

*Sustainability*

REPORT 2015



COPEL  
*Pura Energia*



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## About the Report

The Copel Sustainability Report is published annually and is intended to provide transparent accountability to all its audiences, as well as to present the main social, environmental, and economic impacts caused by its operations. This edition includes information about management and performance for the year 2015 - from January 1 to December 31 - in the areas of operation of Copel Holding, and its wholly-owned subsidiaries: Copel Geração e Transmissão S.A., Copel Distribuição S.A., Copel Telecomunicações S.A., Copel Renováveis S.A., and Copel Comercialização S.A., except when stated otherwise.

G4-17, G4-28, G4-29, G4-30z

The reporting methodology follows the G4 version of the Global Reporting Initiative (GRI), and the “core” option of adherence, and covers the set of indicators of the electric utilities sector disclosures. All indicators disclosed are listed in the Content Index, with indication of an independent external assurance by KPMG.

G4-18, G4-32, G4-33

This edition contains an important change which is the application of the integrated reporting structure recommended by the International Integrated Reporting Council - IIRC, which seeks to improve communication of material aspects for sustainability in the Copel businesses to their stakeholders and to demonstrate the Company’s value generation capability.

G4-18, G4-22, G4-23

To this end, an engagement process was conducted with the Executive Board, the business and corporate risk areas, seeking to establish the main impacts and risks inherent to the Copel business model. The results of this process are reflected in Section “Main Social and Environmental Impacts” and has guided the content of

this report. G4-18

In order to improve the management processes and support decision-making, the main events that can impact the Company’s businesses were mapped, considering a senior management position, the risk factors presented in the 20F Form and the internal controls defined by the corporate integrity area in conjunction with the areas involved. As a result, the aspects covered in this report that were considered to be material for the success of the Company in the short-, medium-, and long-term were reviewed, adjusted and defined. G4-18

The report also follows the guidelines set forth by IBASE (Brazilian Social Audit Institute of Social and Economic Analysis), the Brazilian Accounting Standards (NBC T15), the regulation of Abrasca Award for Annual Report, Progress Communication in terms of commitments assumed with the Global Compact, and of the International Financial Accounting Standards (IFRS), considered in the information from the financial statements. G4-15

The report is composed of two parts. The first part provides an overview of our business model, the risks to which we are exposed, and main impacts we cause to the environment and to the audiences with which we interact through our operations. The second part demonstrates the context and performance of each of our capitals, providing details about relevant aspects of our business and our capacity to generate value.



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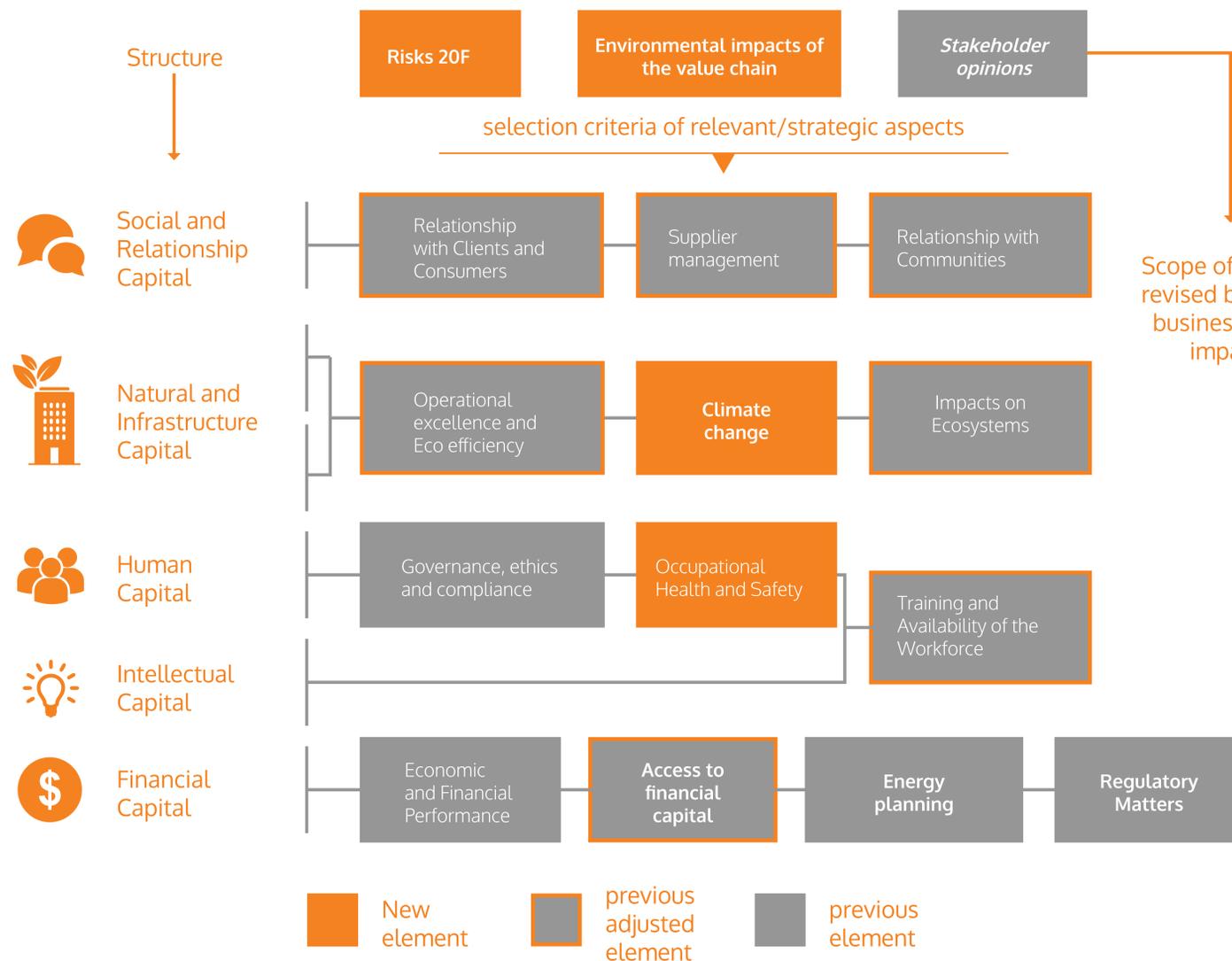
Relevant Aspects

A review of the aspects deemed material and strategic consider the following: G4-18

- **Aspects determined in 2014** by stakeholders and senior management during the engagement process; G4-24
- **Revalidation in 2015** through a media survey and references of corporate sustainability - Corporate Sustainability Index (ISE - BM&FBOVESPA), the Dow Jones Sustainability Index (DJSI), the Global Compact, and Ethos Indicators for Sustainable and Responsible Business Models;
- In 2016, the results of the business model analysis and mapping of the main associated **impacts and risks**.

Processes and results to define material and strategic aspects

G4-23



Learn about other results obtained by Copel available online: G4-25, G4-26

- Administration and Financial Statements
- 20F Report
- ANEEL's Social and Environmental Reports
- Copel's materiality process

For questions, suggestions or details about the content of this report, Copel provides a communication channel **Talk to Us - Sustainability**. G4-31



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Material and strategic aspects, material topics and relevant indicators

G4-19, G4-20, G4-21, G4-24, G4-27

MATERIAL AND STRATEGIC ASPECT	MATERIAL TOPIC / BOUNDARY	RELEVANT INDICATORS	SCOPE
Regulatory issues	**changes in rates	G4-2	regulatory bodies, clients, and consumers
	*changes in regulation (ex.: Resulting from the water shortage)	G4-2	regulatory bodies, clients, and consumers
Training and Availability of Workforce	*valuation, retention and training of employees with critical knowledge for Copel's businesses	LA1, LA2, LA9, LA10, LA11, EU14, EU15	employees and contractors
Supplier Management	*quality and delivery terms (materials/services)	-	contractors
	*procurement practices and supplier appraisal, and legal compliance	EC9, LA14, LA15, EN32, EN33, HR10, HR11, SO9, SO10	all stakeholders
Energy Planning	**projection of demand	EU10	all stakeholders
	**availability and reliability	EU6	all stakeholders
	**buy-sell strategy	G4-2	regulatory bodies
	**renewable sources	EU1, EU2	all stakeholders
Relationships with Clients and Consumers	**nontechnical losses	EU12	regulatory bodies
	*default	EU27	clients and consumers
	*dynamics of the free consumers market	EU3	regulatory bodies, clients, and consumers
	*quality of services provided	EU8, EU12, EU28, EU29, EU30	clients, and consumers, regulatory bodies
	*level of satisfaction	PR5, SO11	clients and consumers
	**energy efficiency	EU7	all stakeholders
Governance, Ethics, and Compliance	*labor compliance	HR1	all stakeholders
	*environmental compliance	EN29	all stakeholders
	*security data	-	all stakeholders
	*legal actions	SO7, SO8, PR9	all stakeholders
	*ethics, Code of Conduct	SO3, SO4, SO5, SO6, HR1, HR8	all stakeholders
Climate Change	*contribution to the national GHG emissions	EN15-18	all stakeholders
	*carbon market mechanisms	EN19, EC2	all stakeholders
Operational Excellence and Eco-efficiency	**energy	EN3	all stakeholders
	*air emissions	EN21	all stakeholders
	*hazardous waste	EN23	all stakeholders
	*effluents	EN8, EN9, EN22	all stakeholders
Relationship with Communities	*impact and development of local communities	EC7, SO1, SO2, EU19, EU20, EU22	all stakeholders
Occupational Health and Safety	*compliance with applicable health and safety standards	LA6, EU18, EU24, EU25,	employees, contractors, and regulatory bodies
Impacts upon the Ecosystem	*impacts on the ecosystem	EN11, EN12, EN13, EU13	all stakeholders
Access to Financial Capital	*Indebtedness and investment program	EC7	clients and consumers
Economic-Financial Performance	**cost to acquire energy	G4-9	all stakeholders, more specifically governments and partners

Limits: \* All business units \*\* Holding and energy-related



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## Message from the CEO

G4-1, G4-2

The Brazilian economy was put through a tough test in 2015. For the electric sector, a critical component of the production chain, it was no different, having to face specific difficulties in the regulatory, economic and environmental scenarios that are being slowly and gradually overcome. Nevertheless, amidst this adversity, Copel managed to create sustainable growth opportunities that only the more complex crisis can provide. The fast and agile response to challenges in many of our areas of operation allowed us to record significant results, such as R\$ 1.3 billion in net profit for the period.

In a year in which governance for the country and companies alike was constantly on the news, and transparency became a daily exercise for many institutions, Copel intensified its actions in this sense, aiming to make its operations even more transparent, and dedicating special attention to people management. Proof of this was the creation of the Corporate Integrity department, reporting directly to the president's office, and which seeks to coordinate activities associated with compliance, corporate risk management, and internal controls. Commitment to fight corruption is in line with the corporate values and culture, and meets the expectations of stakeholders.

The Innovation Coordination department was also created to promote technological development and innovation to stimulate generation and renewal of products, services, and processes.

In terms of engagement and promotion of transparency in employee relations, the Anima Program is underway seeking to implement actions to value employees, in addition to promoting improvement of internal processes and communications at all levels.

Concurrently, we are developing a program to train leaders, in line with these common values and objectives. All of these initiatives are seeds for a variety of corporate projects, which design and develop the Copel of the future.

The year 2015 was also highlighted by the successful strategy to diversify our power generation complex, with beginning of operations of 15 wind farms in the Northeast, totaling 330.5 MW of installed capacity by the end of the year. Our windfarms, together with the preponderance of the hydroelectric plants, currently account for 93% of energy from renewable sources. By 2019, we are already committed to completing 13 new wind farms, representing an investment of R\$ 1.9 billion.



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In the area of energy distribution, Copel was evaluated by its clients, for the fourth time in five years, as the best in Brazil according to the 2015 ABRADÉE survey, conducted by the Brazilian Association of Electricity Distribution Companies. These awards, plus the extension of our distribution concession for an additional 30 years, are a result of the seriousness of our work, and drives us forward in the quest to constantly improve all our activities.

In a severe environmental scenario that requires strict financial management, we are aware of the difficulties to present less frequent and short-term power outages. To this end, we have increased, year upon year, the amount of resources geared toward new technologies in this sense. The expansion of our intelligent network program and the launch of the program Mais Clic Rural, which will allocate R\$ 500 million to modernization of rural networks in the next three years, are proof of this guideline.

It was also with emphasis on high technology that Copel Telecomunicações took fiber optics to 399 cities in the state of Paraná, two cities in Santa Catarina, one in Mato Grosso, and four in São Paulo. The high demand for broadband services proves the quality of the interaction with the World Wide Web desired by our clients, who now have access to connectivity standards comparable to those of more developed nations.

Aware of the current debate about the implications of climate change, in the first half of 2015, Copel joined the platform EPC Empresas pelo Clima (Companies for Climate), which aims to facilitate the transition of the Company towards a low-carbon economy. Thereby, we have reaffirmed our commitment to seek solutions for problems arising out of climate change and their implications to our business.

We have also reaffirmed our commitment to the initiative of the United Nations' Global Compact. In 2015, we confirmed our presence in the São Paulo Stock Exchange's corporate sustainability Index (ISE-Bovespa) and joined the Morgan Stanley Capital International's Sustainability Index (MSCI), which awards companies with excellent performance in the social, environmental, and corporate governance areas. For us, obtaining the MSCI seal represents another benchmark in Copel's path toward sustainability.

At Companhia Paranaense de Energia, sustainability is not simply a way of doing things, but rather a future vision that the Company intends to take to the 10 Brazilian states where it operates. This report provides in details these and other projects that Copel developed last year, aiming to perpetuate our activities.

Enjoy your reading.

**LUIZ FERNANDO LEONE VIANNA**

CEO



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## Sector Context

G4-2

The macro economic crisis that hit the country in 2015 also affected the entire electricity sector. Load in the National Interconnected System (SIN) reached 62,000 MWm in the year, representing a decrease of 0.66% compared with 2014.

The peak was registered in January, when high temperatures and rates drove energy consumption. Nevertheless, the load dropped throughout the year, with the smallest rates recorded between April and August, period when moderate temperatures typically result in reduced use of air conditioning, with a direct impact upon energy consumption. Another relevant point was the increase in the cost of energy, both for captive rates and spot market prices (transactions in which the delivery of product acquired is immediate and payment is cash).

The economic downturn had a direct impact upon the energy market, as a result of the drop of the average income of the population, which, along with increased rates, implied in a reduction in residential consumption. Historically, growth in electric power demand is observed in years of recession, since the number of families and households to shelter these families grows. But the economy behaved so poorly that domestic consumption of energy dropped 2.2% between November 2014 and November 2015, representing the worst performance in 12 years. According to Empresa de Pesquisas Energéticas (EPE), energy demanded by the industries dropped by 8.9% between November 2014 and November 2015.

The water crisis also contributed to reducing the level of the reservoirs in the four subsystems in the country. Rainfall levels and flow are the main contributors to this decrease; however, these levels would be even lower in parts of the regions if the economic activity were normal and energy consumption had been higher in 2015. The Southern subsystem had the most comfortable scenario, especially in the second half of the year, given the abundant rainfall throughout the period, in

addition to the reduction and load, which allowed for closing the year with reservoirs near 100% capacity.

Another consequence of the water crisis was the intense use of thermal electric plants throughout the entire first half of 2015. During the second half of the year, these plants continued supplying, with fuel costs (CVU, Brazilian acronym for Variable Unit Cost) in excess of R\$ 600/MWh, despite the most expensive plants having been shut down for the second half of the year.

With the water crisis, distributors were left with the challenge to address cash flow imbalance caused by the rate deficit, and receive loan from the ACR Account (Regulated Reduction Environment) of R\$ 21 billion, to be paid (with the corresponding restatement, fees and interest) in 60 months, and the power generation companies retained losses in billions. Rate increases, resulting from the need to reflect the cost of power generation, given the lack of rainfall and the consequent increase in the use of thermal electric energy, led to a major retraction in energy consumption, implying in even greater reduction in hydroelectric power generation. GSF closed the year 2015 at approximately 0.85, which is 15% below the physical guarantee; a rate that could have caused bankruptcy of some power generation companies. This situation resulted in a 42% increase in rates.

Already greatly affected by the problem that occurred in 2014, generating companies of the MRE worked preventively and defensively, filing legal actions in an attempt to limit the effect of the low GSF. Soon the number of legal actions reached several tens, resulting in injunctions exempting power generation companies, in total or in most part, of the effects of the GSF.



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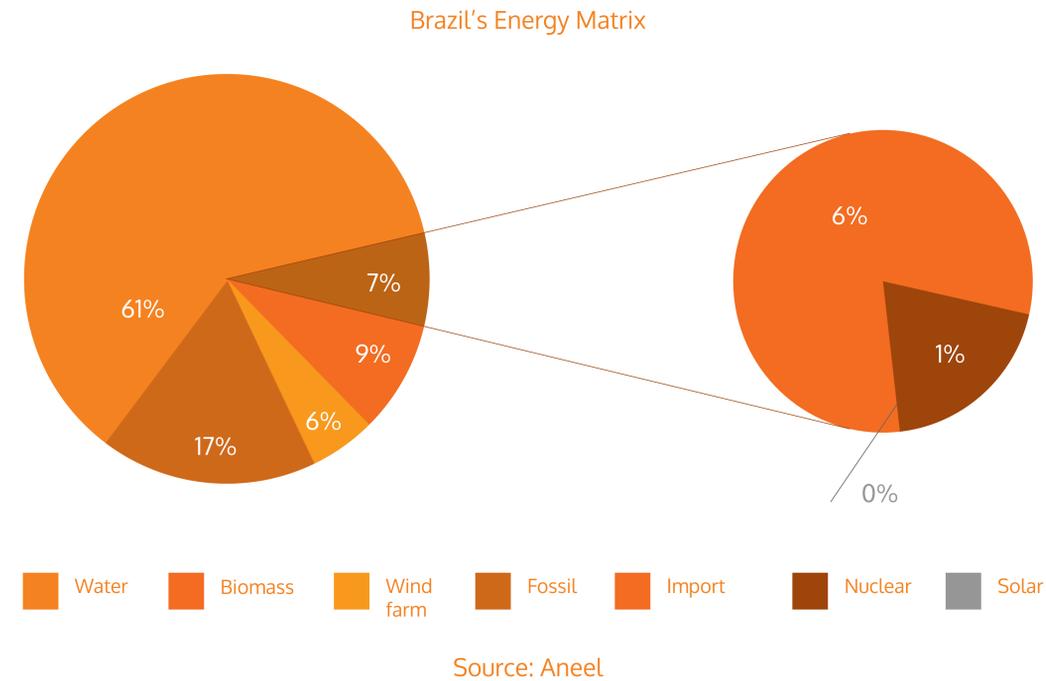
Provisional Measure (MP) 688/2015, which transfers the risk of water shortage in hydroelectric power generation to end consumers and extends the agreement of the plants or their concessions to offset losses in 2015 with smaller generation, closes the legal issue in the sector. This condition is valid for both generating companies that deliver the energy produced in the regulated market (distributors) and those that supply the free market (industrial consumers).

Signing the agreement requires: solving the GSF impasse, enabling the renewal of power generation concessions, and ensuring future investments. The proposed agreement foresees hiring new volumes of energy by the owners of the plants, and the extension of the term of the concession agreements to a maximum of 15 years.

With the rules of the fourth rate review cycle, the pressure for higher rates this year was reduced. The process involved three phases of debates, one public consultation, and two Public Hearing phases, and throughout the process, more than 100 contributions of representatives from consumers, market analysts, consultants, researchers, and representatives of the power distribution companies were received. One of the rules allows for the recognition, in the rates, of the remuneration for investments made through loans in the Energy Development Account (CDE), geared toward the program Luz para Todos (Light for All). Another decision that helped reduce the weight of readjustments was the increase in productivity gains to be considered in the so-called Fator X; a rate that is applied to reduce the impact of the IGP-M index on the rates.

