equipment

ES – State of Espírito Santo

Fesc – Southeast and Center-West Energy Fund

FGTS – Employees Guarantee Fund

Firjan – Rio de Janeiro Federation of Industries

FNDCT – National Fund for Scientific and Technological Development

FRG – Real Grandeza Foundation

Funai – National Indian Foundation

GDP – Gross Domestic Product

GDRC – Corporate Risk Dynamic Management

GEE – Greenhouse Gases

GHG – Greenhouse Gas Protocol

GO – State of Goiás

GRI – Global Reporting Initiative

GSF – Generation Scaling Factor

GWh – Gigawatt hour

HPP – Hydroelectric Power Plant

Hz – Hertz

Ibama – Brazilian Institute of Environment and Renewable Natural Resources

Ibase – Brazilian Institute of Social and Economic Analyses

IBDD – Brazilian Institute for the Rights of Persons with Disabilities	PA – State of Pará	RS – State of Rio Grande do Sul
IBGE – Brazilian Institute of Geography and Statistics	PAAC – Avá-Canoeiro Support Program	RTDS – Real Time Digital Simulation
IDB – Interamerican Development Bank	PAE – Emergency Response Plan	SC – State of Santa Catarina
IFRS – International Financial Reporting Standard	Paint – Internal Audit Annual Activities Plan	SCE EPC – Trading System for Emissions – Companies for the Climate Platform
IHA – International Hydropower Association	PBA – Basic Environmental Project	SCM – Multimedia Communications Services
ILO – International Labor Office	PCB – Polychlorinated Biphenyls	Seppir – Office of the President's Secretariat for the Promotion of Racial Equality
Incra – National Institute of Colonization and Agrarian Reform	PCMSO – Medical Control and Occupational Health Program	SF₆ – Sulfur Hexafluoride
INSS – National Social Security Institute	PDI – Individual Development Plan	SHP – Small Hydroelectric Plant
ISE Bovespa – Corporate Sustainability Index of the São Paulo Stock Exchange	PEA – Environmental Education Program	SIC – Electronic Citizen Information Service System
km – kilometer	PGA – Asset Management Program	SIN – National Interconnected System
kV – kilovolt	PGER – General Plan of Generation Projects in Facilities in Operation	Sipat – Internal Accident Protection Week
kWh – kilowatt hour	PGET – General Plan of Transmission Projects in Facilities in Operation	SOx – Sarbanes-Oxley Act
LI – Installation License	PGR – Waste Management Plan	SP – State of São Paulo
LO – Operating License	PGV – Value Management Program	SPE – Specific Purpose Entity
LP – Prior License	Pine – New Employees Integration Program	SPM-PR – President's Secretariat onde Policies for Women
MAB – Movement of People Affected by Dams	PPRA – Programs for Prevention of Environmental Risks	SS – Substation
MCP – Short-term Market	PR – State of Paraná	STF – Federal Supreme Court
MDGs – Millenium Development Goals	PRAD – Recovery Program for Degraded Areas	TCU – Federal Accounting Court
MG – State of Minas Gerais	PRC – Plans for Knowledge Pass Along	TF – Frequency Rate
MMA – Ministry of the Environment	Preq – Plan for Workforce Retraining	TG – Severity Rate
MME – Ministry of Mines and Energy	PRO-Furnas – Organizational Restructuring Project	TI – Information Technology
MP – Provisional Measure	Prodeem – Energy Development Program for States and Municipalities	TL – Transmission Line
MPT – Labor Ministry	R&D – Research and Development	TO – State of Tocantins
MT – State of Mato Grosso	R&D+I – Research and Development Innovation	TPP – Thermoelectric Power Plant
MVA – Megavolt Ampère	RAE – Strategy Follow-up Meeting	UN – United Nations
MW – Megawatt	RAG – Annual Generation Revenue	UNDP – United Nations Development Programme
MWh – Megawatt Hour	RJ – State of Rio de Janeiro	Unifem – United Nations Fund for Women
O&M – Operation and Maintenance	RN – Normative Resolution	Useg – Security Unit
OECD – Organization for Economic Cooperation and Development	RNFT – Total Non-Filterable Waste	WBCSD – World Business Council for Sustainable Development
OGU – Office of the Ombudsman General of Brazil	RS – Sedimentary Waste	WEC – World Energy Council
ONS – National Electric System Operator		WRI – World Resources Institute

SOCIAL BALANCE SHEET 2015

1 - Calculation basis	2015 Value (R\$ thousand)			2014 Value (R\$ thousand)		
Net Revenue (NR)	6,368,215			6,182,015		
Operational Results (OR)	1,225,547			1,344,862		
Gross Payroll (GP)	1,180,892			1,129,711		
2 - Internal Social Indicators	Value (thousand)	% of GP	% of NR	Value (thousand)	% of GP	% of NR
Food	64,461	5.46	1.01	58,801	5.20	0.95
Compulsory social charges	256,907	21.76	4.03	243,615	21.56	3.94
Private pension ¹	36,551	3.10	0.57	33,633	2.98	0.54
Health	139,193	11.79	2.19	133,167	11.79	2.15
Occupational safety and health at work	12,385	1.05	0.19	9,968	0.88	0.16
Education	4,698	0.40	0.07	3,945	0.35	0.06
Culture	2,201	0.19	0.03	1,745	0.15	0.03
Capacity building and professional development	23,148	1.96	0.36	20,663	1.83	0.33
Day-care or day-care assistance	13,337	1.13	0.21	12,817	1.13	0.21
Profit or results sharing	47,023	3.98	0.74	58,159	5.15	0.94
Others	64,124	5.43	1.00	48,736	4.31	0.78
Total - internal social indicators	664,028	56.25	10.40	625,249	55.33	10.09
3 - External Social Indicators	Value (thousand)	% of OR	% of NR	Value (thousand)	% of OR	% of NR
Education	3,083	0.25	0.05	2,869	0.21	0.05
Culture	8,891	0.73	0.14	8,307	0.62	0.13
Health and sanitation	7,749	0.63	0.12	7,746	0.58	0.13
Sports	1,067	0.09	0.02	2,538	0.19	0.04
Hunger relief and food safety	156	0.01	0.00	841	0.06	0.01
Others	9,576	0.78	0.16	6,532	0.49	0.10
Total of contributions to society	30,522	2.49	0.49	28,833	2.15	0.46
Taxes (excluding social charges)	1,017,438	83.01	15.97	1,067,404	79.37	17.28
Total - external social indicators	1,047,960	85.50	16.46	1,096,237	81.52	17.74
4 - Environmental Indicators	Value (thousand)	% of OR	% of NR	Value (thousand)	% of OR	% of NR
Investments in the production/operation of the company	40,257	3.29	0.63	41,167	3.06	0.67
Investments in external programs and/or projects	48,672	3.97	0.76	39,103	2.90	0.63
Total investments in environment	88,929	7.26	1.39	80,270	5.96	1.30

Regarding the determination of annual goals to minimize wastes, the consumption in general in production/operation, and to increase the effectiveness in the use of natural resources, the Company:

(x) Has no goals
 () Complies from 0 to 50%
 () Complies from 51 to 75%
 () Complies from 76 to 100%

(x) Has no goals
 () Complies from 0 to 50%
 () Complies from 51 to 75%
 () Complies from 76 to 100%

5 - Personnel Indicators	2015	2014
Number of employees at the end of the period	3,548	3,517
Number of hirings in the period	51	53
Number of outsourced employees	1,178	1,330
Number of interns	422	488
Number of employees older than 45	1,977	1,877
Number of women working in the company	560	549
% leadership positions held by women	21.65%	20.69%
Number of dark-skinned employees	837	833
% leadership positions held by dark-skinned employees	11.00%	11.23%
Number of people with disability or special needs	248 ¹	249