In the environmental area, COP21 gathered national goals in an effort to keep temperature increase below 1.5° C. In terms of the Brazilian commitment, the country presented its absolute goal to reduce greenhouse gas emissions for 2030, 43% lower than 2005. Specifically for the electric sector, the goal is for 23% of the national electricity matrix to come from non-fossil sources, excluding hydroelectric generation (currently this number is at 23.3%). Another measure planned in Brazilian goals to reduce greenhouse gas emissions is to achieve a 10% gain in efficiency in the electric sector. Achieving these goals will require investments in a low-carbon

economy, which goes beyond the use of renewable sources of energy and includes the adoption of efficient technologies and production processes that have reduced impact upon the environment.



For the electric sector, the challenge will be enormous, since the Brazilian energy matrix predominantly uses sources with low carbon emission and, in recent years, has significantly expanded emissions of greenhouse gases given to need to continuously operate thermoelectric plants to offset the low level of reservoirs in the hydroelectric plants. Consequently, even with all thermal electric generation, in 2014 production of electricity represented only 4.5% of Brazilian emissions of greenhouse gases. Comparatively, in the global scenario, the electricity sector accounts for 31.3% of emissions, and the Brazilian energy matrix for 4.5% should be reason of pride, although there are aspects that can be improved.



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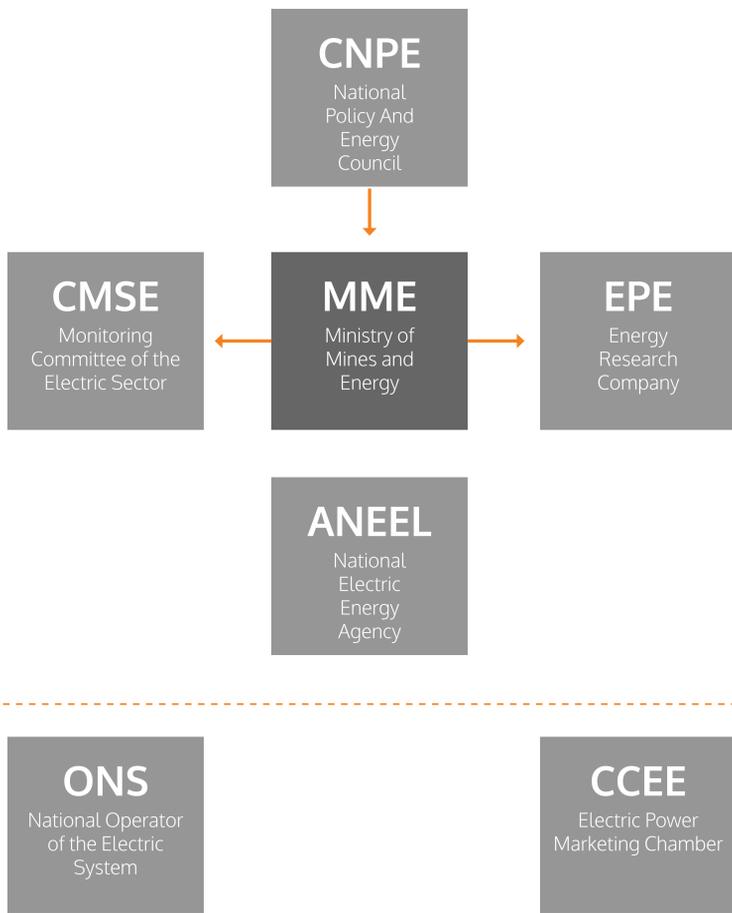
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Context – Operation of Brazilian electricity sector

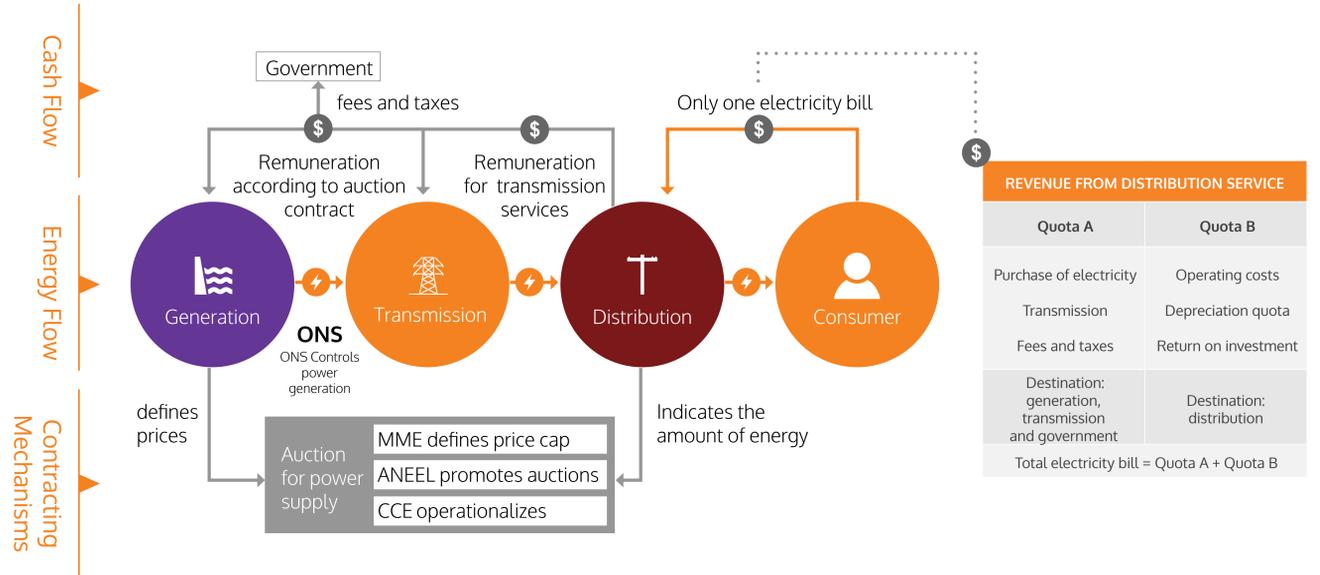
**PLAYERS** Who are the major players on the market of electric power in Brazil.



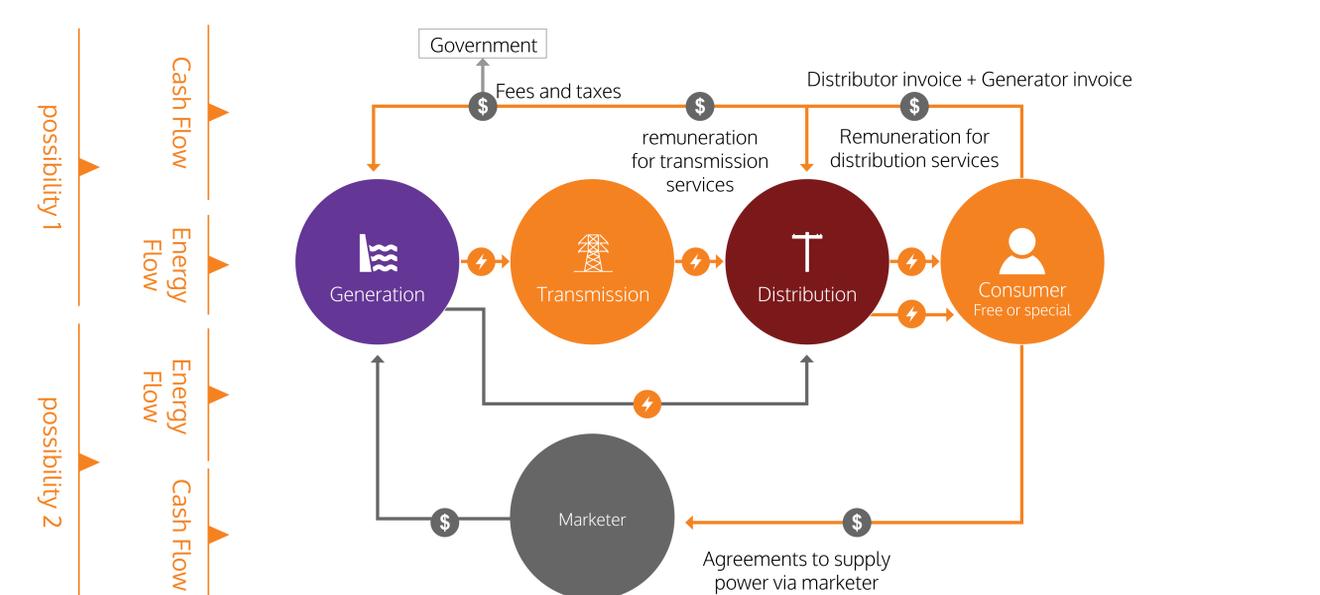
**CNPE:** Defines the country's energy policy with the purpose of ensuring stability in energy supply.  
**MME:** Responsible for planning, management and development of the legislation for the sector, as well as for supervision and control of execution of policies geared toward the country's energy development.  
**EPE:** Plans expansion of generation and transmission, for the MME, and provides technical support for auctions.  
**CMSE:** Supervises the continuity and reliability of electricity supply.  
**ANEEL:** Regulates and supervises generation, transmission, distribution and marketing of electricity. It defines the transport and consumption rates and ensures economic and financial balance of the concessions.  
**ONS:** Controls the operation of the National Interconnected System (SIN) so as to optimize energy resources.  
**CCEE:** Manages transactions of the energy market and conducts the official auctions.

**HOW ENERGY SUPPLY WORKS**

**Regulated market**  
 Captive consumers buy energy from the distribution concessionaires to which they are connected. Each consumer unit pays only a monthly electricity bill. Rates are regulated by the Government, and the price is the result of a mix of long-term contracts.



**Free Market**  
 Free consumers buy energy directly from generators or distributors through bilateral agreements with freely negotiated conditions, such as price, time, volume, etc. Each consumer unit pays the local utility a bill referring to distribution services (regulated rate) and one or more bills related to purchase of electricity (negotiated price agreement).



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# PROFILE

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## About Copel

Copel - Companhia Paranaense de Energia - is currently the largest company in the state of Paraná. The Company operates in the generation, transmission, distribution, marketing of energy, and in the telecommunications sector. [G4-3, G4-4](#)

Founded 61 years ago, with headquarters in the city of Curitiba, PR, the Company operates in 10 Brazilian states through a structure composed of an own power generation complex of power plants, transmission lines, substations, and distribution network, in addition to the operation of a telecommunications fiber optic system, with interests in sanitation and gas sectors. [G4-5, G4-6](#)

Copel is a corporation, established in the form of a quasi-public company and controlled by the Government of the State of Paraná, with shares traded at the São Paulo stock exchange (BM&FBOVESPA), and in the stock exchanges in New York and Madrid. [G4-7](#)

### Strategic Reference

[G4-56](#)

Copel has assumptions and guidelines set forth in its strategic reference, which guides management and all actions, and internal and external decisions of the Company.



Supply energy and solutions for sustainable development.

#### Mission



Become a benchmark in the areas where it operates, sustainably generating value.

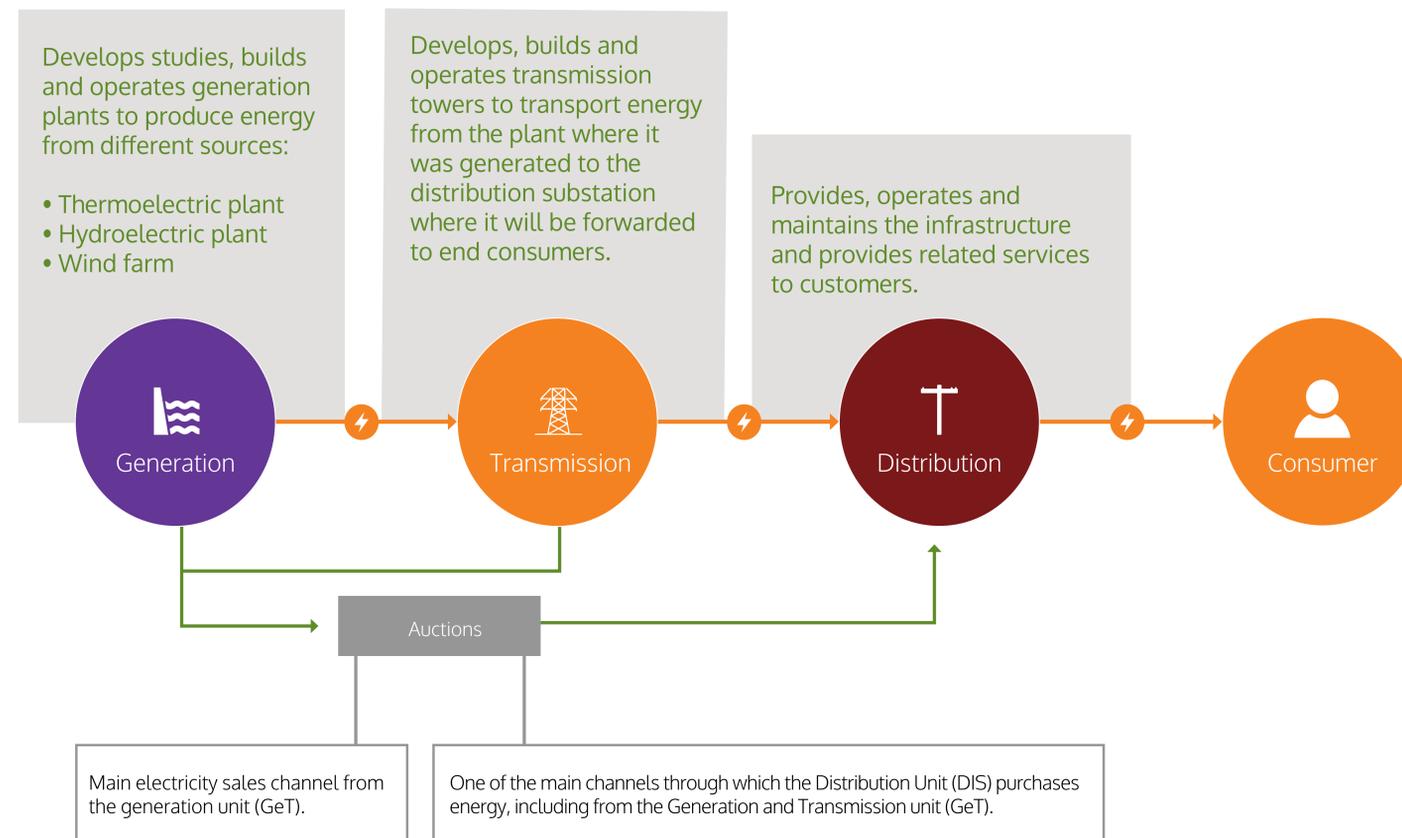
#### Vision



Ethics	Health and safety
Respect to people	Responsibility
Dedication	Innovation
Transparency	

#### Values

## Copel's business model



Currently, auctions held in the **regulated market** are an important sales channel for the energy from our generation units, and the only one through which our distribution unit acquires energy to resell to captive consumers. Our generation unit only sells energy to our distribution unit through auctions in the regulated market. Our distribution unit, as well as other Brazilian distribution companies, is also obliged to acquire energy from the Itaipu Binacional hydroelectric plant which has joint ownership between Brazil and Paraguay, in amounts established by the Brazilian government based on our prorated share of the Brazilian energy market.

Operations in the **free market** can occur through Copel Geração e Transmissão, or through the recently created wholly-owned subsidiary **Copel Comercialização**, whose goal is to reinforce Copel's positioning in this market, allowing for greater agility and flexibility in marketing energy. The subsidiary will operate in a segment with large growth potential, capable of marketing conventional and incentivized energy.

[G4-13](#)



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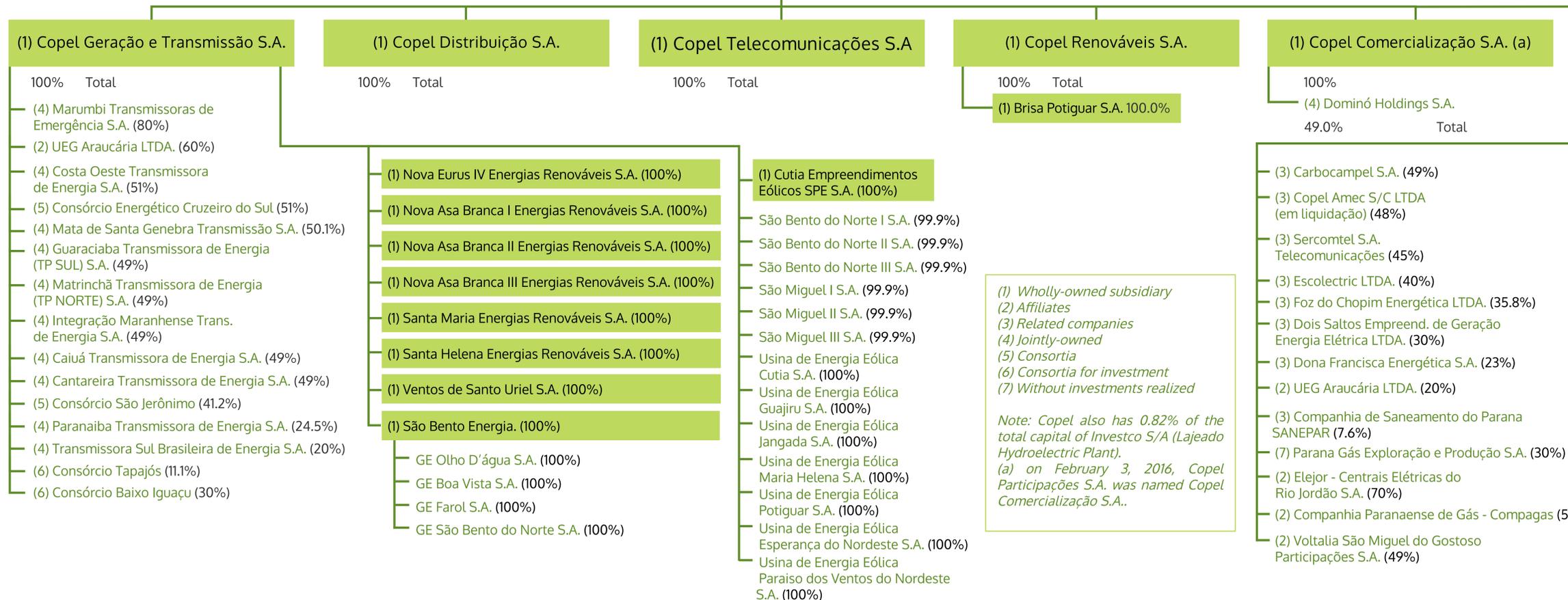
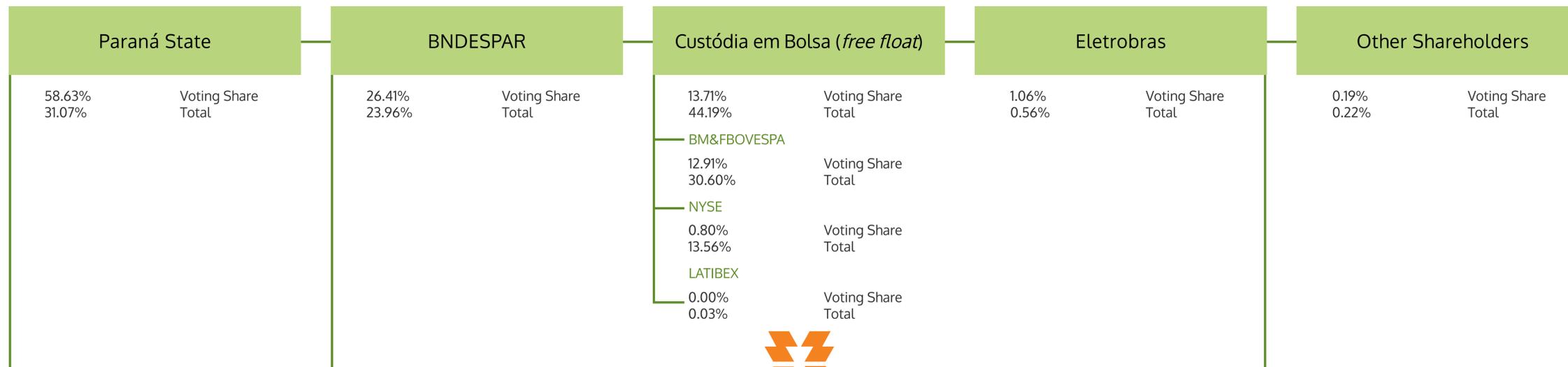
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Shareholding Structure

G4-17

ORGANIZATION CHART - SHAREHOLDING STRUCTURE / POSITION ON DECEMBER 31, 2015



(1) Wholly-owned subsidiary  
 (2) Affiliates  
 (3) Related companies  
 (4) Jointly-owned  
 (5) Consortia  
 (6) Consortia for investment  
 (7) Without investments realized

Note: Copel also has 0.82% of the total capital of Investco S/A (Lajeado Hydroelectric Plant).  
 (a) on February 3, 2016, Copel Participações S.A. was named Copel Comercialização S.A..



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### The presence of Copel in Brazilian states

G4-8



### Market share in 2015

G4-8, G4-9

MAIN PRODUCTS (%)	BRAZIL	SOUTHERN REGION	PARANÁ
Power generation <sup>(1)</sup>	3.5	21.3 <sup>(2) (3)</sup>	53.5 <sup>(2) (3)</sup>
Electric power transmission <sup>(4)</sup>	1.8	8.8	28.5
Distribution of electricity <sup>(5)</sup>	6.0 <sup>(6)</sup>	34.0 <sup>(6)</sup>	96.9 <sup>(7)</sup>
Gas distribution <sup>(8)</sup>	3.5	40	100.0

Source: Administration Report

- (1) Installed capacity. Copel's interest in plants and wind farms not included
- (2) The Itaipu hydroelectric plant not included
- (3) Does not include the plants in the Paranapanema River
- (4) The market refers to Allowed Annual Revenue - RAP

(5) Share in serving the captive/free market

(6) Source: Empresa de Pesquisa Energética - EPE

(7) Estimated data

(8) The volume distributed in Paraná, with thermoelectric, considered

### Strategic objectives

#### Corporate Guidelines

Expand businesses profitably and sustainably

Invest in innovation, modernization of assets, and people management

Maintain excellence in costs, processes, and quality

#### Guidelines for the Businesses

<b>Electric Sector</b> <ul style="list-style-type: none"> <li>Copel Geração e Transmissão S.A.</li> <li>Copel Distribuição S.A.</li> <li>Copel Renováveis S.A.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain concessions;</li> <li>Increase share of alternative renewable sources</li> </ul>
<b>Electric, Telecommunications, Sanitation, and Gas Sectors</b> <ul style="list-style-type: none"> <li>Copel Comercialização S.A.</li> </ul>	<ul style="list-style-type: none"> <li>Maximize profitability of assets in society.</li> </ul>
<b>Telecommunications Sector</b> <ul style="list-style-type: none"> <li>Copel Telecomunicações S.A.</li> </ul>	<ul style="list-style-type: none"> <li>Expand the client base and offer high value-added services</li> </ul>



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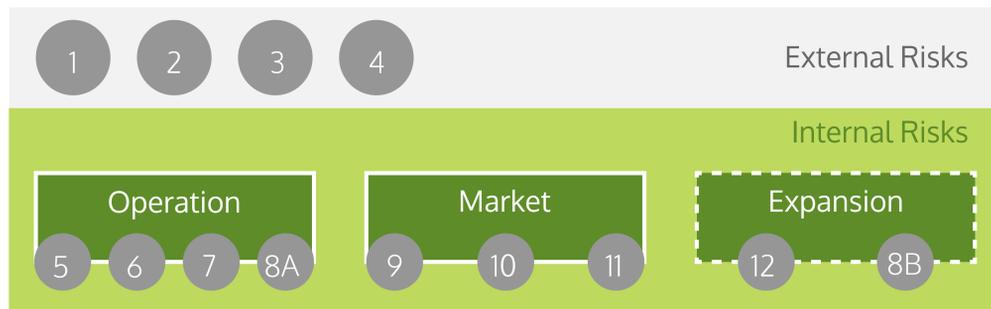
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Risk factor

G4-2

The chart below summarizes the main industry risks that could affect our businesses and those considered in our strategic planning. More details about these risks are available in the 20-F Report.

Main risks to Copel's businesses



External risk factors:

1. **Political, economic, and regulatory conditions**, which include a series of topics, such as economic development of the country, changes in rate policies, regulations, and changes in the concession regime, taxation, and cases of corruption and unlawful conduct.
2. **Fluctuations in the currency rate comparing the Brazilian Real with foreign currencies** can increase the cost of servicing our debt in foreign currency and the acquisition of electricity from Itaipu, as well as creating additional inflation pressure that can limit access to international markets. Fluctuations that can have an adverse effect on our net profit and cash flow can also result in uncertainties in the Brazilian economy and the Brazilian real estate market.
3. **Negative performance of economies in other countries**, especially in developing nations, can adversely affect foreign investments in Brazil and the economic growth of the country.
4. Changes in the **rainfall regime**. The government can adopt measures for the preservation of water/energy that are unfavorable to the businesses.

Internal risk factors:

Operations

5. Uncertainties in projections for energy demand can adversely impact the businesses.
6. **Legal actions** that can have a material adverse effect upon our businesses if the outcome is unfavorable to us.
7. **Security breach of** information, employee errors, conduct deviations can harm our business and reputation.
- 8A. **Contractors involved in the operation may not be in compliance** with the law and with our ethical values.

Consumer market

9. **Certain consumers** in our area of concession **may suspend the acquisition** of energy from our distribution unit.
10. Part of our operating revenue comes from **Free Consumers, who may seek other suppliers of energy** once their supply agreements expire.
11. **Default** resulting from difficulty in receiving amounts billed to our clients.

Expansion

12. **Limited access** to capital as a result of certain limits defined by the National Monetary Council and by Brazil's Central Bank concerning the level of credit that financial institutions can offer to companies in the public sector.
- 8B. Contractors **involved in the construction and expansion of projects may not be in compliance** with the legislation and with our ethical values, delivering materials and services below the expected quality and beyond the schedule foreseen in our planning.



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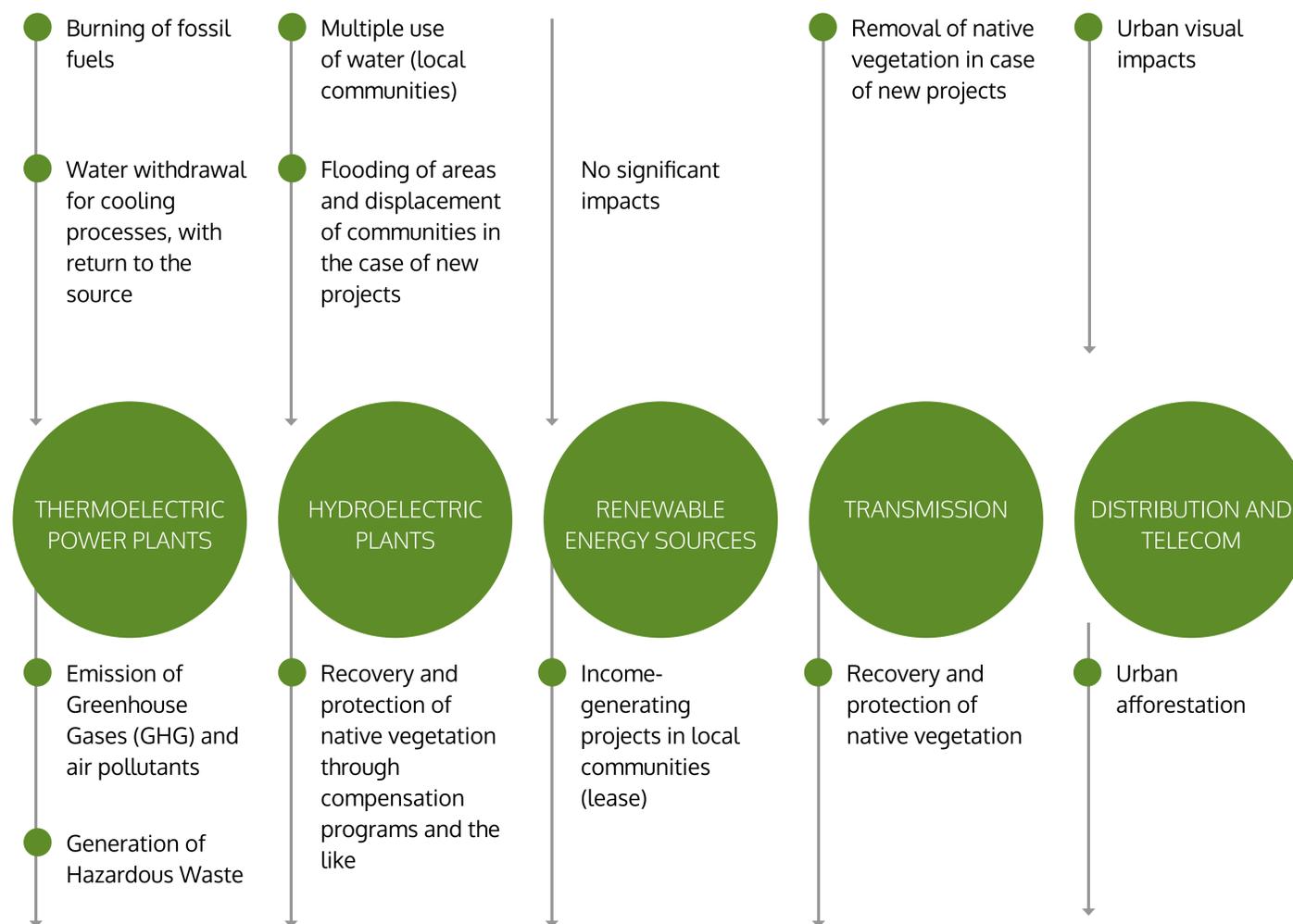
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## Main social and environmental impacts of our businesses

G4-2, G4-EC8, G4-SO2

It is in Copel's mission to serve society, providing infrastructure, energy, and technology necessary for people's lives, and available for their development. Some of Copel's operations, presented below, generate relevant impacts to the community where they are located and to society as a whole.

### Main social and environmental impacts of Copel's businesses



● Tax generation in municipalities where the Company has operations

● Local development programs

### Social and environmental impacts:

- Significant increase in collection of state and municipal taxes, such as Services Taxes (ISS), charged on civil construction work, in the cities where the works are conducted. During the operation of the projects, the collection of other municipal taxes is increased, and an increase in the share of state taxes, such as ICMS.
- Displacement of households impacted by the works and loss of the use of land.
- Both the construction and operation of Company assets can impact the health and safety of stakeholders, or those located in the area of impact.
- Installation and operation of projects can affect the economic production of local communities, resulting in loss of local ties or increased demand upon public services. In this case, each project implements specific programs to minimize and mitigate these impacts.

### Environmental impact:

- Both the construction and operation of Copel's assets can alter ecosystems, especially in terms of the natural conditions of water resources and vegetation in the flood basin, in the case of hydroelectric plants.
- The installation and operation of projects can generate a series of emissions and waste. Among the main impacts of this type are air emissions and generation of hazardous waste, all of which are subject to legislation and control by regulatory agencies.



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### Governance

Copel's governance model is based on transparency, conformity, and corporate social responsibility, pursuant to best practices proposed by the Brazilian Institute of Corporate Governance (IBGC).

There are four principles that guide corporate governance at Copel: Transparency, Equity, Accountability, and Corporate Responsibility. Based on these principles, Copel developed a Governance Policy, which establishes the standard and best practices in terms of corporate governance to be adopted at Copel and in its subsidiaries.

For the Company's operations to be permanently guided by morally sound principles, all those working in its name are governed by a code of conduct developed according to Copel's values, the principles of the Global Compact, and Corporate Governance. [G4-41](#)

Both the Governance Policy and the Code of Conduct are approved by the Company's highest governance body - the Board of Directors.

Learn about the governance practices and policies that guide the Company's businesses:

- [Corporate Governance Policy](#)
- [Governance Practices](#)



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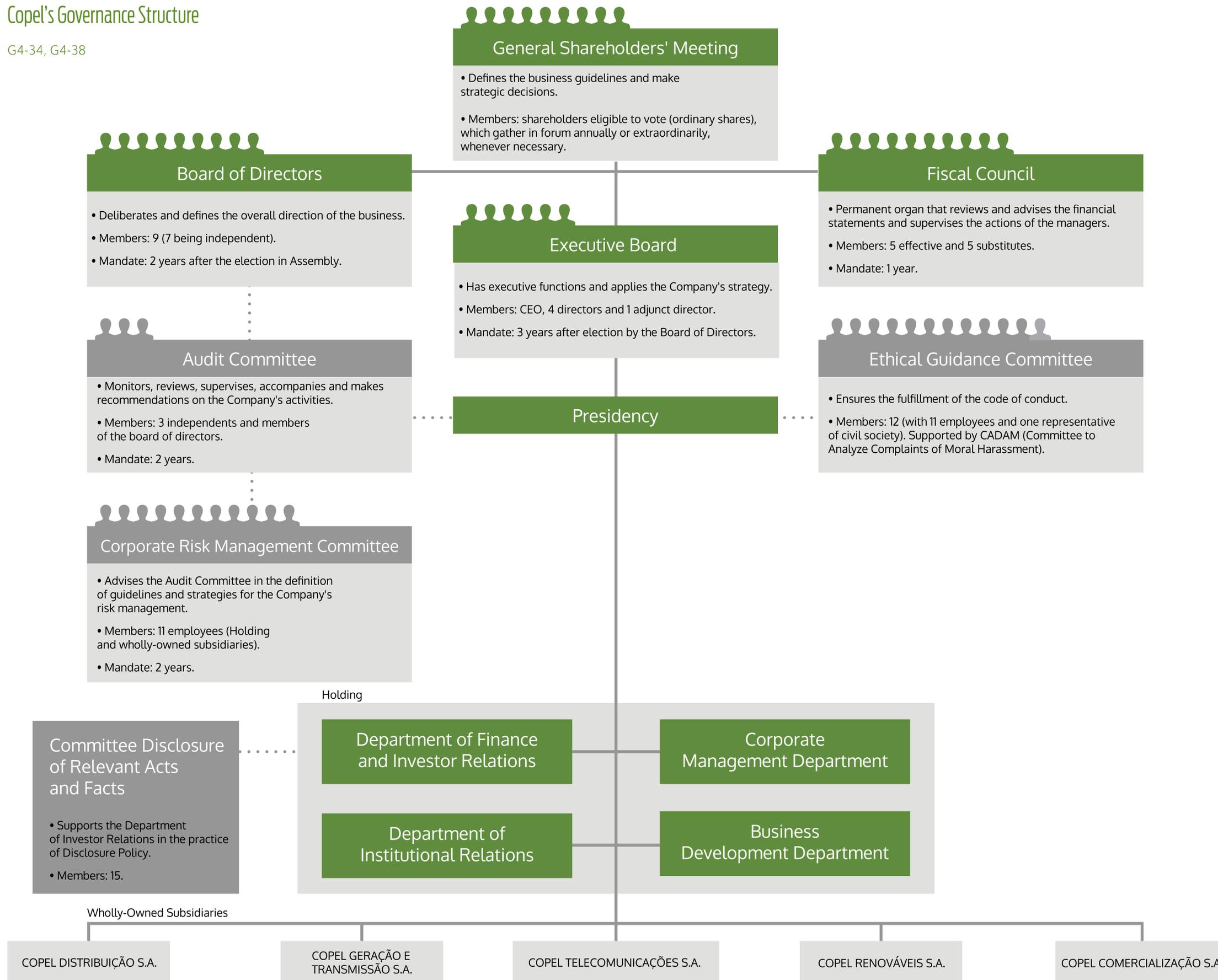
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Copel's Governance Structure

G4-34, G4-38



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### Composition of the Board of Directors and its supporting committees

G4-38, G4-39

- CEO (government - independent): Fernando Xavier Ferreira
- Executive Secretary (government): Luiz Fernando Leone Vianna
- Advisor (government - independent): Mauro Ricardo Machado Costa
- Advisor (government - independent): José Richa Filho
- Advisor (BNDES - independent): Henrique Amarante Costa Pinto
- Advisor (BNDES - independent): Maurício Borges Lemos
- Advisor (government - independent): Carlos Homero Giacomini
- Advisor (minority - independent): Marlos Gaio
- Advisor (elected by employees): Hélio Marques da Silva

### Audit Committee

- President: Carlos Homero Giacomini
- Member: José Richa Filho
- Member: Mauro Ricardo Machado Costa

Copel's Board of Directors is composed of seven independent members as foreseen in rule 10A-3 of the Securities Exchange Act. G4-40

These members:

- Must be independent technically, economically, and from shareholders (especially subordination) and from the Company (pursuant to the terms of the Independence Analysis of the members of the Board of Directors);
- Cannot accept payment for consulting, advisory, or compensation fees by the Company;
- Cannot have, in the past 12 months, held executive director positions at the Company, or in any of its subsidiaries, affiliates or related companies, technical person in charge, directors, managers, supervisors, or any other member, with managerial position, of the team involved in the independent audit work for the Company or its subsidiaries, affiliates, or related companies, or shareholders who, directly or indirectly, hold more than 10% of the Company's voting share;

- Cannot be spouses or direct family members, in-laws or in affinity, up to a second degree to the person qualified under item "a" above;
- Cannot be members of the Board of Directors in a situation of conflict of interest, or potential conflict of interest, which affects their independence.

The Board of Directors holds four planned meetings besides the extraordinary meetings (an average of eight meetings per year). G4-47

The résumés of the members of the Board of Directors and of the Audit Committee are available on the **Governance Map**.

• *IPO in 1994 at BM&FBOVESPA, and currently its shares are listed in Level I in Corporate Governance, which indicates adoption of practices that favor transparency and access to information by investors. G4-7*

• *In 1997, it was the first Company in the Brazilian electric sector to have its shares traded in the New York Stock .Exchange (NYSE) and in 2002, in the Madrid stock exchange (Latibex).*

• *In 2015, the Company remained listed in the Corporate Sustainability Index (ISE).*

• *In 2015, the Company also entered the Sustainability Index of Morgan Stanley Capital International (MSCI).*

### Remuneration and Self-Assessment

Copel's Administrators and Fiscal Advisors have their remuneration defined during the General Assembly Meeting, which takes into account the remuneration of the previous period and the corresponding monetary restatement. In 2015, the global remuneration for the Executive Board, for the Board of Directors, and for the Fiscal Council totaled R\$ 9.7 million.

G4-51, G4-52



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The self-assessment for the Board of Directors, the Executive Board and the Audit Committee is conducted annually at the Company. The objective is to seek continuous improvement of each individual. Advisors and Directors answer any specific questionnaire for each department. Based on the analysis of the results, strengths and weaknesses are indicated and proposals are made for improvement. [G4-43, G4-44](#)

### Practices on Integrity

Copel advocates for ethical conduct and transparent operations, establishing guidelines and principles that are reflected in its corporate policies. In this sense, in 2014 the Company adhered to the Initiative for Governments Against Corruption, reassuring its commitment with transparency and fight against corruption, aiming to promote sustainability, ethical conduct and best corporate governance practices.

Aiming to expand the communication of Compliance concepts, the Copel Compliance Portal was created and made available to internal and external audiences. The portal presents mechanisms adopted by the Company to guide the transparency and ethical conduct in all its activities. [G4-56](#)

Integrity practices are sponsored by the Company's senior management and are in line with the public commitment to fight corruption. Seeking to enforce the Compliance practices and intensify initiatives geared toward risk management and internal controls, the Corporate Integrity Coordination was created; a body hierarchically associated with the president's office, and which is responsible for coordinating the implementation of the **Corporate Integrity Program** throughout the Company.