6 - Relevant information regarding the exercise of business citizenship	2015	Targets 2016
Ratio between the highest and lowest compensation in the Company	28	ND
Total number of workplace accidents	11	ND
The social and environmental projects developed by the company were defined by:	<input type="checkbox"/> Directors <input checked="" type="checkbox"/> Directors and Managers <input type="checkbox"/> All employees	<input type="checkbox"/> Directors <input checked="" type="checkbox"/> Directors and Managers <input type="checkbox"/> All employees
Standards of health and safety in the workplace were defined by: ²	<input type="checkbox"/> Directors and Managers <input type="checkbox"/> All employees <input checked="" type="checkbox"/> All + Cipa	<input type="checkbox"/> Directors and Managers <input type="checkbox"/> All employees <input checked="" type="checkbox"/> All + Cipa
Concerning freedom of union association, right to collective bargaining and representation of the employees, the Company:	<input type="checkbox"/> Is not involved <input type="checkbox"/> Adopts ILO standards <input checked="" type="checkbox"/> Fosters and adopts ILO	<input type="checkbox"/> Will not be involved <input type="checkbox"/> Will adopt ILO standards <input checked="" type="checkbox"/> Will foster and adopt ILO
Private pensions are for:	<input type="checkbox"/> Directors <input type="checkbox"/> Directors and Managers <input checked="" type="checkbox"/> All employees	<input type="checkbox"/> Directors <input type="checkbox"/> Directors and Managers <input checked="" type="checkbox"/> All employees
Profit sharing is for:	<input type="checkbox"/> Directors <input type="checkbox"/> Directors and Managers <input checked="" type="checkbox"/> All employees	<input type="checkbox"/> Directors <input type="checkbox"/> Directors and Managers <input checked="" type="checkbox"/> All employees
When selecting suppliers, the same ethical standards and social and environmental responsibility adopted by the Company:	<input type="checkbox"/> Are not considered <input type="checkbox"/> Are suggested <input checked="" type="checkbox"/> Are required	<input type="checkbox"/> Will not be considered <input type="checkbox"/> Will be suggested <input checked="" type="checkbox"/> Will be required
Regarding the participation of employees (as) in volunteer programs, the Company:	<input type="checkbox"/> Is not involved <input type="checkbox"/> Supports <input checked="" type="checkbox"/> Organizes and encourages	<input type="checkbox"/> Will not be involved <input type="checkbox"/> Will support <input checked="" type="checkbox"/> Will organize and encourage
Total number of consumer complaints and criticism:	Through the company: NA Through Procon: NA Through the courts: NA	Through the company: NA Through Procon: NA Through the courts: NA
% of complaints and criticism received and satisfied:	Through the company: NA Through Procon: NA Through the courts: NA	Through the company: NA Through Procon: NA Through the courts: NA
Value Added to distribute (R\$ thousand):	In 2015: 3,883,648	In 2014: 2,887,477
Distribution of Value Added (DVA):	23.47% government 29.56% employees 0.0% shareholders 48.77% third parties -1.80% retained	32.34% government 38.01% employees 0% shareholders 43.70% third parties -14.05% retained

7 - Other information

¹Refers to the sum of 24 permanent employees and 224 professionals linked to the contract signed with the Brazilian Institute of the Rights of Persons with Disabilities (IBDD).

²The safety and health standards in the workplace were defined by the Specialized Safety Engineering and Medicine Service (SESMT) of the Company's Human Resources Services Delivery Department. The Internal Commission for Accident Prevention (Cipa) collaborates, through the preparation of risk maps, with qualitative approach.

ABOUT THE REPORT

Furnas has published an annual Sustainability Report since 2005, based on the guidelines from the Global Reporting Initiative (GRI), an international organization that has created a benchmark for integrated reporting of information of an economic, social and environmental nature. This document covers activities and results obtained during the period comprising January 1-December 31, 2015. It follows the G4 version of the GRI, including the energy sector supplement and the Manual for Preparation of the Annual Social Responsibility Report of Electric Energy Companies, of Brazil's National Electric Energy Agency (Aneel).

[\[GRI G4-28, G4-30\]](#)

The financial indicators follow international accounting standards (International Financial Reporting Standards - IFRS) and were audited by KPMG Independent Auditors. They refer to Furnas Centrais Elétricas S.A., and the consolidation of data for Specific Purpose Entities (SPEs) was based on the equity method, which is to update the book value of the investment in proportion to the percentage of Furnas' stake in each company. In its relationship with the external auditors, Furnas maintains a policy of preserving the independence of provision of the service and in the examination of the financial statements. [\[GRI G4-17, G4-33\]](#)

The social and environmental indicators include all operations over which the Company has management control - therefore excluding SPEs. Employees from all departments examined them internally, with members of the Corporate Sustainability Committee acting as process facilitators. The data were based on Brazilian standards, such as those related to personnel management and workplace safety, and the Ibase Social Balance indicators, and were not independently verified.

Relevance [\[GRI G4-18\]](#)

The issues covered in this report follow the priority indicated in the consultation process, which aimed to understand the interests and opinions of the stakeholders in relation to sustainability performance. As an opportunity for dialogue and engagement, Furnas participated in the survey of these audiences conducted annually by Eletrobras. The consultation was through electronic mail sent to a list of 1,060 people, including customers and consumers, community members, suppliers, partners, sponsored individuals, government, regulators, media and opinion makers, investors, shareholders and market analysts, and other segments of society. The survey also was sent also to all Furnas' employees and non-permanent employees. Some 382 respondents participated, with the employees being the largest responding group, with 287 replies.

The survey submitted a series of topics from the question: "Thinking about the businesses of the Eletrobras companies (generation, transmission and distribution), to what extent is your degree of perception (your own or that of your organization) impacted by the [following] themes?" The survey questionnaire offered five response options, in order to assess the degree of relevance of each theme, ranging from very high (4 points), high (3 points), medium (2 points), low (1 point), and none (zero). Based the score of each topic and the number of answers, a weighted prioritization of the themes was developed.

In another stage, the same topics were evaluated by Furnas' Board of Executive Officers, which used the same weighting criteria to qualify the topics from the business' strategic point of view.

A consultation process with stakeholder representatives identified the most relevant topics to address in the Report

PRIORITY THEMES [GRI 64-19, G4-27]

Issues	Limits within Furnas [GRI 64-20]	Limits outside Furnas [GRI 64-21]	Content - GRI Standard
Power Supply	All Operations	Shareholders, suppliers, clients, government and society	EU1, EU2, EU4, EU10, EU11, EU12, EU30, G4-DMA Availability and reliability (ex-EU6), G4-DMA Access (ex-EU23)
Financial results	All Operations	Shareholders, suppliers, clients, government and society	G4-EC1, G4-EC2, G4-EC3, G4-EC4
Corruption and ethics management	All Operations	Shareholders, suppliers, clients, government and society	G4-56, G4-57, G4-58, G4-S03, G4-S04, G4-S05
Risk and crisis management	All Operations	Shareholders, suppliers, clients, government and society	G4-2, G4-14, G4-EC2, G4-DMA Disaster and emergency (ex-EU21)
Water	All Operations	Suppliers, government and society	G4-EN8, G4-EN9, G4-EN10
Health and safety	All Operations	Suppliers, government and society	G4-LA5, G4-LA6, G4-LA7, G4-LA8, EU18, G4-DMA Health and safety (ex-EU16)
Innovation, diversification and R&D	All Operations	Shareholders, suppliers, clients, government and society	G4-2, G4-DMA R&D (ex-EU8)
Legal compliance	All Operations	Shareholders, suppliers, clients, government and society	G4-EN29, G4-S08, G4-PR2, G4-PR4, G4-PR7, G4-PR8, G4-PR9
Employees and employment	All Operations	Suppliers, government and society	G4-10, G4-11, G4-LA1, G4-LA2, G4-LA3, G4-LA12, GA-LA13, EU15, G4-DMA Employment (ex-EU14)
Climate change	All Operations	Shareholders, suppliers, clients, government and society	G4-EC2, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN20, G4-EN21
Stakeholder satisfaction	All Operations	Shareholders, suppliers, clients, government and society	G4-15, G4-16, G4-24, G4-25, G4-26, G4-27, G4-PR5
Communities	All Operations	Suppliers, government and society	G4-S01, G4-S02, G4-EC7, G4-EC8, G4-DMA (ex-EU19), G4-DMA (ex-EU20), EU22, EU25, G4-DMA Access (ex-EU23), G4-DMA Supply of information (ex-EU24), EU26
Biodiversity	All Operations	Suppliers, clients, government and society	G4-EN11, G4-EN12, G4-EN13, G4-EN14, EU13
Institutional Affairs	All Operations	Government and society	G4-15, G4-16, G4-S06, G4-DMA Public policies (ex-S05)
Suppliers	All Operations	Shareholders, suppliers, clients, government and society	G4-12, G4-13, G4-EC9, G4-HR5, G4-HR6, G4-HR7, G4-EN32, G4-EN33, G4-S09, G4-S010, G4-LA14, G4-LA15, G4-HR10, G4-HR11
Waste	All Operations	Suppliers, government and society	G4-EN23, G4-EN25
Human Rights	All Operations	Shareholders, suppliers, clients, government and society	G4-HR1, G4-HR2, G4-HR3, G4-HR4, G4-HR5, G4-HR6, G4-HR7, G4-HR8, G4-HR9, G4-HR-12

GRI G4 CONTENT INDEX

for "in accordance" – Core

[GRI G4-32]