### Fighting corruption

The Company repudiates corruption in all its forms, and offers guidance on how to fight it. Aiming to expand the communication of concepts and guidelines about fighting corruption, as well as the Company values, which are included in the Code of Conduct, distance learning training courses started to be developed, offering the opportunity of taking knowledge to all employees. In order to expand dissemination of these concepts, in 2015, all employees were informed of the release of the Portal Copel Compliance. The portal presents the mechanisms adopted by the Company which are aimed at strengthening ethical values, transparency and compliance with laws and regulations. Initially, 63 employees were trained in topics such as fraud investigations, compliance and anti-corruption legislation. [G4-SO4](#)



In addition to communication and training, the operating processes are submitted to annual assessment for risks associated with errors or fraud that could interfere in the results of financial statements, and internal controls are established and submitted to tests by the Internal Audit and the Independent Auditor, with the results being reported to senior management. [G4-SO3](#)

The Company also adopts as a practice, issuance, by process managers, of "Internal Control Certificates", which is a document that formalizes notifications of noncompliance detected, committing to developing action plans to regularize such noncompliance. Through the adoption of this portfolio of initiatives intended to consolidate integrity practices and fight against corruption, two cases of corruption were identified which resulted in termination. [G4-SO5](#)



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## Code of Business Conduct

G4-56, G4-57

The Code of Conduct was developed taking into account Copel's values, the principles of the Global Compact, and the principles of Corporate Governance. It is a guiding instrument for the acts of all those who perform activities in the name of the Company, and establishes ethical parameters for the conduct of employees, managers, members of the board, interns, services providers, and contractors. The code defines a set of concepts that address integrity, conformity, transparency, health and safety, social and environmental responsibility, respect, and relationship with the various segments of the environment in which the Company operates.

In 2015 the Code of Conduct was revised and submitted to an open consultation process with internal audiences and society at large. After consolidation of proposals for improvement, the code was approved by the Executive Board and Board of Directors.

Company employees receive a printed version of the Code of Conduct and acknowledge the commitments with its provisions. Contractors and suppliers are guided through the Supplier's Manual and a specific clause in agreements.

The Code of Conduct is available to all stakeholders at the [Compliance Portal](#).

## Channels of complaint

G4-57, G4-58

In order to gather opinions, criticism, complaints, claims, and personal consultation, Copel provides a communication channel, presented below, which, in addition to fighting fraud and corruption, expands the organization's relationship with stakeholders.

### Confidential Communication Channel

*This channel is intended to receive reports and claims associated with noncompliance with standards and laws, especially those associated with fraud or irregularities involving financial, audit, or accounting issues. The channel ensures protection, confidentiality of the person making the report and an answer to the claim. It is available 24 x 7 through a toll-free number: 0800 643 5665.*

### Ombudsman's Office

*There are two channels open to all audiences, both internal and external, to receive suggestions, complaints and reports, which are available on business days, from 8 AM to 6 PM, via toll-free number.*

*The Ombudsman's Office for Copel Distribuição is available through the phone number 0800 647 0606 and also through the e-mail [ouvidoria@copel.com](mailto:ouvidoria@copel.com). Additionally, it is prepared to receive complaints personally or through mail sent to the address Rua Professor Brasílio Ovidio da Costa, 1703, district of Santa Quitéria, zip code: 80310-130, in Curitiba, PR.*

*The Ombudsman's Office for Copel Telecomunicações is available through the toll-free number 0800 649 3949 or the e-mail [ouvidoriatelecom@copel.com](mailto:ouvidoriatelecom@copel.com), and is prepared to receive complaints personally or via mail sent to the address Rua Emiliano Perneta, 756, district of Batel, zip code: 80420-080, in Curitiba, PR.*

### Committee to Analyze Complaints of Moral Harassment (CADAM)

*Committee to address and support all employees victim of moral harassment in the workplace. The information is confidential and both the person reporting and the person reported have the preservation of their identity guaranteed. E-mail: [cadam@copel.com](mailto:cadam@copel.com)*

### Ethical Guidance Council (COE)

*COE evaluates and issues guidance in processes associated with ethical conduct within the Company and has up to 90 days to provide a final solution. E-mail: [conselho.etica@copel.com](mailto:conselho.etica@copel.com)*

In addition to these channels, Copel is open to receive requests for information, services, criticism or suggestions for improvement, guidance and grievances from its stakeholders through various [Service Channels](#).



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## Risk management

G4-2

Copel's Integrated Corporate Risk Management covers all corporate areas, its wholly-owned and controlled subsidiaries, jointly held affiliated companies, and establishes the formation of a Corporate Risk Management Committee, which reports to the Audit Committee.

The guidelines adopted are based on renowned structures and standards, such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and ISO 31000, and whose purpose is to maximize economic, social and environmental value to stakeholders and ensure compliance with laws and regulations in force.

Given the intrinsic uncertainty to risks and the nature of the sector where the Company operates, the risk management model adopts parameters for appetite for risk, considers the likelihood of occurrence of events and the impacts on the financial and operating areas, and to the image of the Company, and foresees tools for treatment and mitigation of such risks. The risk management adopted by the Company considers legal, regulatory, social and environmental, and reputation aspects, among others, and serves as a base for decision-making processes and operating activities, taking into account the following risk profiles: strategic, operational, disclosure, and compliance. G4-14

### Corporate Risk Management Committee

G4-45, G4-46, G4-47, G4-49

The Company has in place a **Corporate Risk Management Committee**, responsible for the development and monitoring of risk management policies and for advising the Audit Committee in order to ensure good management of resources and protection and valuation of Company assets. This collegiate body has an annual agenda of ordinary meetings, and may convene extraordinarily whenever necessary.

The **Audit Committee** is an advisory body to be **Board of Directors**, that acts independently in a consulting and permanent manner, and is responsible for the revision and supervision of the process to present accounting and financial reports; for the internal control processes and risk management; and for the activities of internal auditors and independent external auditors. The committee convenes ordinarily, at least six times throughout the year, according to a preestablished agenda; however it can convene extraordinarily. If necessary, the committee can meet with any members of the Executive Board, of the Independent Audit, the Internal Audit, or of the Fiscal Council.



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## Sustainability Management

Committed to sustainable development, Copel, in addition to providing energy solutions to telecommunications for the entire population of the state of Paraná, promotes economic growth with social and environmental responsibility.

Learn about our [Sustainability Policy](#).

Challenges in terms of sustainability are included in the Company's strategic reference through its mission, vision, values, and strategic guidelines, in the sustainability policies and in corporate governance. Additionally, these challenges cascade into the strategic objectives "Sustainably Maximize Company Value" and "Improve Performance in Sustainability".

Copel's Corporate Sustainability Coordination Office defines Company's policies and guidelines. Its objectives include conducting corporate issues related to sustainability, continuous performance improvement, strategic communication with stakeholders and management of related topics and indicators. This office reports to the Executive Board and to the Board of Directors on strategic issues to corporate sustainability, in order to deliberate and approve the relevant decisions. [G4-35](#), [G4-36](#), [G4-45](#)

Copel adopts the main market practices in order to:

- **Guide and assess its performance**, as well as compare its practices with global and national benchmarks: questionnaire from RobecoSAM (Dow Jones Sustainability Index - DJSI), Ethos Indicators for Sustainable and Responsible Business Models, and the Corporate Sustainability Index (ISE - BM&FBOVESPA).
- **Report its performance and engage its audiences**: Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP) and Global Greenhouse Gas Protocol (GHG).

In 2015, Copel intensified its efforts to improve engagement of leadership and

business areas, aiming to align the understanding of sustainability as a form to generate financial, reputational, and competitive value. Thus, Copel fine tuned its Materiality Matrix and adopted a new reporting format based on the structure of the International Integrated Reporting Council (IIRC).

Copel was chosen, in November 2015, to remain among the group of most sustainable companies in the São Paulo Stock Exchange (BM&FBOVESPA), in the 2015/2016 portfolio. Copel's shares have integrated the Corporate Sustainability Index (ISE), since it was created in 2005. We were present in 10 of the 11 editions of this index.

Also in 2015, the Company was included in the sustainability Index from Morgan Stanley Capital International (MSCI), a global leader in the composition of financial indices that serve as reference for investors. The MSCI ESG seal is awarded to companies that show excellent performance in the social, environmental and corporate governance areas. Copel obtained the highest score in 25 of the 28 indicators analyzed, which include, for example, control of carbon emissions and disclosure of administrative and financial management information.

### Voluntary commitments

[G4-15](#), [G4-16](#)

Throughout its history, Copel has assumed several voluntary commitments:

### Global Compact

A signatory of the Global Compact of the United Nations since 2000, Copel supports the principles proposed by this initiative, based on three main aspects:

- Constant improvement in the management systems and corporate policies;
- Support to the creation, implementation and improvement of public policies;
- Consolidation of partnerships with other companies, institutions or organizations in projects that may provide social and environmental gains.



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**Corporate Contribution for the Promotion of a Green and Inclusive Economy**

Copel assumed the commitment in 2012 at Rio+20. It is the public commitment of companies signatory to the Global Compact with the adoption of initiatives toward a more inclusive economy, which contributes to facing major challenges in sustainability in Brazil and worldwide.

**Statement of Cultural Action for Governments in the Fight Against Corruption**

Copel adhered to the statement in 2014, reaffirming its commitment to transparency and the fight against corruption, expressing its support to the Post-2015 Development Agenda, in an effort to promote sustainability, ethical conduct, and best practices in corporate governance.

**Corporate Pact for Integrity and Fight against Corruption**

The Company became a signatory in 2015. Its principles are based on the Charter of Principles of Social Responsibility, on the United Nations Convention against Corruption, on the 10th principle of the Global Compact, and on the OCDE guidelines.

**Eradication of Child Labor, Forced or Bonded Labor**

In alignment with the principles of the Global Compact and the Objectives for Sustainable Development - ODS, Copel commits to implementing tools to bar hiring products and services from suppliers who use child, forced or compulsory labor in its value chain.

**Sexual Exploitation of Children and Adolescents**

The Company promotes actions to raise awareness among employees, suppliers, and clients against the sexual exploitation of children and further disseminates this commitment in its Supplier Manual and through specific clauses in its agreements.

**Fight against Discrimination and Valuation of Diversity**

The Company created the Permanent Committee on Diversity, whose goals are

to raise awareness and involve employees in the promotion of equal rights, opportunities and recognition of everyone, with special attention to vulnerable groups subject to discrimination based on gender, race, color, physical disability, sexual orientation, age, and religion.

**Prevention of Moral and Sexual Harassment**

Copel recognizes health and safety at the workplace as a fundamental human right, valuing life and respecting physical and moral integrity of people, seeking to create a gratifying and conducive work environment to generate productivity.

**Respect for Free Association and the Right to Collective Bargaining**

Copel guarantees the principles of freedom of association, for individuals and collectively, pursuant to article 8 of the 1988 Constitution, and Convention No. 87, of the International Labor Organization - ILO.

**Principles for Responsible Management Education (PRME)**

Copel Corporate University (UniCopel) became, in 2014, the first of its kind in Brazil to adhere to the PRME, a program by the United Nations that promotes training of leaders toward responsible management of businesses.

**Agenda for Climate Change**

Aware of the effects that climate change can have on power generation, transmission and distribution, Copel created, in 2011, a Climate Change agenda in order to establish commitments and guidelines to be adopted in the Company's planning and operations in order to contribute to sustainable development.

Learn more about the commitments assumed on the Sustainability page – **Voluntary Commitments.**



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COPEL

*Pura Energia*

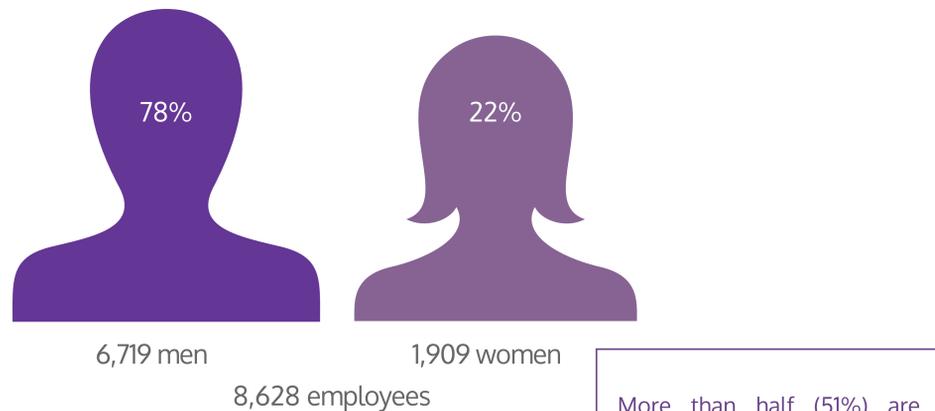
## Performance in Capitals

Under capitals, we present our capability of generating value for stakeholders in the short-, medium-, and long-term.

*“Capitals are stocks of value that increased, decreased or transformed through the activities and outputs of the organization. For example, an organization’s financial capital is increased when it makes a profit, and the quality of its human capital is improved when employees become better trained.”*

Important information about personnel and their performance

Copel's Staff  
G4-9, G4-10



New hires in 2015  
G4-LA1



More than half (51%) are people under the age of 30.  
Employee turnover rate is 2.42%.

1,290 (15%) employees will be eligible for retirement within the next five years. Of these, 153 are managers. In the next 10 years, 2,222 employees will be eligible for retirement. G4-EU15

100% of the employees are covered by collective bargaining agreements. G4-11

In 2015, Copel invested R\$ 8.79 million in training and development, that is 39% more than in 2014. G4-EC1

Human Capital

Copel's employees represent one of the Company's success variables. It is the employees who ensure that corporate objectives are fulfilled. The main objectives and focus of Human Capital management are geared toward professional development and training in line with business priorities, improving management practices of knowledge, culture, and health and safety.

Management of human Capital

A critical part of the Company's strategy and its sustainable development, Copel's employees are formed by 8,628 direct employees, whose profile is detailed in the G4-10 indicator in the Content Index. Additionally, another 6,457 contractors provide services to the Company in activities such as: client services, construction of transmission lines, networks and substations, connections, disconnections and re-connections, reading of meters in low tension, maintenance of electric system, green areas and buildings, private security, and maintenance, among others. G4-9

The Company's relationship with these professionals is based on respect for the Consolidation of Labor Laws (CLT), in the fundamental conventions set forth by the International Labor Organization (ILO), and the Universal Declaration of Human Rights. And the behavior expected by the Company from this audience is defined through the Code of Conduct, and the Manual for Copel Personnel.

Copel's **Career and Salary Plan** was adjusted in 2015, after approval from the Executive Board and from the committee for Public Companies and Remuneration Policy, an entity created in January 2015 by the government of the state of Paraná. The purpose of the adjustment was to align salary standards to the market, aiming to provide all Copel employees with opportunities to advance in their careers. The Plan initially prioritizes horizontal movements, based on individual merits, and subsequently vertical movements, pursuant to standard and transparent criteria.

The new **Repositioning Program** was developed in 2015, and announced in March 2016. The program was created to value and promote human capital within the Company, as well as to provide equal opportunities to employees, and transparency in the people movement process.

G4-DMA-EU14



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*A commitment assumed by the president upon taking office, people management is a priority at Copel's strategic plan. For CEO Luiz Fernando Leone Vianna, it is important to appreciate those who build the Company on a daily basis.*

*This appreciation involves the consolidation of the career and salary plan, the Programa Nossa Energia (Our Energy Program), and the investment of a crucial aspect for Copel's evolution: management of different generations of employees. Pursuant to this guideline, the Anima Program was created in order to implement actions geared toward appreciation of the Company's Human Capital.*

*Also the listening process was improved through the creation of the "Bate-Papo com o Vianna" (Chat with Vianna), a channel to establish a one-on-one dialogue between the CEO and employees. The idea is to have a candid, open conversation about any topics raised by participants (suggestions, questions and concerns).*

In terms of the new actions for people management, the focus at Copel is to achieve satisfaction, appreciation, and quality of life for employees through the assessment and implementation of projects such as: home office, family day, recovery of the pre-retirement program, and especially, preparation and development of leaders and ample communication of these actions among employees. Additionally, another point is the improvement of internal processes for the Company to manage its resources in a more optimized and effective manner. These initiatives seek to align people with the quest for results in order to ensure Copel's continuity and sustainability.

### Benefits

G4-EC1

Copel offers a package of benefits in addition to those required by law, and in-line with those of the best companies. Benefits are rights of all employees, regardless of work hours. In 2015, to show to employee staff the set of financial and nonfinancial benefits and remuneration, the Company launched the Balanço de Benefícios da Copel – BBC (Balance of Copel's Benefits), which presents the annual amounts received by employees. [More information in the indicator G4-LA2 in the Content Index].

### Professional development

Training and retention of employees in critical positions, if not prioritized by management, can become a risk factor for sustainability in the medium-term. In order to mitigate this risk, Copel invests in training and development of its employees, so as to always rely on qualified and experienced professionals, allowing everyone to achieve their potential in an environment that is conducive to advancement in their career and abilities. G4-DMA-EU14



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Copel has a Performance Management Program, called Nossa Energia, which is formed by two pillars: Organizational Competency and Results. This program supports functional promotions, meritocracy, functional suitability, conferences, training, scholarship for graduate courses, foreign languages, among others.

Initiated in 2013, the program evolved according to Copel's Management Performance. The idea is that, at each cycle, the program provides lessons learned and improvements to ensure greater adherence to the Company's culture and status. In 2015, approximately 99% of the employees received their performance assessment. [G4-LA11](#)

**Training and capacity building**

[G4-LA10](#), [G4-DMA-EU14](#)

Copel has a Corporate University (UniCopel) and training departments in its main wholly-owned subsidiaries, which are responsible for training of the Company's entire workforce. In 2015, R\$ 8.79 million were invested in training and personal development. In all, a total of 2,021 training events were held, with 24,298 participants, totaling 328,196 hours of training, representing an average of 38 hours of training per employee. [G4-LA9](#)

Ever since the Company adhered to the Principles of Responsible Management Education - PRME in 2014, UniCopel has developed educational actions based on the principles of this initiative. In 2015, Copel trained 62 members of senior management through an education program conducted by one of the main consulting companies in executive management and education in Brazil.

Employees who form the Permanent Committee for the Integrated Corporate Planning and Corporate Performance Management, as well as all Human Resources managers at Copel, also participated, establishing a commitment to continuously seek improvements in personnel management. Other Company managers took an in-company short-duration course geared toward the development and improvement of competencies.

Copel constantly trains its staff, prioritizing those activities that require specific and specialized abilities. These initiatives vary between basic training, intended for certain positions, to graduate courses at specialization and doctorate levels.

These initiatives are organized into corporate programs (education initiatives for the entire Company), basic training (intended for basic training for the performance of functions), mandatory training (courses geared toward certain activities), national and international short-term professional enhancement training courses that provide opportunity for participation in events (seminars, lectures, workshops, congresses, etc.), concerning aspects associated with the business, allowing for sharing of experiences, and the communication of studies and research.

The basic training courses are geared toward preparing an employee for a new activity, covering both new and veteran employees, differentiated based on the employee's career. Among these basic training courses, we highlight FBED - Distribution Electricians Training Program. In this course, a recently hired employee receives the initial training necessary to adequately perform the job: "Operate as an electrician in Copel's distribution network". This course has a total class time of 200 hours. The course covers, among other topics, health and safety at work, basic concepts of electricity, theoretical and practical activities in construction, maintenance, and operation of distribution networks, in addition to the normative courses NR 10 - Safety in Electrical Installations and Services, and NR 35 - Working in Heights.

Copel has in place the program "Education Allowance", which reimburses the employee the equivalent to 70% of tuition for graduation and post-



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graduation courses, up to a cap of R\$ 770.00. The program aims to contribute with growth and development of employees, promoting self-development as a form of improving Copel's performance. In 2015, the program benefited 1,009 employees, reimbursing a total of R\$ 3.8 million.

Copel fully pays postgraduate courses, for both lato sensu and stricto sensu, through internal processes. This credit can be renewed after a grace period, provided the second postgraduate course is in the interest of the Company. In 2015, a total of 32 employees were taking postgraduate courses funded by the Company.

Copel also has a Foreign Language Program, extended to employees who need another language in order to perform their duties. Within this program, the Company reimburses part of the cost of the course in consideration to the employee achieving performance and learning goals.

Copel offers a Pre-Retirement Program (PPA – Programa Pré-Aposentadoria), which includes lectures and activities for employees eligible to retire and their partners, aiming to guide them on this new stage of life. In the last years, PPA's events covered topics such as Behavior, Quality of Life, Physical and Mental Health, Social Security and Financial Planning. In addition, employees had the opportunity to participate in workshops sponsored by the Copel Foundation of Social Security on pension plans and received retirement planning advices.

In 2015 Copel, in partnership with Copel Foundation, initiated the redesign of the Pre-Retirement Program so that in 2016 the program be extended to all employees, starting from the integration phase until retirement.