GENERAL STANDARD DISCLOSURES

	Page and other informations	External assurance
STRATEGY AND ANALYSIS		
G4-1 – Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	14	No
G4-2 – Provide a description of the main processes in place to address performance and relevant changes	20, 28	No
ORGANIZATIONAL PROFILE		
G4-3 – Report the name of the organization	5	No
G4-4 – Report the primary brands, products, and services	5	No
G4-5 – Report the location of the organization's headquarters	118	No
G4-6 – Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	5	No
G4-7 – Report the nature of ownership and legal form	5, 23	No
G4-8 – Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	5, 8	No
G4-9 – Report the scale of the organization, including: total number of employees; total number of operations; net sales (for private sector organizations) or net revenues (for public sector organizations); total capitalization broken down in terms of debt and equity (for private sector organizations); quantity of products or services provided	5, 10, 45	No
G4-10 – Report the total number of employees by employment contract and gender; report the total number of permanent employees by employment type and gender; report the total workforce by employees and supervised workers and by gender; report the total workforce by region and gender. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	49, 50, 51, 81.94	No
G4-11 – Report the percentage of total employees covered by collective bargaining agreements	100%	No
G4-12 – Describe the organization's supply chain	55	No
G4-13 – Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	6, 19, 55	No
G4-14 – Report whether and how the precautionary approach or principle is addressed by the organization	Furnas does not adopt initiatives concerning the precautionary principle.	No
G4-15 – List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	33	No
16 – List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: holds a position on the governance body; participates in projects or committees; provides substantive funding beyond routine membership; views membership as strategic	33	No
EU1 – Installed capacity, broken down by primary energy source and by Regulatory regime	8, 72, 73, 92	No
EU2 – Net energy output broken down by primary energy source and by regulatory regime	5, 37	No
EU3 – Number of residential, industrial, institutional and commercial customer accounts	Furnas does not provide service to end consumers	No

GENERAL STANDARD DISCLOSURES

	Page and other informations	External assurance
EU4 – Length of above and underground transmission and distribution lines by regulatory regime	5, 10, 92	No
EU5 – Allocation of CO ₂ e emissions allowances or equivalent, broken down by carbon trading framework	Furnas does not sell carbon credits	No
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17 – List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	104	No
G4-18 – Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content	104	No
G4-19 – List all the material aspects identified in the process for defining report content	105	No
G4-20 – For each material aspect, report the aspect boundary within the organization, as follows: Report whether the aspect is material within the organization. If the aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: the list of entities or groups of entities included in G4-17 for which the aspect is not material or the list of entities or groups of entities included in G4-17 for which the aspects is material. Report any specific limitation regarding the aspect boundary within the organization	105	No
G4-21 – For each material aspect, report the aspect boundary outside the organization as follows: report whether the aspect is material outside of the organization. If the aspect is material outside of the organization, identify the entities, groups of entities or elements for which the aspect is material. In addition, describe the geographical location where the aspect is material for the entities identified. Report any specific limitation regarding the aspect boundary outside the organization	105	No
G4-22 – Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	10, 49, 51, 52	No
G4-23 – Report significant changes from previous reporting periods in the scope and aspect boundaries'	Did not happen	No
STAKEHOLDER ENGAGEMENT		
G4-24 – Provide a list of stakeholder groups engaged by the organization	31, 32	No
G4-25 – Report the basis for identification and selection of stakeholders with whom to engage	31	No
G4-26 – Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	31, 32	No
G4-27 – Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	105	No
REPORT PROFILE		
G4-28 – Reporting period for information provided		No
G4-29 – Date of most recent previous report (if any)	Year of 2014, published in April 2015	No
G4-30 – Reporting cycle (such as annual, biennial)	104	No
G4-31 – Report the contact point for questions regarding the report or its contents	118	No
G4-32 – Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report, if the report has been externally assured.	106	No
G4-33 – Report the organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the Sustainability Report, report the scope and basis of any external assurance provided; report the relationship between the organization and the assurance providers; report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	104	No

GENERAL STANDARD DISCLOSURES

	Page and other informations	External assurance
GOVERNANCE		
G4-34 – Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	23	No
G4-35 – Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	25	No
G4-36 – Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	25	No
G4-37 – Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body	25	No
G4-38 – Report the composition of the highest governance body and its committees by: executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; competences relating to economic, environmental and social impacts; stakeholder representation	24	No
G4-39 – Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement)	24	No
G4-40 – Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: whether and how diversity is considered; whether and how independence is considered; whether and how expertise and experience relating to economic, environmental and social topics are considered; whether and how stakeholders (including shareholders) are involved	24	No
G4-41 – Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: cross-board membership; cross-shareholding with suppliers and other stakeholders; existence of controlling shareholder; related party disclosures	25	No
G4-42 – Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	24, 25	No
G4-43 – Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	25	No
G4-44 – Report processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice	25	No
G4-45 – Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities, implementation of due diligence processes. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities	28	No
G4-46 – Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	28	No
G4-47 – Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	28	No
G4-48 – Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered	Board of Directors	No
G4-49 – Report the process for communicating critical concerns to the highest governance body	24, 25	No