**Talent Pool**

*Copel Distribuição has in place a program called Talent Pool. This program contributes to ensure availability of specialized labor by identifying and developing employees with potential to eventually hold leadership positions. In 2015, a total of 336 potential leaders were identified, and may assume job positions at different levels in the Company.*

**Individual Development Plan**

*The way that Copel Telecomunicações found to prepare its professionals for the challenges of its business was the identification of the necessary competencies for the role, within its processes, and establish individual performance goals based on these competencies. The Individual Development Plan is a tool to help managers develop the strategic plan and corresponding management commitments, in addition to contributing to the development of professionals by offering a comprehensive vision of their training needs.*

**INOV+GeT**

*Another form of ensuring specialization of professionals is through dissemination and sharing of experiences, and to this end, Copel Geração e Transmissão promotes sharing of knowledge among its various departments through technical meetings. And, launched in 2015, the INOV+GeT sought to disseminate proposals for new ideas aiming to improve processes at Copel Geração e Transmissão.*



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## Health and Safety

Since it develops activities associated with risk factors, Copel relies on an Occupational Safety Policy. The area of Occupational Health and Safety Management (HSE) at Copel is responsible for the identification of these risks and definition of preventive actions allowing for tasks to be completed safely.

The Company also has a specific manual for contractors, included in every services agreement, and conducts onboarding lectures for every new agreement, in order to complement this effort. More details on G4-EU18 indicator are available in the Content Index.

**Capacity-building and training:** programs such as Training of Field Inspectors, and Training for the Use of Preliminary Risk Assessment, are offered to employees. These courses aim to establish active prevention in order to identify and block occupational diseases and accidents.

**Promotion of health:** Copel has in place an occupational health service that offers employees, through the Copel Foundation, a health plan to conduct diagnostic exams for diseases that can affect capacity and productivity at work.

**Training and integration:** all field activities are conducted by contractors who have participated in the Occupational Health and Safety Integration, and the exhibit about Risk Assessment for the activities

in question. Control of the minimum mandatory training for working with electricity is conducted with a proprietary application that contains information about employees of contractors and of the agreements.

**Preserving Life Program (PPV):** establishes field inspection of the technical and safety procedures during the execution of activities, pursuant standards of the HSE area, where a technician from the occupational safety area, or from departments monitors the teams and issues reports with scores for faults encountered. In 2015, a total of 6,025 inspections were conducted in the fields involving own employees and 6,392 contractors, totaling 12,417.

At Copel Distribuição, compliance with legal requirements by contractors is monitored through the PPV. Given the high employee turnover rate at contractors, and the characteristics of the agreements, there is no specific manner to determine the percentage of contractors trained; however, the Company adopts as a rule to provide onboarding training on safety to all contractors.

### National Week for Safety with Electricity

*For a whole week, Copel volunteers conduct a series of visits (households, work sites, cooperatives, schools, among others) throughout Paraná, offering guidance to the population about the safe use of electricity. Under the coordination of the Brazilian Association of Electricity Distributors (ABRADEE), the campaign promotes lectures, distributes information and guidance material to prevent accidents with electrical shock in Brazil, operating in six main fronts: civil construction, rural areas, trimming of trees, theft of electricity, installation of antennas, and care with kites.*

## Performance of the business segments in terms of Health and Safety

G4-LA6

HEALTH AND SAFETY	CATEGORY	2014			2015					
		DIS	GET	CTE	DIS	GET	CTE	HOL	REN	PAR
Fatalities	Employees	0	0	0	0	1	0	0	0	1
	Contractors	5	1	NA	4	2	0	0	0	0
Absenteeism rate	Employees	2.74	1.44	1.41	2.48	1.36	1.65	NA	NA	NA
Lost Time Injury Rate	Employees	7.35	2.95	2.35	5.92	4.01	0	0	13.09	0
	Contractors	3.74	11.31	NA	5.59	15.41	2.26	0	0	0
Severity Index	Employees	587	32	927.05	185	2,468	0	0	13.09	0
	Contractors	3,603	4,560	NA	3,181	3,338	101.06	0	0	0

NA = Not Available



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## Intellectual Capital

G4-DMA-EU8

Copel is recognized as one of the companies that invests most on new technologies in the electric sector. In 2015, the Company created an area exclusively dedicated to this topic. The area of Innovation Coordination will manage the resources for the Research and Development program from the National Electric Energy Agency (ANEEL), regulated by the agency, and that today totals more than R\$ 120 million of the Company in projects. Reporting directly to the president of the Company, the new area will be in charge of promoting technological development and innovation in all areas of the Company, generating new products, services, and processes, or renewing them.

Among the responsibilities of the innovation coordination are the reformulation of policies and strategies for new technological developments; governance of research, development and innovation; management of the innovative project portfolio; establishment of new technological partnerships; management of multidisciplinary human resources; open innovation and generation of new innovating businesses.

Starting in 2016, the Company will add an R\$ 19 million per year to the portfolio in order to leverage new investments and partnerships to conduct the projects.



In order to leverage the preparation and development of research, development, and innovation projects - R&D+i, Copel authorized the employees involved in these projects to work overtime up to a limit of 20 hours per month, respecting the limits of total hours foreseen in the project and according to norms defined by the National Electric Energy Agency (ANEEL).

*In 2015, Copel Telecom sponsored the Startup Weekend, one of major technology and entrepreneurship events in the world. Known as the craziest 54 hours in life of any entrepreneur, Startup Weekend brings together professionals who meet on a Friday night with ideas and end up on Sunday with business models. This meeting has already taken place in over 600 cities around the world, in more than 100 countries, and is run locally by volunteers.*

## Research & Development

G4-DMA-EU8

Through its R&D program, Copel promotes the engagement of the scientific community and interaction with research institutions. In 2015, Copel invested R\$ 28.6 million, approximately 12 million more than in 2014.

The R&D projects conducted by the Company provide opportunities for researchers to improve their professional and academic training, and institutions to advance their technology through laboratory facilities. The results seek the evolution of research and scientific knowledge on important aspects of the electrical sector, which ultimately reflect upon social development, benefits, and improvement in the quality of life for society as a whole.



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Investments in R&D

RESOURCES INVESTED IN TECHNOLOGICAL AND SCIENTIFIC RESEARCH AND DEVELOPMENT R&D (IN R\$)		
By topic of research	DIS	GeT
EE - Energy Efficiency		35,064.00
FA - Alternative sources for power generation	450,131.02	1,409,433.20
MA - Environment	709,133.79	1,796,429.74
OP - Operation of the Electric Power Systems	1,608,373.99	4,340,972.50
MF - Metering, billing, and fighting commercial losses	1,696,205.97	
PL - Planning the Electric Power Systems	638,610.20	1,299,700.86
QC - Quality and Reliability of Electric Power Services		333,970.59
SC - Supervision, Control, and Protection of Electric Power Systems	4,573,375.29	2,281,212.63
SE - Safety	1,920,721.90	2,587,047.83
OU - Other	1,239,109.14	975,152.89
Management Project 2014/2015	714,896.28	
Total	13,550,557.58	15,058,984.24

Brand



Copel participates in the lives of 10 million people on a daily basis. At home, at work, in schools, and on social networks. A company that evolved, understands, serves and is present also on the Internet. We are not simply providers of two essential services such as energy and Internet connections, we turn our strategy on social networks into a link to take educational content to children, information about the efficient use of energy, and tips about consumption and safety involving our product.

The largest company in the state of Paraná

Copel leads the ranking of the largest companies in the state of Paraná, according to the "500 Maiores do Sul - Grandes&Líderes", published by the economics and business magazine Amanhã, in partnership with PricewaterhouseCoopers (PwC). The ranking is prepared based on an exclusive indicator created by PwC and Amanhã, called Valor Ponderado de Grandeza (VPG) (Weighted Size Value), which assigns weights to financial statement information about net equity (50%), net revenue (40%) and profit or loss (10%). In the ranking of the Southern region, Copel is the fourth largest company, and ranks first in the energy sector. In all, the state of Paraná has 182 companies among the 500 largest companies in Brazil's southern region.

Website and presence on social networks

We have diversified our channels, expanded our presence, and today we are on social networks: YouTube, Facebook, Twitter, LinkedIn and Instagram. We speak, listen, and above all, open a space where we can talk with our clients. More than simply clients, conscious and informed citizens about our products and how to make the best use of it. From the series of inspirational videos "Atreva-se a Mudar seu Mundo" (Dare to Change Your World) which tells a little of the life of our employees engaged in volunteer work, to the daily services, and business hours, on Twitter and Facebook, with 95% services in less than 20 minutes after contacting. We maintain two dedicated teams that are alert to everything involving our brand, our services, and our operation in the 10 states where we operate. Information and services are also available through our website, which in 2015 recorded 33,772,650 visits to the home page.

The soundness of the brand on social networks monitored via a SCUP tool gives us the reach of Copel's presence: there are approximately 3,000 comments per month, of which 13.05% are negative, 12.51% are positive, and 74.43% are neutral. In the overall assessment, the brand has an 87% positivity.



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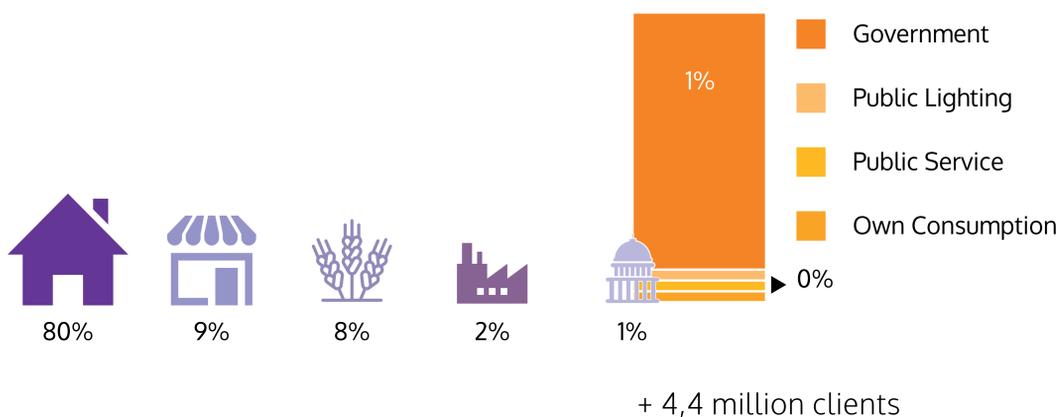


## Social and Relationship Capital

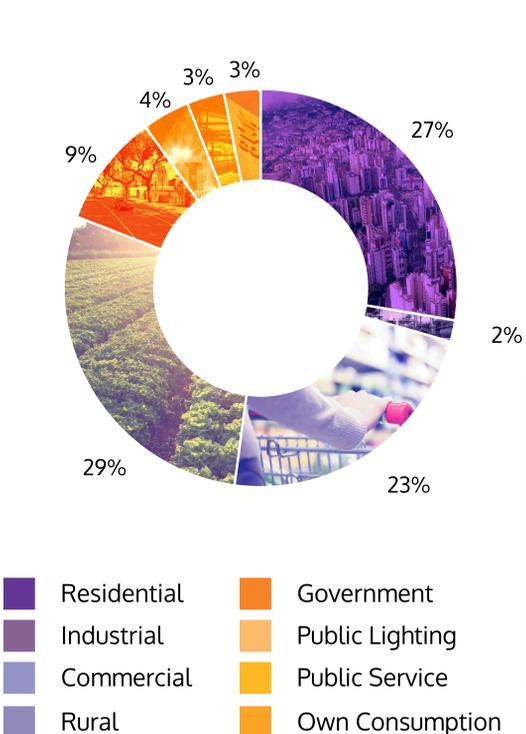
The continuous success of Copel's business model depends on various audiences with which the Company interacts - shareholders, clients and consumers, suppliers, government, and communities. Our competitive advantage stems from the quality of the relationship and reputation built with these audiences.

### Copel Distribuição's client profile

G4-EU3



### Supply energy to clients



*The Best Distributor in Latin America and Caribbean (Silver category) - CIER Award*

*The Best Distributor of Brazil according to its clients - Abradee Award in the "Customer Evaluation"*

*Client satisfaction level obtained through ABRADÉE ISQP survey G4-PR5*

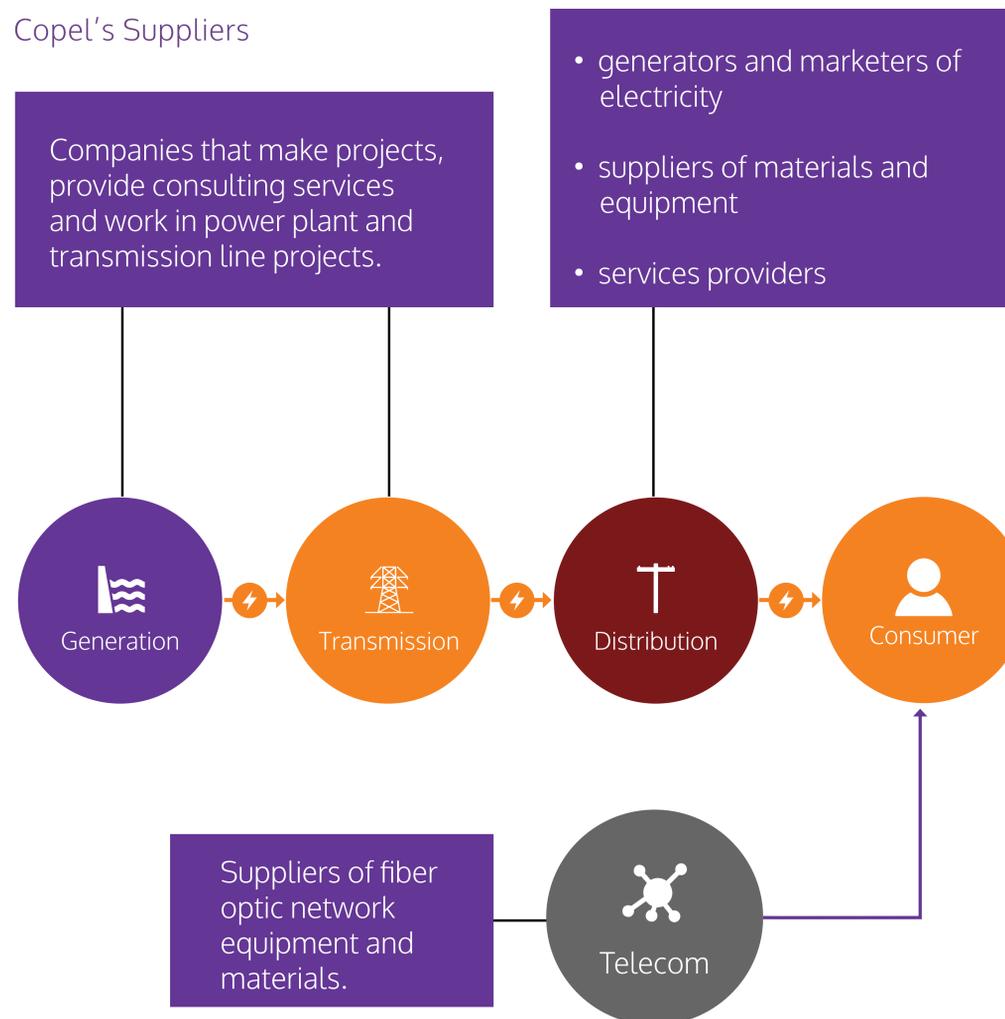
- Residential Group B: 88.6%
- Non Residential Group B: 86.5%
- Large Clients (Group A) 78.6%

*Copel is ISQP benchmark in 2015*

## Our Suppliers

G4-12

### Copel's Suppliers



### Breakdown of expenditures with Copel's suppliers

G4-EC9

OPERATION	EXPENDITURE WITH SUPPLIERS	EXPENDITURE WITH LOCAL SUPPLIERS	%
Distribution	1,486,519,377.86	820,129,012.96	55%
Generation and Transmission	4,020,519,256.40	3,104,319,514.03	77%
Holding	41,345,832.15	33,907,389.15	82%
Telecommunications	158,098,571.23	84,128,056.18	53%
Total	5,706,483,037.64	4,042,483,972.32	71%



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## Relationships with Clients and Consumers

G4-PR5

Copel’s relationship with its clients in all segments is grounded on the search for excellence in services.

The Company monitors the Satisfaction Survey from ANEEL and also conducts its own survey, hired through the Brazilian Association of Electric Power Distributors (ABRADEE). These surveys allow for a comparative study with other distributors and are conducted with three client groups: Group B of urban residential clients, Group B of industrial and commercial clients (trade and services), and Group A.

Surveys conducted by ABRADEE generate the ISPQ, a Brazilian acronym for Satisfaction Index for Perceived Quality. The results cover five aspects: Supply of energy, information and communication, energy bill, client services, and Company image.

Copel also conducts a satisfaction survey with its rural clients, since they are not included in any of the aforementioned scopes.

G4-PR5

LEVEL OF SATISFACTION			ASSESSMENT OF COPEL DISTRIBUIÇÃO		
			2013	2014	2015
<b>ISQP</b> – Satisfaction Index for Perceived Quality	Measured by ABRADEE, this index measures electric power distribution companies in the perception of consumers in five aspects: Supply of energy, information and communication, energy bill, client services, and Company image.	Low tension residential	89.4	89.3	88.6
		Low tension nonresidential	88.6	85.6	86.5
		High tension	87.6	86.3	78.6
<b>ISC</b> – Consumer Satisfaction Index	Measured by ABRADEE through the weighted results in the areas of quality and price.	Low tension residential	64.1	63.5	60.6
		Low tension nonresidential	66.5	69.0	63.1
		High tension	66.7	58.6	*
<b>IASC</b> – ANEEL Consumer Satisfaction Index	Measured based on a survey by ANEEL, conducted since 2000, of residential consumers in order to evaluate the level of residential consumer satisfaction with the services provided by electric power distributors.		61.97	75.24	60.26
Rural Client Satisfaction Survey			Not conducted	Not conducted	77.89

\*There was no sufficient data for ISC estimation for High Tension group.

Focusing on the high levels of satisfaction, Copel’s main actions referred to network maintenance to ensure the quality and continuity of supply, investments to develop new relationship channels, in addition to improvement in the existing channels, both through training of attendants and in the required technological evolution of each of the relationship channels.

Throughout 2015, new service solutions were implemented:

- **Copel com Você:** personal service in small cities in partnership with local trade establishments.
- **Creation of ISO Comercial:** ISO certification for the commercial process involving more than 3,400 people throughout the state of Paraná.
- **Portal Imobiliário:** exclusive service channel for real estate agencies.
- **Copel Mobile:** inclusion of new functionalities and service channel for smartphones and tablets.
- **Duplicate of the bill at the branches:** implementation of a password system exclusively to request a duplicate of the bill, in order to reduce service time at branches and service centers.
- **Training:** focus on services with large numbers of nonconformities in order to remediate the problems reported.



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Complaints

The distribution business follows two indicators for analysis: Equivalent Frequency of Complaints (FER, in the Brazilian acronym), which maps the number of well-founded complaints for each 1,000 consumer units, and the Equivalent Duration of Complaints (DER), which establishes an average response time for well-founded complaints in hours. G4-SO11

	COMPLAINTS RECEIVED	FER	DER
2013	14,163	10.33	273.02
2014	11,077	7.64	120.82
2015	17,592*	7.21	126.89

\*In 2015, a total of 17,592 complaints and grievances were handled, in addition to 243 grievances recorded in 2014.

In this business area, the quality of the service channels and the standardization of procedures associated with receiving and handling complaints, certified by ISO 9000, are also monitored.

Another initiative is the annual survey of Satisfaction of Complaining Client, which measures the ease of contact, the clarity of the information provided, the friendly attitude of the service, the observance of the schedule to respond, and the meeting of expectations in terms of the response to the complaint.

Compensation for consumers

In case of disturbances in the electric system that caused damage to equipment, assets, products, animals and people, Copel ensures consumers their right to compensation. With preestablished procedures and deadlines, a consumer records his/her request and receives compensation for their goods when failure in the electric supply system is confirmed. This is a way of ensuring to clients the quality of the energy supplied, the safety and reliability of the services offered by the Company.

*The main differentiating factor between Copel Telecomunicações and competitors is that it is the only one on the market to offer services with 100% optic fiber technology, the best technology available for the transmission of images, data and voice, with the least signal attenuation and interference, ensuring a service with greater availability, quality and speed in transmission.*

*The level of client satisfaction with the services received at the call center was 96.2% in 2014, and 90.19% in 2015. G4-PR5*

Access to Energy

G4-EC8, G4-EU23

Energy rates represent a direct impact upon the economy for consumers, regardless of the rate category. Differentiated rates for certain class of consumers yield direct and indirect positive financial impact.

Copel, in line with public policies, in performing its social role in partnership with the federal, state, and municipal governments and associated agencies, promotes various integrated programs to make energy available to everyone.

The **Social Rate for Electricity** (TSEE) offers discounts for electricity consumption of up to a limit of 220 kWh to families registered in the Federal Government's Social Program Registry, provided other provisions set forth in ANEEL Resolution 414/2010 are met, thereby resulting in savings for consumers.

Pursuant to a request from ANEEL, at the end of 2015, Copel, as well as the other energy utilities throughout the country, reregistered consumers benefiting from TSEE. There are a total of 406,000 consumer units associated with the TSEE and, after validation, 242,000 units remain with the regularized benefit.



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The **Fraternal Light Program (Programa Luz Fraterna)**, of the state of Paraná pays the bills for consumers registered at the TSEE, provided that consumption does not exceed 120 kWh - in an initiative that represents a positive financial impact for low-income consumers, who are exempt from expenses for electricity. In 2015, the state government paid a total of nearly R\$ 36.6 million, benefiting an average 136,000 families per month.

The **Nighttime Irrigation Rate Program** and the **Nighttime Rural Rate Program** promote the increase in agricultural productivity through a discount of 60% to 70% in the energy rate used for production, in the period between 9:30 PM and 6 AM. Lower amounts on the energy bill directly reflect upon a reduction in production costs allowing for an increase in income of rural producers. In 2015, approximately 4,100 farmers benefited from the Nighttime Irrigation Rate and 9,794 rural consumers benefited from the Nighttime Rural Rate Program.

**Efficient use of energy**

G4-DMA-EU7

The **Energy Efficiency Program (PEE)** promotes efficient use of energy through the application of financial resources set forth through Law No. 9,991/2000, and ANEEL Normative Resolution No. 556/2013. Through the PEE, Copel Distribuição carries out the project "Copel in the Community", which aims to develop initiatives for low-income consumers who benefit from the Social Rate for Electric Power (TSEE). This project includes lectures about safe and efficient consumption of electricity, energy diagnostics, and replacement of incandescent lightbulbs for more efficient ones, to all beneficiaries.

Based on the results of the energy diagnostics, a selection of consumers is made to replace refrigerators and showerheads for more efficient equipment. At the end of the most recent edition of the project (Copel in the Community 4), 500 lectures

were held, 50,000 energy diagnostics, replacement of 150,000 incandescent lightbulbs for more efficient ones (florescent and LED), replacement of 12,000 refrigerators for the ones with the Procel energy savings seal, and 10,000 conventional electric showerheads for showers that use a heat recovery system. These actions seek to engage the community in the area of concession with actions to conserve natural resources, especially energy.

Copel Distribuição also conducts annual public calls for energy efficiency projects, where consumers can present proposals for energy efficiency projects to be financed with resources from PEE. Consumers from the industrial, residential (condos), trade and services, public authorities, or rural, public services, and public lighting sectors can participate. In 2015, R\$ 12 million were allocated, and 11 proposals were approved, totaling R\$ 11.97 million.

Also in 2015, the first edition of the "Copel Lar Eficiente" ("Copel Efficient Home") project was held to benefit residential consumers. Through this project, held in partnership with Lojas Colombo, winner of the bidding process, a 45% bonus was granted for the replacement of old appliances (refrigerators or freezers), for more efficient ones.

Additionally, 18,000 efficient lightbulb kits were made available at a cost of R\$ 1.00 each. Each kit contains five light bulbs (four fluorescent lightbulbs and one LED lightbulb), to replace the same number of incandescent bulbs.

ENERGY EFFICIENCY	2015	2014	2013
Energy Saved (MWh/yr)	34,464.92	10,476.88	30,618.57
Peak Demand Reduction (kW)	15,714.41	3,112.76	14,064.10



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## Suppliers Management

From a corporate sustainability standpoint, best practices among companies depend on the adoption of social and environmental criteria in procurement, as well as an effective work to develop suppliers, especially small and midsized suppliers.

Copel has maintained, since 2005, a permanent working group to technically support the implementation of strategies and initiatives that allow for improvement in the supply-chain management.

This alignment can be perceived from the selection of suppliers, monitoring and renewal of contracts, and requires that all members of the supply chain respect human rights, the environment and fair labor relations, and promote corporate ethics and transparency.

### Qualification and selection

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

As a quasi-public Corporation, Copel is subject to Law No. 8,666/93 and Paraná State Law No. 15,608/2007, which restrict selection actions. Nevertheless, the Company adopts as its main criteria in selecting suppliers the compliance with labor, human rights, fiscal, and environmental legislation. The criteria is defined in the call for bid, contract provisions, supplier registration manuals, technical standards and manuals permanently available **online** to interested parties.

### Hiring and monitoring

G4-EN33, G4-LA15, G4-HR11, G4-SO9, G4-SO10

Issues related to social and environmental aspects, human and labor rights, are addressed by Copel during the onboarding process, conducted with each new supplier, and covered through specific clauses in the purchase agreements for

works and services. Noncompliance generates suspension of the agreement and inability to participate in new bidding processes for the Company for a period of two years.

### Critical suppliers

Copel considers suppliers to be critical when their supplies represent a significant risk for the business in terms of the following aspects: legal, financial, environmental, occupational health and safety, safety of the population, image of the Company, perception by client and society, and of the processes involved.

The methodology adopted by Copel to identify these services focuses on the assessment of the three sustainability pillars: economic, environmental, and social. Each of these dimensions, as well as the scope, receives a score referring to the likelihood and severity of the occurrence.

In 2015, contract and fiscal managers were trained on the topic of Management for Sustainability in the Supply Chain, empowering them for the process to evaluate and monitor suppliers.

The goal to map Critical Suppliers for Copel Geração and Copel Telecomunicações in 2015 was not totally reached, since the need to review the methodology and to make relevant adjustments for these businesses was noted. Based on the revised methodology, the goal to identify the group of critical suppliers is expected for 2016 for the Generation, Telecommunications, and Holding businesses. Given the change in methodology, the group of suppliers of the Distribution unit will also be reassessed.



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Training and engagement

In 2015, five meetings dedicated to Copel suppliers were held in order to address sustainability in the supply chain. The aspects were chosen through a formal survey with suppliers, resulting in the following events:

- Management for sustainability - indicators, assessment, and monitoring of corporate sustainability aspects (ISE, ETHOS, GRI) – in Cascavel and Curitiba;
- Appreciative dialogue “Structuring of COPEL’S Sympathetic Value Network” and “Climate change and GHG accounting” – in Curitiba;
- Sustainability platforms and incorporation of sustainability aspects into business strategies - October 2, 2015 - VI COPEL SEMINAR ON SUSTAINABILITY: The Company and its role for a sustainable world - Curitiba, PR;
- Processes for assessment, selection and identification of risks in suppliers based on social and environmental criteria – in Curitiba;
- In addition to dedicated events, suppliers were invited to participate in the Copel Seminar on Sustainability, promoted annually by the Company, where suppliers are awarded for outstanding labor, environmental, and human rights practices through the Susie Pontarolli Award.

Learn more about the [Sustainability Seminar](#) on the Company’s website.

Relationship with Communities

The existence of a solid basic services infrastructure, such as energy and telecommunications, leverages the social and economic development of the regions. This infrastructure favors the appearance or expansion of industrial and business centers, and consequently expands the supply of jobs and taxes, resulting in benefits and services for the population, thereby contributing to improvement in satisfaction and strengthening the relationship of trust.

Management of impacts

Assessments of impacts upon communities are conducted in studies carried out during the environmental licensing of each project. These impact assessments are measured according to the characteristics of the location and project. Through the implementation of environmental programs, negative impacts are mitigated, and positive impacts are strengthened, jointly developed with the communities affected, municipal authorities and local leaders.

The **Colíder hydroelectric plant**, which is being installed in the state of Mato Grosso, has a website for the community to access all reports produced by these programs, containing information associated with the project, in addition to acting as an open communication channel with the community.

G4-SO2

Cases of displacement are evaluated through a Social and Environmental Registry. Whenever a situation of social vulnerability is identified, Copel provides a family resettlement process and social compensation for damages for the installation of projects. Social Compensation consists in enabling the affected family to be relocated to an area that is similar to or better than the previous area, and to recover the economic status they had prior to the development. Additionally, properties undergoing condemnation are compensated. G4-DMA-EU20



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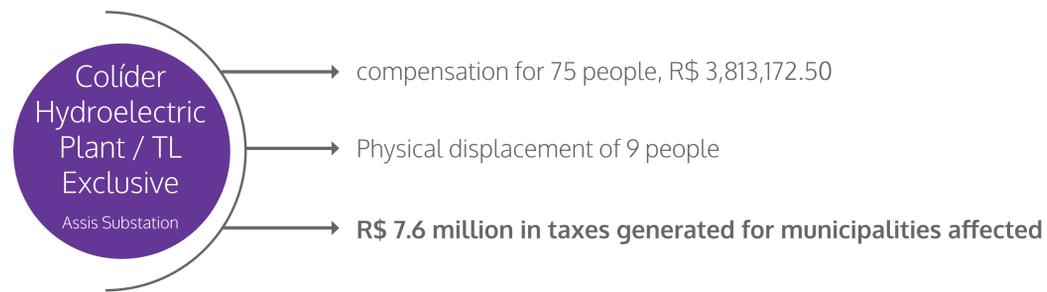
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Impact generated by new projects in 2015

G4-EU22



Governador Ney Braga Hydroelectric Plant

In 2015, Copel initiated the monitoring process for the organization of associations in the Resettlement Communities of Segredo I, II, III and IV. This work partially addresses the conditions set forth for the renewal of the environmental license for the GNB hydroelectric plant. The population resettled will be monitored through this process by social and environmental analysts from different areas.

The hydroelectric plants of Governador Ney Braga and Governador Bento Munhoz da Rocha Netto, also have visitation structures and communication of best social and environmental practices. Every year they receive thousands of visitors, such as the Regional Iguaçu Museum, and the Visitor Center of Faxinal Botanical Gardens, which are installed in the Residential Villages of the Plants.

Transmission Lines

Installation of transmission lines has impacts on the communities where Copel operates. Properties and residents are affected by loss of land and production, established via right of ways, as well as the modifications in the natural landscape of the location. Mitigation of impacts is achieved through a compensatory remuneration to landowners for their losses.

LT 500 kV Araraquara - Taubaté

Copel is currently working on the installation of a 356 km transmission line, impacting 28 cities in the state of São Paulo. As a measure to mitigate social and economic impacts, the Company conducts, among other measures, a Social Compensation Program that offers support for relocation and compensatory measures associated with the loss of economic activity by the non-landowner population affected by the right of way of the TL. Additionally, regular visits are carried out in the communities affected and a transparent communication channel with the Company is established. Four additional programs intended for local communities are ongoing.

Distribution Networks

The most significant social and environmental impact of the distribution network (low tension and 13.8 and 34.5 kV) are accidents with third parties, management of vegetation under the power lines, and interference with the urban landscape. In order to mitigate these impacts, Copel adopts alternative technologies for the networks, such as the protected compact network, standalone secondary network, standalone network, underground network, and the Urban Forests Program.

Wind Power Generation

For construction of wind power generation projects, significant direct and indirect negative impacts upon biodiversity are reduction in species of flora, and risks of accidents with birds, which are mitigated through the implementation of environmental programs.

Investments in local development

In 2015, Copel invested in infrastructure and services to generate benefits in the communities where it operates. These investments totaled R\$ 5.9 million and are



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listed on the specific indicator G4-EC7 of the GRI Content Index.

**Indigenous communities**

G4-HR8

In order to arrive at the Indigenous communities located in the environmental conservation units or other areas where the implementation of a power distribution network is not viable, Copel developed projects that involve new power connections, efficient use of electricity, installation of solar panels in villages located on the coast, and new power connections for inland communities. In recent years, the Company has allocated more than R\$ 6 million for projects developed in 28 Indigenous areas in the state of Paraná. In 2015, a total of 669 Indigenous consumer units were registered under the Electric Power Social Rate - Low Income, and no cases of violation of the rights of Indigenous peoples were recorded.

**Education for Sustainability**

The project called **Iluminando Gerações** (Illuminating Generations) aims to conduct informative and preventive lectures for fourth graders in public schools, geared toward conscientious and safe use of electricity, use of natural resources (energy and water), and proper disposal of waste. In order to reinforce the information provided during the lectures, kits were delivered to students, teachers and school staff, containing: 2 primers, one about care in using electricity and the use of natural resources, and the other called “Desafio elétrico” (Electrical challenge).

In 2015, the program **Iluminando Gerações** offered guidance on efficient and safe use of energy, and on sustainability to more than 50,000 students in the state of Paraná.

**Copel Seminar on Sustainability**

In 2015, Copel held the sixth edition of the Copel Seminar on Sustainability. Through lectures, workshops and a trade show, the Company gave visibility to best sustainability practices in companies, industries, universities, and public agencies. Held in the Oscar Niemeyer Museum, in Curitiba, the theme of the event was “The Company and Its Role in a Sustainable World”, with a focus on climate change, Sustainable Development Objectives (ODS), and ethics.

*The initiatives **for education on sustainability** can be found in the sustainability section of the Copel website, which also offers educational and informative material, such as primers, educational games, and several publications that address issues associated with efficient and safe use of electricity, issues on citizenship, human rights, and protection of the environment.*

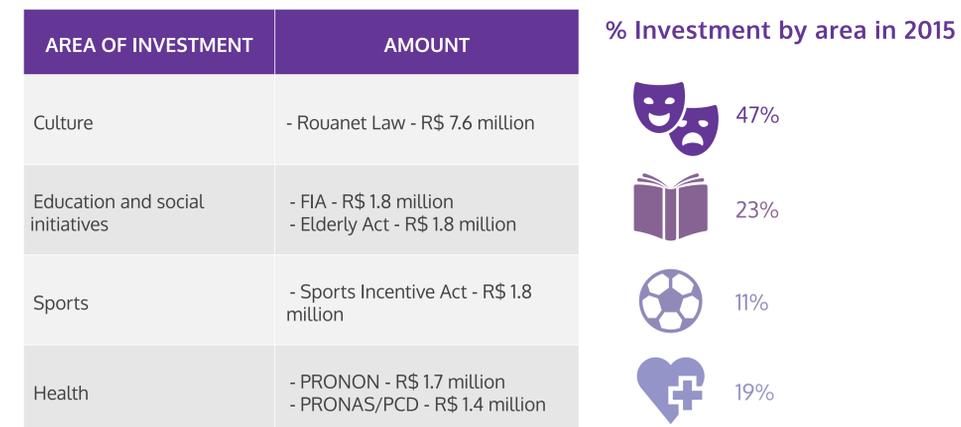
*Other questions can be answered through the **Fale Conosco (Talk to Us) - Sustainability**, a direct channel established by Copel with the population of Paraná.*

**Social Investments through Fiscal Incentives**

G4-EC1, G4-EC7

Copel supports and participates in several initiatives with government agencies and other institutions, aiming to promote the sustainable development of the regions where it operates. Selection of the initiatives followed the companies strategic references, commitments assumed with the Global Compact, and the state of Paraná’s government policy.

Copel’s investment in 2015, arising out of fiscal waiver, total R\$ 16.1 million. The initiatives include the areas of education, culture, sports, and health.



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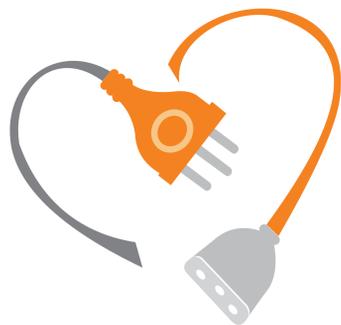


Other social initiatives

Since July 1, 2015, clients who opt for receiving their bill via e-mail participate in the **Sympathetic Invoice Project**. For each invoice sent by e-mail, Copel donates R\$ 1.00 to APAE institutions in the state of Paraná.

Copel, through the project **Cobrança de Valores de Terceiros - CVT**, collects contributions via electricity bills, for participating philanthropic entities. The amounts to be included must have a written authorization from the client. Limits for donations are a minimum of R\$ 1.00 and maximum R\$ 150.00. In 2015, a total of 186,000 donators collected a monthly average of R\$ 1.5 million, distributed among 108 philanthropic institutions.

The project **Projeto Mais que Energia** (More Than Energy) was created in 2014 with the purpose of implementing, expanding, and consolidating social projects and investment programs for the community. In the first project, the funds originated from the Corporate Social Investment (ISE) line, of BNDES, totaling R\$750,000 and support institutions and schools for the deaf and/or deaf and blind. For this first project, three institutions were chosen. The project is under a bidding phase to procure the engineering projects.



**EletriCidadania**

The program **Corporate Volunteering - EletriCidadania** allows employees to use up to four hours per month of their work time to carry out voluntary and spontaneous community work, which goes beyond simple charity, taking sustainable development to society in all its aspects, whether cultural, educational, or professional. In 2015, a total of 1,513 hours of volunteer work was done.

The **Iguaçu Regional Museum** located on the banks of the largest river of Paraná, in the south-central region of the State, completed 15 years of careful work aimed at guarding and conserving the elements which help tell the history of the region. Maintained by Copel, the Museum is located next to HPP Governor Ney Braga. Its mission is to:

- Educate for sustainability through the guard and enhancement of cultural and environmental memory of Paraná;
- Raise awareness for the preservation of biodiversity and all forms of life;
- Inform and educate about the repopulation of the Iguaçu ichthyofauna and care for the environment, responsible electricity generation and environmental commitment.

*In 2015, the Museum attended 12,719 visitors, providing guided scheduled and spontaneous visits, as well as visits and Museu Itinerante visits.*

*Since its inauguration, in December 2000, it was responsible for educational activities and monitoring of more than 300,000 people who learn about Copel's environment-related activities.*



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## Natural Capital

### Climate Change

G4-EC2

Issues related to this topic and the impact upon Copel's businesses are guided by the Climate Change Agenda. The Company's senior management incorporated commitments in its planning of corporate activities and initiatives. To this end, a Corporate Climate Change Management Program was established, headed by a management committee represented by employees from every department and subsidiary.

The Climate Change Agenda aims to define Copel's positioning on this topic, develop mechanisms that allow for the identification of opportunities and risks associated with the businesses, in addition to promoting innovation in technology and processes to drive reduction in greenhouse gas - GHG emissions.

The committee monitors those commitments approved by senior management, validates strategic documents related to climate change, assesses risks and opportunities, fosters initiatives that contribute to mitigation of greenhouse gases, and drives actions to adjust its businesses to the climate change scenario.

*As a member of the Theme Group on Energy and Climate of the Brazilian Network, from the Global Compact, Copel contributes to the production of the Compact journal: Clima (Climate), a publication intended for recent debates concerning the challenges associated with climate change.*

*The purpose of this material is to raise awareness and mobilize the private initiative to comply with the rules defined in the 21st climate conference (COP21) held in Paris in December 2015.*

Commitments approved by the Management Committee associated with climate change can be seen at Copel's website.

Additionally, the committee defines strategies to disseminate the Climate Change Agenda, and participates and contributes in debates related to climate change in foreign entities.

### Inventory of Greenhouse Gases

Since 2009, Copel has been preparing its inventory to quantify the emission of greenhouse gases pursuant to the methodology set forth by the Brazilian GHG Protocol program. In 2015, emissions from Copel Holding and its wholly-owned subsidiaries were considered. The results can be seen in the table below.