GENERAL STANDARD DISCLOSURES

	Page and other informations	External assurance
G4-50 – Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	49, 40 Information about total number is currently unavailable, with the commitment to report it in the 2017 document	No
G4-51 – Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: fixed pay and variable pay (performance-based pay, equity-based pay, bonuses, deferred or vested shares); sign-on bonuses or recruitment incentive payments; termination payments; claw backs; retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives	25	No
G4-52 – Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	25	No
G4-53 – Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	25	No
G4-54 – Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	Proportion of 3 to 1	No
G4-55 – Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	Proportion of 1/1. The employee with the highest compensation receives the same percentage increase as do all other employees.	No
ETHICS AND INTEGRITY		
G4-56 – Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	7, 26	No
G4-57 – Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	26, 27	No
G4-58 – Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hot lines	27, 29	No

SPECIFIC STANDARD DISCLOSURES

DMA and indicators				
Material aspects	Specific standard disclosures	Page and other information	Omissions	External assurance
CATEGORY: ECONOMIC				
Economic performance	G4-DMA - Generic Disclosures on Management Approach	17, 28, 29, 50, 65	-	No
	G4-EC1 - Direct economic value generated and distributed	47, 59, 93, 94, 95	-	No
	G4-EC2 - Financial implications and other risks and opportunities for the organization's activities due to climate change	65, 66	-	No
	G4-EC3 - Coverage of the organization's defined benefit plan obligations	50, 96	-	No
	G4-EC4 - Financial assistance received from government	57, 96	-	No
Indirect economic impacts	G4-DMA - Generic Disclosures on Management Approach	57, 60	-	No
	G4-EC7 - Development and impact of infrastructure investments and services supported	57, 59, 96	-	No
	G4-EC8 - Significant indirect economic impacts, including the extent of impacts	60, 62	-	No
Procurement practices	G4-DMA - Generic Disclosures on Management Approach	55	-	No
	G4-EC9 - Proportion of spending on local suppliers at significant locations of operation	55	-	No
Availability and Reliability	G4-DMA - Generic Disclosures on Management Approach (ex-EU6)	19	-	No
	EU10 - Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	8, 19	-	No
Demand-Side Management	G4-DMA - Generic Disclosures on Management Approach (ex-EU7)	63	-	No
Research and Development	G4-DMA - Generic Disclosures on Management Approach (ex-EU8)	21	-	No
System Efficiency	G4-DMA - Generic Disclosures on Management Approach	19, 20, 37, 38	-	No
	EU11 - Average generation efficiency of thermal plants by energy source and by regulatory regime	37	-	No
	EU12 - Transmission and distribution losses as a percentage of total energy	92	-	No
CATEGORY: ENVIRONMENTAL				
Water	G4-DMA - Generic Disclosures on Management Approach	65, 67	-	No
	G4-EN8 - Total water withdrawal by source	67, 68, 98	-	No
	G4-EN9 - Water sources significantly affected by withdrawal of water	67	-	No
	G4-EN10 - Percentage and total volume of water recycled and reused	68	-	No
Biodiversity	G4-DMA - Generic Disclosures on Management Approach	65, 69	-	No
	G4-EN11 - Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	69, 87, 88	-	No
	G4-EN12 - Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	69	-	No
	G4-EN13 - Habitats protected or restored	70	-	No
	EU13 - Biodiversity of offset habitats compared to the biodiversity of the affected areas	70, 91	-	No
	G4-EN14 - Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	89, 90	-	No

SPECIFIC STANDARD DISCLOSURES

DMA and indicators				
Material aspects	Specific standard disclosures	Page and other information	Omissions	External assurance
Emissions	G4-DMA – Generic Disclosures on Management Approach	65, 66	-	No
	G4-EN15 – Direct greenhouse gas (GHG) emissions (Scope 1)	67	Unavailable on the date of the completion of this document	No
	G4-EN16 – Energy indirect greenhouse gas (GHG) emissions (Scope 2)	67	Unavailable on the date of the completion of this document	No
	G4-EN17 – Other indirect greenhouse gas (GHG) emissions (Scope 3)	67	Unavailable on the date of the completion of this document	No
	G4-EN18 – Greenhouse gas (GHG) emissions intensity	-	Unavailable on the date of the completion of this document	No
	G4-EN19 – Reduction of greenhouse gas (GHG) emissions	-	Unavailable on the date of the completion of this document	No
	G4-EN20 – Emissions of ozone-depleting substances (ODS)	-	Unavailable on the date of the completion of this document	No
	G4-EN21 – NO _x , SO _x and other significant air emissions	-	Unavailable on the date of the completion of this document	No
Effluents and waste	G4-DMA – Generic Disclosures on Management Approach	65, 68	-	No
	G4-EN22 – Total water discharge by quality and destination	91, 97	-	No
	G4-EN23 – Total weight of waste by type and disposal method	68	-	No
	G4-EN24 – Total number and volume of significant spills	A single leak of 6.08 m ³ of mineral oil in transmission operations was registered (Poços de Caldas substation) without significant impacts.	-	No
	G4-EN25 – Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	68, 97	-	No
	G4-EN26 – Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	67	-	No
Compliance	G4-DMA – Generic Disclosures on Management Approach	29, 65	-	No
	G4-EN29 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	None were reported	-	No

SPECIFIC STANDARD DISCLOSURES

DMA and indicators				
Material aspects	Specific standard disclosures	Page and other information	Omissions	External assurance
Supplier environmental assessment	G4-DMA – Generic Disclosures on Management Approach	55	-	No
	G4-EN32 – Percentage of new suppliers that were screened using environmental criteria	There was no assessment using these criteria	-	No
	G4-EN33 – Significant actual and potential negative environmental impacts in the supply chain and actions taken	85	-	No
CATEGORY: SOCIAL				
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK				
Employment	G4-DMA – Generic Disclosures on Management Approach (+ ex-EU19, ex-EU20)	49	-	No
	G4-LA1 – Total number and rates of new employee hires and employee turnover by age group, gender and region	82, 96	-	No
	G4-LA2 – Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	50	-	No
	G4-LA3 – Return to work and retention rates after parental leave, by gender	83	-	No
	EU15 – Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	83	-	No
Occupational health and safety	G4-DMA – Generic Disclosures on Management Approach	53	-	No
	G4-LA5 – Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	54	-	No
	G4-LA6 – Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	53, 84, 95	-	No
	G4-LA7 – Workers with high incidence or high risk of diseases related to their occupation	54	-	No
	G4-LA8 – Health and safety topics covered in formal agreements with trade unions	54	-	No
Diversity and equal opportunity	G4-DMA – Generic Disclosures on Management Approach	50	-	No
	G4-LA12 – Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	24, 50, 82, 94, 95	-	No
Equal remuneration for women and men	G4-DMA – Generic Disclosures on Management Approach	50	-	No
	G4-LA13 – Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	83	-	No
Supplier assessment for labor practices	G4-DMA – Generic Disclosures on Management Approach	55	-	No
	G4-LA14 – Percentage of new suppliers that were screened using labor practices criteria	55	-	No
	G4-LA15 – Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	85	-	No

SPECIFIC STANDARD DISCLOSURES

DMA and indicators				
Material aspects	Specific standard disclosures	Page and other information	Omissions	External assurance
SUB-CATEGORY: HUMAN RIGHTS				
Investment	G4-DMA – Generic Disclosures on Management Approach	55	-	No
	G4-HR1 – Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	55	-	No
	G4-HR2 – Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	26	-	No
Non-discrimination	G4-DMA – Generic Disclosures on Management Approach	26, 50	-	No
	G4-HR3 – Total number of incidents of discrimination and corrective actions taken	None were reported	-	No
Freedom of association and collective bargaining	G4-DMA – Generic Disclosures on Management Approach	26, 49, 55	-	No
	G4-HR4 – Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	This right is assured by Furnas to employees hired by third parties and are included in a clause in contracts with suppliers. No cases were reported in 2015.	-	No
Child labor	G4-DMA – Generic Disclosures on Management Approach	26, 29, 55	-	No
	G4-HR5 – Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	55	-	No
Forced or compulsory labor	G4-DMA – Generic Disclosures on Management Approach	26, 29, 55	-	No
	G4-HR6 – Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	55	-	No
Security practices	G4-DMA – Generic Disclosures on Management Approach	26, 29, 55	-	No
	G4-HR7 – Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	100%. Safety is comprised of five employees, two own employees and three outsourced, who supervise the contractors. Reading of the Code of Ethics and the Normative Instructions occurs regularly. Outsourced employees undergo recycling every two years.	-	No
Indigenous rights	G4-DMA – Generic Disclosures on Management Approach	26, 63	-	No
	G4-HR8 – Total number of incidents of violations involving rights of indigenous peoples and actions taken	63	-	No