G4-EN15, G4-EN16, G4-EN17, G4-EN19

BY TYPE OF GAS (tCO <sub>2</sub> E)	SCOPE 1	SCOPE 2	SCOPE 3
CO <sub>2</sub>	227,380.32	448,062.03	879.57
CH <sub>4</sub>	136.18	0.00	86.08
N <sub>2</sub> O	1,199.11	0.00	8.64
HFCs	1,017.78	0.00	0.00
SF <sub>6</sub>	1,785.76	0.00	0.00
Total	231,519.15	448,062.03	974.29
Biogenic CO <sub>2</sub> (t)	1,805.44	0.00	0.00

Scope 1 considered own sources of emissions from stationary and mobile combustion, fugitive emissions, and industrial effluents. There was a 20% increase in emissions when compared with the previous year. This increase was the result of the annual energy production at the Figueira Thermoelectric Plant (in 2014, the plant reduced production because of a corrective maintenance operation). Additionally, other sources such as mobile combustion and waste contributed, to a lesser portion, with increase in emissions.

Scope 2 considered emissions from consumption and loss of energy. There was a reduction in emissions as a result of the grid emission factor, in other words, there was a reduction in consumption of energy from thermoelectric plants.

Scope 3 emissions considered only air travel.



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The inventory was assured by an external entity and subsequently will be published in the public records of the Brazilian GHG Protocol program, and the climate change forum in the state of Paraná.

**Research and Development to Adjust Companies to Climate Change and Carbon Market**

In 2015, Copel joined the Companies for the Climate (Empresas pelo Clima - EPC) platform, an initiative of the Center for Sustainability Studies (GVces) of the Getúlio Vargas Foundation that promotes and debates practical solutions for environmental problems, seeks new management models and reduction of GHG emissions, in addition to participation in the creation of new public policies. In order to incorporate assessment concepts of the lifecycle in businesses, the foundation initiated a pilot project in the Greenhouse Gas Emissions category, in the construction of its wind farms, which will allow for calculation of the carbon footprint during the construction and initial operations of the wind farm. This project should be completed in 2016.

Aiming to adjust its businesses to the climate change scenario, Copel is developing a research project to evaluate the impact of climate change upon high-voltage distribution lines located in the Northern region of the state of Paraná. The project uses as a reference the maximum estimated temperatures up to the year 2040 to evaluate the effects upon the materials of the distribution line. The project will allow for a review of the technical characteristics of the project, avoiding system overload and minimizing shutdowns.

Within the EPC platform, Copel works together with two other companies for this adjustment study, strengthening the low carbon economy, and the Emissions Trading System, which simulates the GHG emissions model “cap-and-trade”, representing the first initiative of this nature in Brazil.

**Modernization of the Figueira Thermoelectric Plant:** The Company initiated the modernization work in 2015, aiming to increase efficiency and reduce emission of gases and particulate matter resulting from the burning of coal. The plant has an installed capacity of 20 MW, and the modernization process should be completed by September 2016, representing investments of R\$ 55.6 million made up to December 31, 2015.

**Eco-efficiency**

Conscious consumption is part of Copel’s everyday life. For this reason, the Eco-Efficiency Program was created aiming to reduce consumption of natural resources, reduce costs and raise awareness among employees concerning the environment, and concerns with future generations.

The working group, established since 2014, coordinates and monitors the activities of this corporate program, working in the following aspects: water, energy, paper, mobility, and fuels.

In 2015, initiatives were carried out to reduce water and energy consumption in Copel’s largest administration buildings. Concerning water consumption, a 5% reduction was achieved compared with the baseline year of 2014. The goal for 2016 is to maintain a 5% reduction compared with 2015. In terms of energy consumption, the goal to reduce consumption by 10% was not reached. The goal was reviewed in order to reduce by 10% energy consumption by 2019. To this end, investments in energy efficiency are being planned.

Furthermore, throughout the year, several awareness campaigns were conducted providing information to the workforce. For the coming years, the program will continue working to reduce consumption of inputs and natural resources. Specific actions are already planned to reduce consumption of paper and improve employee mobility.

Learn more:



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Mobility

In order to reduce fuel consumption and promote the use of more sustainable means of transportation, bicycling activities were promoted in 2015. The first of these activities had the participation of the CEO and one of the Company’s directors. Along a 90-km route, a group of employees rode between two of Copel’s largest plants. In the second event, to celebrate the World Car Free Day, a group of employees from Curitiba gathered to ride their bikes together to work.

**Power Bike**

*Launched on the World Car Free Day, this initiative allows for lending a power bike to employees for their commute from home to the office, for example.*

*The idea was so well received that five additional power bikes are planned for 2016.*

Energy Consumption

G4-EN3

Copel’s total energy consumption in 2015 was 854,013.6 GJ, considering the scopes for Generation, Transmission, Distribution, Telecom, and Holding. The table below shows the electricity consumption for Copel in 2015.

ELECTRICITY CONSUMPTION (MWH)		
	Purchased electricity	Self-generated electricity
Copel Distribuição S.A.	23,416	0
Copel Telecomunicação S.A.	527	0
Holding	56	0
Copel Geração e Transmissão S.A.	8,494	204,734
<b>Total</b>	<b>32,492</b>	<b>204,734</b>

Fuel Consumption

G4-EN3

Below are the amounts corresponding to fuel consumption for the Company.

TYPE OF FUEL	UNIT	CONSUMPTION
Coal (Figueira plant)	GJ	2,079,460.80
Diesel**	GJ	173,968.26
LPG***	GJ	123.04
Ethanol	GJ	5,506.37
Gasoline	GJ	47,316.70
CNG	GJ	1.68
Aviation gasoline	GJ	2,826.79
<b>Total</b>	<b>GJ</b>	<b>2,309,203.64</b>

\* Coal is used for energy generation by one of the power plants.  
 \*\* Diesel used for transportation and for emergency power generators  
 \*\*\* LPG consumed by fork-lifts and kitchens

Ethanol, gasoline, GNV and aviation gasoline are used by own fleets

Water Consumption

G4-EN8, G4-EN9

In 2015, Copel’s total water consumption in the administration units located in the state of Parana was 133,134 m³.

SOURCE OF WATER	ADMINISTRATIVE CONSUMPTION M³
Underground sources	24,193.00
Rainfall sources	138.00
Municipal supply	108,803.00

In 2015, a total of 107,606,193 m³ of water from ground sources was withdrawn, which was used for cooling at the plants. The volume of water returned to the body of water is practically the same as the volume withdrawn, since only an immaterial volume was lost through evaporation, and was not considered as water consumed by the Company.



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Waste

G4-EN23

Copel adopts certain criteria to manage waste generated in its activities pursuant to the standards and policies in force. In 2015, the Company sent to a final destination 26,556 tons of waste, 31,430 light bulbs, 27,688 crossbars, and 318,136 m of poles, in addition to a variety of materials and equipment. Reuse and recycling of this waste, conducted through a disposal process, generated revenue of approximately R\$ 10 million.

WASTE	UNIT	AMOUNT	REVENUE (R\$)
Ash	Tons	20,924	-
Electronics and lighting	Tons	89	90,085
Miscellaneous equipment	Unit	4,488	676,375
Isolators	Tons	736	25,340
Fluorescent lamps	Unit	31,430	-
Insulating Mineral Oil	Tons	89	-
Tires	Unit	917	11,346
Contaminated waste	Tons	107	-
Acid-lead battery scrap	Tons	34	70,010
Meters	Tons	88	224,875
Crossbars	Unit	27,688	91,682
Miscellaneous materials	Tons	4,489	7,375,292
Poles	m	318,136	616,897
Transformators	un	8,445	868,668

For 2016, Copel has the following goals:

- 90% of the industrial waste from Distribution sent for reuse or recycling;
- 70% of the industrial waste from Copel Geração e Transmissão sent for reuse or recycling;
- 50% of the ash generated in the Figueira thermoelectric plant sent for recycling.

Copel maintains a Sympathetic Selective Waste Collection program to dispose of

recyclable waste from the administration (State Decree No. 4,167/2009). The program is conducted in partnership with associations and material recycling cooperatives and aims to contribute with income generation and improve working conditions for pickers.

In 2015, this partnership resulted in the final destination of 102 tons of recyclable waste. In the city of Curitiba alone, this represented revenue in excess of R\$ 24,000 for the waste pickers associations. The goal for Copel by October 2016 is to send to recycling, via the selective waste collection program, administration waste generated by 65% of the employees.

WASTE	UNIT	AMOUNT
Metal	Tons	5.2
Paper	Tons	81.9
Plastic	Tons	13.6
Glass	Tons	1.5
Total	Tons	102.2

Ecosystems

G4-EN12

The implementation and operation of projects cause direct and indirect negative impacts upon wildlife and flora located in the area of influence. Environmental studies developed before the installation phase assess and classify these impacts, aiming to propose the social and environmental programs necessary to mitigate the negative impacts and to strengthen the positive impacts.

For the construction of **hydroelectric generation** projects, the significant direct and indirect impacts on biodiversity are:

- Reduction in the number of **important species in the local ecosystem**, resulting from suppression of vegetation in the flood basin;
- Conversion of the habitats, resulting from the river dam for the creation of the reservoir.



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- Changes in ecological processes outside the natural variation range: as a result of the river dam for the creation of the reservoir.

In order to mitigate the impacts caused by the **hydroelectric generation** projects, vegetation suppression programs are implemented, monitoring and rescuing wildlife and flora species, recovering of permanent preservation areas, replacement of forests, monitoring and recovery of archaeological heritage, among others.

For the construction of **wind power** generation projects, the significant direct and indirect negative impacts upon biodiversity are the reduction in species of flora, and risks of accidents with birds, which are mitigated through the implementation of environmental programs.

For the construction of **transmission and distribution projects**, the significant direct and indirect negative impacts on biodiversity are: reduction in species of the flora, resulting from suppression of vegetation in the right of way. Mitigation of these impacts begins during the planning and licensing phases of the project, through detailed and multidisciplinary studies of alternative routes with minimal impact, prioritizing the use of areas previously altered where environmental and social fragility is smaller. For those locations where it is imperative for the route to cross given areas where vegetation is more preserved, towers are heightened in order to preserve the areas located in the right of way of the lines. Environmental programs implemented include forest recovery, preservation of slopes in areas with fragile soil and water springs; recovery of wildlife and flora, among others.

**Valuation of Ecosystem Services**

*In 2015, Copel adhered to the Corporate Initiative in Ecosystem Service Trends (TeSE), of the FGV Center of Studies in Sustainability (GVces), aiming to incorporate these concepts into its businesses. In 2015, the initiative identified the main ecosystem services associated with its businesses and is developing a pilot project to value ecosystem services in the riparian forests at the Governador Bento Munhoz hydroelectric plan.*

G4-EN13, G4-EU13

In 2015, Copel held in the state of Paraná environmental compensation through donation of seedlings to be planted by third parties. Throughout the same period, 8,894 native forests seedlings and 671 urban forest seedlings were supplied, as environmental compensation for felling of vegetation in distribution lines.

In other environmental initiatives conducted by Company employees, 200 native forest seedlings and 275 tree seedlings were planted in the state of Paraná. For environmental compensation of the transmission lines, 41,714 native seedlings were supplied and planted in 21.57 ha of third-party areas.

In the state of Rio Grande do Norte, 3 ha of forests were planted as environmental compensation for the suppression of vegetation for the construction of the GE Farol wind farm. For the other wind farms implemented in that state, compensation was financial.



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Since 2012, Copel has maintained an agreement with IAP - Instituto Ambiental do Paraná (Paraná Environmental Institute), where third-party service centers are offered to work exclusively in the production of native forest seedlings used in the restoration of Permanent Preservation Areas, Legal Forest Reserves, and Forest Recovery Areas in the state of Paraná.

To offset the impact of its projects upon biodiversity, Copel acquired and transferred to environmental agencies the following conservation units:

- Rio dos Touros Ecologic Station (Governador Ney Braga hydroelectric plant), created in 2011, covering 1,231 hectares, in the city of Reserva do Iguaçu, PR;
- Tia Chica Ecologic Station (Derivação do Rio Jordão hydroelectric plant), covering 423 hectares, in the city of Pinhão, PR;
- Rio Guarani Stae Park (Governador José Richa hydroelectric plant), created in 2000, covering 2,322 hectares, in the city of Três Barras do Paraná, PR;
- Lago Azul State Park (Mourão hydroelectric plant), created in 1997, covering 1,749 hectares, in the city of Campo Mourão and Luiziana, PR.

All Protected Areas created by Copel have similar or higher biodiversity characteristics than the locations affected through installations of projects subject to compensation.

### Initiatives for Preservation of Biodiversity

#### Ichthyofauna

Copel monitors the ichthyofauna in all its reservoirs and promotes the free population of fish in the Iguaçu River basin, which is the main river in the state of Paraná.

Since 1992, the Company has maintained an Ichthyofauna study station located in the reservoir of the Governador Ney Braga Hydroelectric plant. In the station, studies of the behavior of the ichthyofauna are conducted in order to select the most suitable native species for reproduction and repopulation. The main species studied

and produced are the Jundiá (*Rhamdia quelen*), Lambari (*Deuterodon*) and the Surubim-do-iguaçu (*Steindachneridion melanodermatum*).

In 2015, a total of 139,000 fish were released, and this number represents the number of fish produced in the Company's fish station. In 2016, the goal is to produce and release 87,600 fish in the reservoirs of the Copel plants.

*Copel's repopulation initiatives are reflecting an increase in the population of the Surubim-do-iguaçu - an endangered species.*

### Urban Forest Program



Since 2007, Copel has supported municipal governments in planning afforestation of public roads, contributing to the environmental improvement and reduction of energy supply interruptions caused by the conflict between trees and electrical systems.

An initiative of this program is the production of seedlings in the Company's own forestry gardens, which, in addition to catering to the interested municipalities, addresses compensatory measures. Through this program, 35,000 seedlings have been planted in afforestation of public roads.

Before 2014, supply of municipalities was done through agreements. Difficulties in management and execution of activities justified suspension of initiatives and the need to assess new forms of operating in partnership with municipalities to replace trees and plant new trees that were compatible with the electric systems.

The program was reformulated in 2015, improving the form of transfer of seedlings suitable for urban areas and changing the target set in 2014. The new procedure for supplying seedlings was launched during Arbor Day



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(September 21), with procedures initiated with the supply of seedlings in 2016. The goal is to supply 12,000 seedlings to at least 25 municipalities through initiatives to be developed and produce 70,000 native plants suited to urban forestry.

The Company also promotes professionalization of the afforestation team by holding courses on training and qualification of managers and municipal workers in the state of Paraná. Since 2014, Copel has trained municipal workers and managers, and the goal is to complete this work in 2016.

Also this year, project GeoPoda was initiated with the creation of an application intended to make a systemic control of trimming of trees in the collection, execution and inspection phases, gathering information on 89,033 trees in 80 feeders in the municipalities of Londrina, Cambé and Ibiporã.

### Riparian Woods Program

Copel promotes reforestation and fencing of Permanent Protection Areas (APPs, in the Brazilian acronym) in own and third-party areas, aiming to recover degraded areas and/or avoid degradation, contributing to improvement in the quality of the water in reservoirs, inhibiting soil erosion processes and conserving biodiversity. Seedlings used in reforestation are produced in the Company's forestry nurseries.



In 2015, a total of 108,606 seedlings of native species were planted, exceeding the goal for 2014, replanting 56.16 ha of forests, and fencing 7.63 km.

Seedling production for the Riparian Woods Program and the Urban Forest programs totaled 240,410 seedlings, of which 212,373 were native species for the reforestation of the APP (Riparian Woods) and 28,037 for urban forests, reaching 65% of the goal established given contractual difficulties. For 2016, the goal is to produce 213,600 native seedlings for the Riparian Woods Program.

### Management of the Reservoirs

In the reservoirs and surrounding areas, Copel monitors possible environmental interventions and acts pursuant to specific initiatives to address irregularities found in terms of release of effluents, stability of the slopes, use and occupation of Permanent Protection Areas, illegal hunting and fishing, among others.

In order to help in the preservation process, as well as other areas of environmental interest, the Company has in place an agreement with the Environmental Police Battalion of the state of Paraná. Additionally, the Company actively participates in the Watershed Committees and the National and State Water Resource Council, and monitors, in real-time, the status of the water in the rivers where the Company has reservoirs, in addition to monitoring the quality of water.

### Monitoring water quality

Copel's main impact on water resources is the modification of their natural conditions and the vegetation in the flood basin during construction of hydroelectric plants. For this reason, the Company works in managing social and environmental impact of its projects, from construction up to the operation phase, conducting studies, mitigating impacts and risks, and addressing the applicable environmental legislation.

On a quarterly basis, the Company collects and analyzes samples of water from the reservoirs in order to monitor the quality. A total of 25 physical-chemical and biological parameters are monitored.

Copel also monitors the quality of water of the river before the beginning of the construction of a new project. This monitoring includes, in addition to the parameters already monitored, analysis of sediments and pesticides.



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## Infrastructure Capital

### Assets for energy generation and planning

G4-DMA-EU6

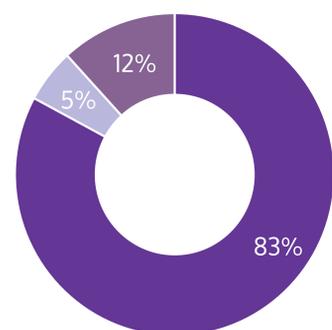
Copel operates 30 own plants and participates in six other plants, including 22 hydroelectric, 12 wind farms, and 2 thermoelectric plants, with total installed capacity of 5,630.2 MW, and average Physical Guarantee of 2,622 MW. In 2015, net energy production was 25,659 GWh. [G4-EU1](#), [G4-EU2](#)

In order to comply with important strategic and sustainability guidelines established for the generation business, our main purpose is to increase the share of renewable alternative sources of energy in the energy matrix in a profitable and sustainable manner.

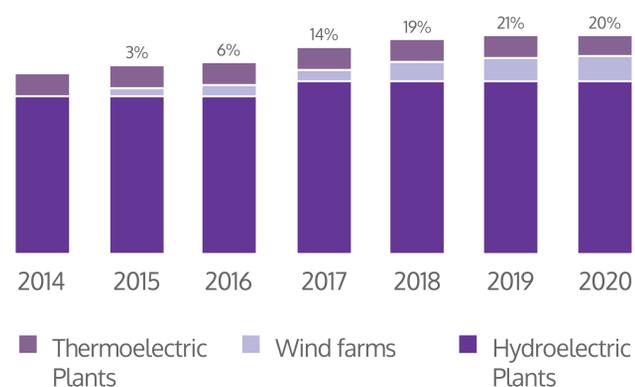
Today, Copel is building 19 plants that will add 789.8 MW capacity and average 385.6 MW of Physical Guarantee to the Company's generating complex. To this end, the Company had already invested R\$ 2.3 billion by the end of 2015 (of which, R\$ 1.9 billion in 2014), of which R\$ 2.2 billion in own plants and in consortium, and R\$ 83.0 million in capital investment in companies in which Copel has interest.

Evolution of the generating complex with gradual beginning of operations of the plants under construction can be represented as follows:

Generation Complex - By Source



Evolution of the generation complex



### Expansion of generation through renewable sources

G4-13

Copel started the operation of own wind farms in the Northeast of the country, and closed the year with 330.5 MW of installed capacity in 15 wind farms in three different complexes. By 2019, the goal is to achieve 663.6 MW capacity in five complexes, which is sufficient to supply a city with a population of 8 million, or equivalent to the population of the state of Pará. The five complexes will house 28 wind farms, in all, representing an investment of R\$ 4 billion.

At the end of 2015, Copel announced investments of R\$ 2 billion for the implementation of 13 wind farms in the state of Rio Grande do Norte. At the event, an agreement with the Company WEG was signed in the amount of R\$ 1.4 billion to supply 149 aerogenerators for the wind parks.

### Renewal of concessions

#### Concessions for Generation

For concessions for generation, a thirty-year extension was granted. Extension was offered to the concessionaire, and adherence depended, in addition to accepting the anticipation of the original term for the concession, acceptance of the following terms: (i) Remuneration per rate calculated by ANEEL for each hydroelectric plant; (ii) Allocation of physical guarantee quotas for energy and power of the hydroelectric plants to the concessionaire and grantor of SIN's electric power distribution services, to be defined by the regulatory agency, as regulation of the granting power; and (iii) adoption of service quality standards determined by ANEEL.

Copel Geração e Transmissão, after learning the terms for renewal, made all possible analysis and concluded that it was not feasible to renew, at the time, the concessions for generation in four of its maturing concession



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for plants between 2014 and 2015: Rio dos Patos with 1.8 MW installed capacity, Governador Pedro Viriato Parigot de Souza plant, with 260 MW, Mourão with 8.2 MW, and Chopim I with 1.8 MW.