SPECIFIC STANDARD DISCLOSURES

DMA and indicators				
Material aspects	Specific standard disclosures	Page and other information	Omissions	External assurance
Assessment	G4-DMA – Generic Disclosures on Management Approach	26	-	No
	G4-HR9 – Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Furnas submits 100% of the operations of its projects to an analysis of their human rights impacts.	-	No
Supplier human rights assessment	G4-DMA – Generic Disclosures on Management Approach	26, 55	-	No
	G4-HR10 – Percentage of new suppliers that were screened using human rights criteria	55	-	No
	G4-HR11 – Significant actual and potential negative human rights impacts in the supply chain and actions taken	85	-	No
Human rights grievance mechanisms	G4-DMA – Generic Disclosures on Management Approach	26	-	No
	G4-HR12 – Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	84	-	No
SUB-CATEGORY: SOCIETY				
Local communities	G4-DMA – Generic Disclosures on Management Approach	57, 60, 62	-	No
	G4-S01 – Percentage of operations with implemented local community engagement, impact assessments, and development programs	60	-	No
	G4-S02 – Operations with significant actual and potential negative impacts on local communities	61	-	No
	EU22 – Number of people physically or economically displaced and compensation, broken down by type of project	62	-	No
Disaster/ Emergency Planning and Response	G4-DMA – Generic Disclosures on Management Approach (ex-EU21)	30	-	No
Anti-corruption	G4-DMA – Generic Disclosures on Management Approach	26, 29	-	No
	G4-S03 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	26	-	
	G4-S04 – Communication and training on anti-corruption policies and procedures	29	-	No
	G4-S05 – Confirmed incidents of corruption and actions taken	26	-	No
Public policy	G4-DMA – Generic Disclosures on Management Approach	34	-	No
	G4-S06 – Total value of political contributions by country and recipient/beneficiary	Due to legal restrictions, Furnas does not make contributions to political parties or politicians.	-	No

SPECIFIC STANDARD DISCLOSURES

DMA and indicators				
Material aspects	Specific standard disclosures	Page and other information	Omissions	External assurance
Compliance	G4-DMA – Generic Disclosures on Management Approach	29	-	No
	G4-S08 – Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	96 R\$ 546,819,463.30, IRPJ and CSLL collections for the year of 2010, as a result of an appeal filed contesting expense accounting criteria on the part Fundação Real Grandeza and compensation of credits of the calculation base for the IRPJ and CSLL. Also paid was R\$85,782,000.00 in court indemnities and fines. There were 682 lawsuits filed against the Company. Of the suits that had been judged and concluded, 11 were upheld and 82 considered unfounded. Of the total amount, R\$ 77,331,499.29 refers to Compliance Lawsuit no. 0322200-47.1981.5.01.0031, filed by the Engineers Union.	-	No
Supplier assessment for impacts on society	G4-DMA – Generic Disclosures on Management Approach	55	-	No
	G4-S09 – Percentage of new suppliers that were screened using criteria for impacts on society	There was no assessment using these criteria	-	No
	G4-S010 – Significant actual and potential negative impacts on society in the supply chain and actions taken	85	-	No

SPECIFIC STANDARD DISCLOSURES

DMA and indicators				
Material aspects	Specific standard disclosures	Page and other information	Omissions	External assurance
SUB-CATEGORY: PRODUCT RESPONSIBILITY				
Customer health and safety	G4-DMA – Generic Disclosures on Management Approach	57	-	No
	G4-PR1 – Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	100%	-	No
	G4-PR2 – Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Were not recorded.	-	No
	EU25 – Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	96	-	No
Product and service labeling	G4-DMA – Generic Disclosures on Management Approach	31	-	No
	G4-PR3 – Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Does not apply. There is no requirement for information and labeling in the generation, transmission and energy trading services businesses.	-	No
	G4-PR4 – Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	Were not recorded.	-	No
	G4-PR5 – Results of surveys measuring customer satisfaction	31	-	No
Marketing communications	G4-DMA – Generic Disclosures on Management Approach	26	-	No
	G4-PR6 – Sale of banned or disputed products	Does not apply. Power services are neither banned nor challenged	-	No
	G4-PR7 – Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Were not recorded.	-	No
Customer privacy	G4-DMA – Generic Disclosures on Management Approach	26	-	No
	G4-PR8 – Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Were not recorded.	-	No
Compliance	G4-DMA – Generic Disclosures on Management Approach	26, 29	-	No
	G4-PR9 – Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	46	-	No
Access	G4-DMA – Generic Disclosures on Management Approach (ex-EU23)	63	-	No
	EU26 – Percentage of population unserved in licensed distribution or service areas	Does not apply to generation, transmission and energy trading services.	-	No
	EU30 – Average plant availability factor by energy source and by regulatory regime	37	-	No
Provision of Information	G4-DMA – Generic Disclosures on Management Approach	57	-	No

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