Subsequently, Provisional Measure No. 688/2015, among other topics, altered the conditions for renewal of concession of these plants, which have become object of a bidding process disputed through higher stock bonus to be offered by the concession-holder vis à vis the smallest revenue required. As such, on November 25, 2015, bidding process No. 12/2015 was held, through which the Mourão and Governador Pedro Viriato Parigot de Souza plants were offered. After the bidding process, Copel Geração e Transmissão was declared winner of Lot B1, through which the Governador Pedro Viriato Parigot de Souza hydroelectric plant was offered, thereby renovating the concession of the plant for an additional 30 years. For the Mourão plant, Copel Geração e Transmissão did not submit a proposal.

Considering the Chopim I, after termination of the concession, the plant became registered under Copel Geração e Transmissão, pursuant to Law No. 12,783/2013. Rio dos Patos, is under a quota regime, introduced through the same law.

#### Concession for Transmission

For concessions for transmission, a thirty-year extension was established. Extension was offered to the concessionaire, and adherence depended, in addition to accepting the anticipation of the original term for concession, acceptance of the following terms: (i) Revenue established pursuant to criteria defined by ANEEL; and (ii) acceptance of service quality standards defined by ANEEL.

Copel Geração e Transmissão, after learning the conditions for renewal, made the necessary analysis and assessments, opting for renewal of the transmission agreements. Nevertheless, the extension failed to consider a series of investments made by the concessionaires and that were not reimbursed by the granting power. Consequently, in 2013, Normative Resolution No. 589 was published, establishing

the regulation for compensation for investments not yet amortized and/or depreciated on May 31, 2000, that were called RBSE and RPC.

On March 30, 2015, Copel Geração e Transmissão submitted to ANEEL a technical opinion for the assessment for reimbursement of these investments, which is pending validation by the agency for subsequent payment by the Ministry of Mines and Energy - MME.

#### Concessions for Distribution

On June 2, 2015, Decree No. 8,461 was published, which regulated the extension of concessions for distribution of electricity as provisions of article 7 of Law No. 12,783, of November 1, 2013. Through this decree, the MME could extend concessions for distribution of electricity for 30 years, aiming to address the following criteria:

- I – Efficiency in terms of quality of services provided;
- II – Efficiency in terms of economic-financial management;
- III – Operating and economic rationality; and
- IV – Rate affordability.

On November 9, 2015, by order of the Ministry of Mines and Energy, the request for extension was granted, and in the beginning of December 2015, the fifth contract amendment was executed, formalizing the extension of the Concession Agreement for Distribution of Electricity Services No. 46/1999, up to the end of July 7, 2045.

The fifth contract amendment imposes conditions associated with service quality indicators and economic-financial sustainability, which will be supported through an investment program focusing on automation and new technologies, for the full application of rate adjustments approved by ANEEL, and for implementation of a corporate governance structure to



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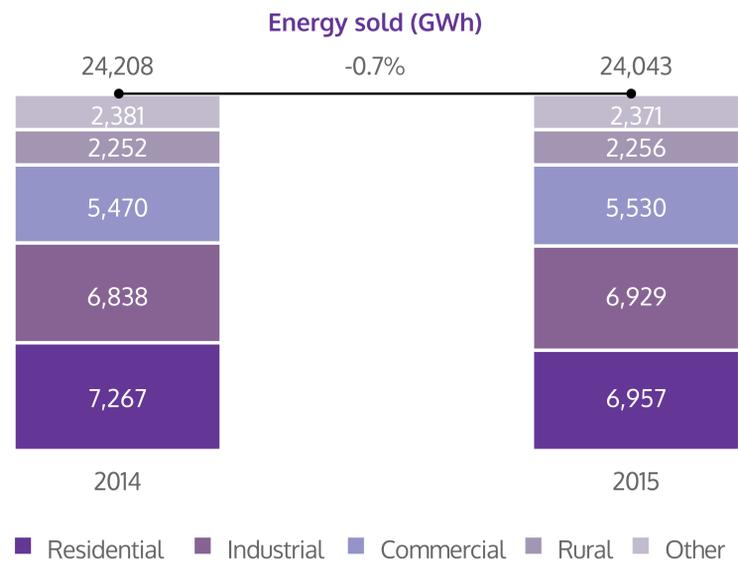
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be defined by the regulatory agency, ensuring protection and individualization of Copel Distribuição.

The Company reiterates its commitment to economic sustainability of the concession and to the continuous investments supported by cost control management, maximization of productivity, and improvement of operational efficiency.

**Transmission and distribution assets**

G4-EU2



**Extension of transmission and distribution lines**

G4-EU4

**Transmission**

The Company operates 3,772.1 km of transmission lines and 38 substations of the basic network with transformation potential of approximately 14,102 MVA.

**Distribution**

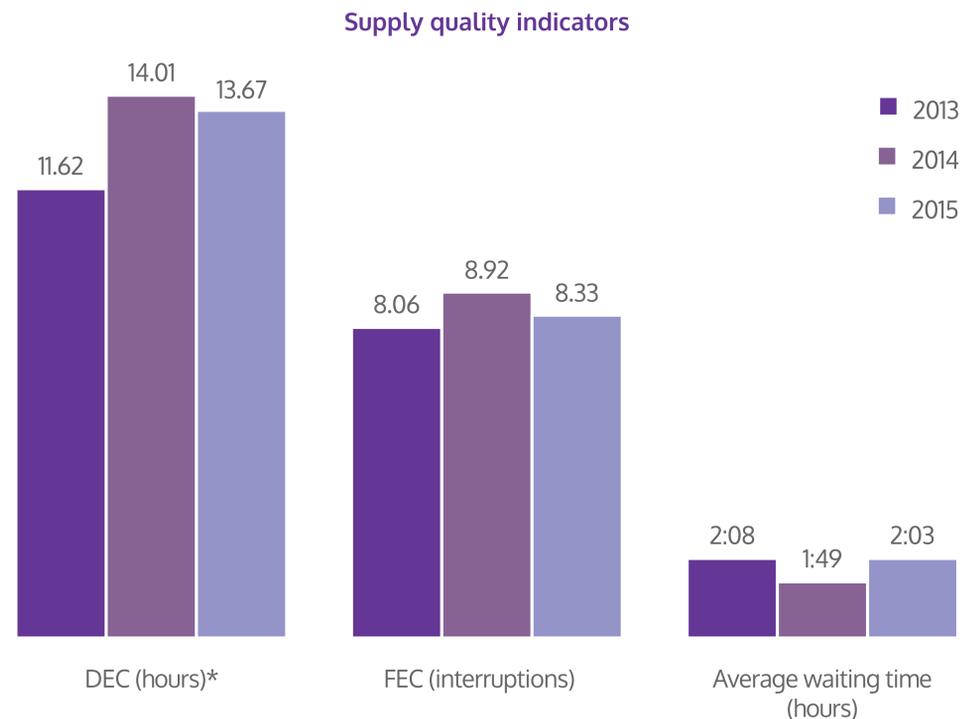
Copel’s distribution line has 193,527 kilometers, and in all, it serves more than 4.4 million consumers, in 394 cities in the state of Paraná and one municipality in Santa Catarina.

DISTRIBUTION LINES	EXTENSION (KM)
13.8 kV	103,488
34.5 kV	83,347
69 kV	695.3
138 kV	5,867
230 kV	130
Total	193,527

**Efficiency in supply: management of quality and loss of energy**

**Quality and supply**, measured through performance indicator of distributors in terms of continuity of services provided, known as DEC (Equivalent Duration of Interruption by Consumer Unit) and FEC (Equivalent Frequency of Interruption by Consumer Unit) showed improvement in 2015 compared with the previous year, as a result of enhancement of periodic maintenance, preventive inspections, performance and expansion of work. G4-EU28, G4-EU29

The goals for the concession agreement for 2016 are: 13.61 (\*hours and hundreds of hours) for DEC and 9.24 (interruptions) for FEC.



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Nevertheless, Copel seeks more challenging goals, establishing 12.25 for DEC and 8.00 for FEC, in 2016.

**Loss of energy** is inherent to the nature of electricity transformation, transmission, and distribution processes. In 2015, overall losses on distribution - technical, non-technical and of basic network - represented 9.6% of the energy injected into the distribution system. This percentage represented a 0.2 percentage point reduction when compared with the previous year.

Technical losses, on this same base, registered a reduction of 0.1 p.p. and non-technical losses decreased by approximately 0.3 p.p. in 2015.

Copel Distribuição maintained a program to fight nontechnical losses, which contributed to the reduction of this indicator.

The transmission operation, on the other hand, can register losses in the interconnected system, which are proportionately divided between generators and distributors, and determined by the Electric Power Marketing Chamber (Câmara de Comercialização de Energia Elétrica - CCEE).

G4-EU12

TYPES OF LOSSES	2013	2014	2015
Overall Loss - Distribution (%)	9.9	9.8	9.6
Overall Loss - Transmission (%)	1.7	1.7	1.8
Technical Loss - Transmission (%)	1.7	1.7	1.8
Technical Loss - Distribution (%)	6.6	6.2	6.1
Non-Technical Loss - Distribution (%)	1.6	1.9	1.6

Compared with previous years, losses on the basic network changed, and totals suffered losses observed in the basic network of the national interconnected system, 50% prorated to generators and 50% to load agents, where Copel Distribuição has a defined portion given its share of the market. A change in this loss influences overall losses.

In generation activities, the **indicator on average availability of the plants** is monitored. The indicator measures the number of hours of interrupted generation.

G4-EU30

AVERAGE AVAILABILITY FACTOR	2013	2014	2015
Total number of hours of planned interruption	51,915	71,967.37	42,265
Total number of hours of forced interruption	29,596	36,226.2	36,048
Own hydroelectric plants	0.94	0.94	0.90
Hydroelectric plants with Copel's Shareholding Interest	0.88	0.95	0.96
Thermoelectric plants	0.78	0.64	0.78
Thermoelectric plants with Copel's Shareholding Interest	0.94	0.93	0.89

### Advances in operational excellence at Copel Distribuição

#### Group A Telemetry

In 2015, Copel expanded telemetry to consumers of group A. In 2015 there were more than 13,000 telemetry points, corresponding to 92% of this type of consumer.

Billing data is obtained automatically, without the need to employ the person to read meters. This improves the quality of the process, eliminates error and adds value, with data availability for internal processes, and via the Internet, to clients.

This system is also capable of monitoring use of energy, issuing alarms when abnormal situations occur, detecting problems and irregular procedures in metering, and reducing commercial losses for Copel.

#### Smart Grid Paraná project

Copel is developing a Smart Grid pilot project in Curitiba called Smart Grid Paraná, conceived to improve the quality of services and the Company's



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service capability in the electric system and in telecommunications. The project will enable the complete automation of the electric network to:

- Avoid human interference to isolate sections without power and rely on automatic reconfiguration of the system after interruption in supply;
- Measure energy, water, and gas in an integrated and automated manner, reducing operating costs that affect the rates for these services;
- Carry out tests for building automation and integration to smart grids for power supply stations for cars, bicycles and electric buses;
- Promote distributed micro generation for solar and wind sources.

The implementation the Company's smart grid is part of the Smart Energy Paraná program, created in 2013 by the state government to encourage distributed generation through renewable sources. Currently, the project is undergoing a technical assessment phase, seeking to refine solutions implemented during the pilot project and the assessment of more suitable business models for its large-scale dissemination.

Project Paraná Smart Grid installed 2,000 telemetry points throughout the Curitiba urban area, and 1,000 points in the rural area of Colombo and Bocaiúva do Sul in order to test the technology. Reading is done every hour allowing for detection of problems, power outages, and reading without physical displacement.

### Program Mais Clic Rural

G4-EC1

Copel will invest R\$ 500 million by 2018 in the largest rural electrification project ever developed in the state of Paraná. Launched at the end of 2015, Mais Clic Rural will expand and modernize the electric network in the rural area to transform the quality of energy supply to rural consumers, focusing on agricultural activities in important production processes. Practically every rural region in the state will be served; however the largest volume will be invested in the Southwestern and Central-southern region of the state.

The program will supply rural producers with electricity with quality equivalent to large urban centers. To this end, Copel will implement smart grid technology in rural areas. Approximately 3,000 km of new networks will be built, with nearly 30 substations and close to 3,500 automatic re-closers. The work proceeds in two fronts: improvement in infrastructure to increase the quality of energy supply, and automation technologies to reestablish the system with greater agility in case of power outage. In all, Mais Clic Rural will directly benefit 70,000 producers in the state. The main beneficiaries are tobacco growers, poultry, pig and milk producers in the state, agro-industrial niches that are more sensitive to the quality of power supply. Nevertheless, it is expected that investments in the network will indirectly benefit 2.4 million people in the rural and urban areas.



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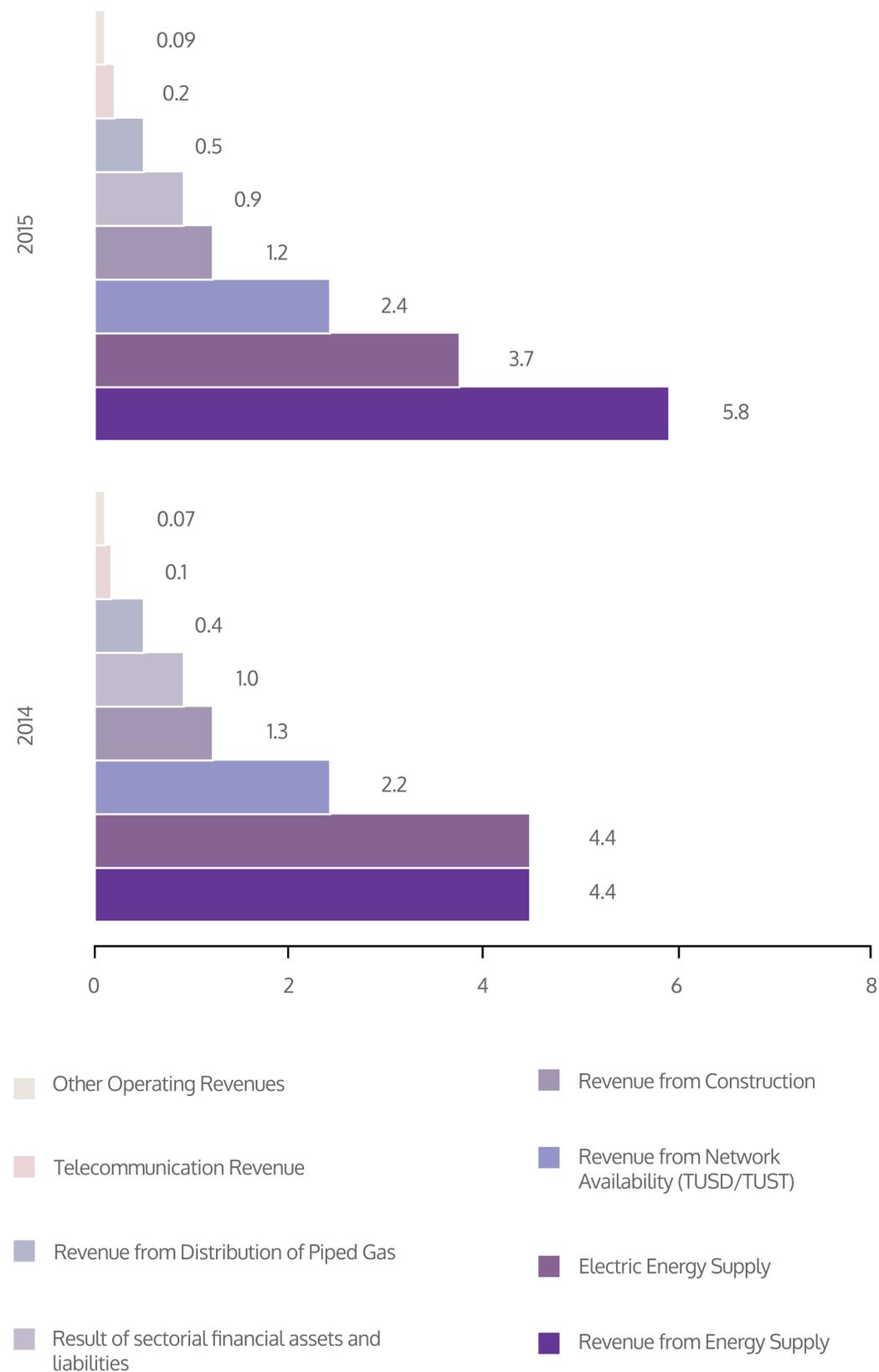
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Financial Capital

G4-EC1

Net Operating Revenue

In 2015, the Net Operating Revenue exceeded the mark of R\$ 14.7 billion, with additional R\$ 809.6 million, representing a 5.8% increase compared with 2014. This variation is mainly due to an increase of R\$ 1,375.8 million in **Revenue from Energy Supply**, resulting from the Extraordinary Rate Review (which occurred in March 2015, and readjustment in June 2015) offsetting a reduction of 0.7% in the captive market; (ii) reduction of R\$ 663.4 million in **Electric Energy Supply**, mainly due to the variation in the Settlement Price Difference - PLD, and decrease in dispatch of energy from the Araucária plant; (iii) increase of R\$ 151 million in **Revenue from Network Availability**, arising above all from rate readjustment occurred in June 2015; (IV) reduction by R\$ 82.7 million in **Revenue from Construction** (revenue associated with construction services or improvement in infrastructure used to provide distribution, transmission of energy and gas services); (v) increase by R\$ 44.5 million in **Telecommunication Revenue**, mainly due to the increase in number of clients, from 27,614 to 47,987 in 2015; (vi) increase by R\$ 135.1 million in **Revenue from Distribution of Piped Gas**, due to the increase in the volume of gas distribution to the industrial, co-generation, and residential segments.



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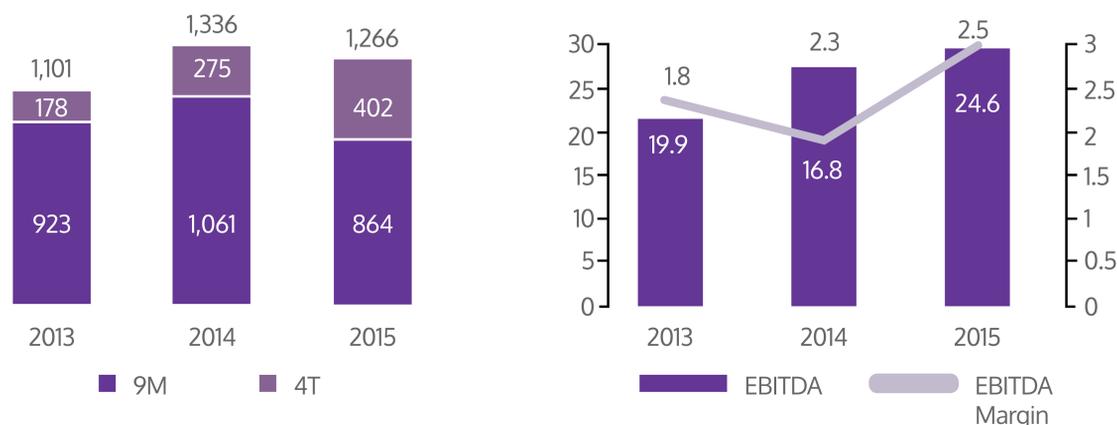
### Operating Costs and Expenses

The Company had an increase of R\$ 560.5 million in 2015, representing an increase of 4.6% mainly due to an addition of R\$ 952.3 million in **Electric Power Purchased for Resale**, an increase of R\$ 534.9 million in **Charges for the Use of the Network**, an increase of R\$ 116 million in **Personnel and Administration**, and a reduction of R\$ 992.9 million in **Provisions and Reversals**.

### Net Profit and EBITDA (EBITDA)

In 2015, net profit assigned to shareholders of the holding was R\$ 1,192.7 million, 1.1% less than the amount obtained in the previous period of R\$ 1,206 million. The Company's EBITDA in 2015 was R\$ 2,585.2 million, representing an increase of R\$ 228.2 million compared with 2014. This 9.7% increase is mainly due to the increase in net revenue in 2015, of R\$ 809.6 million.

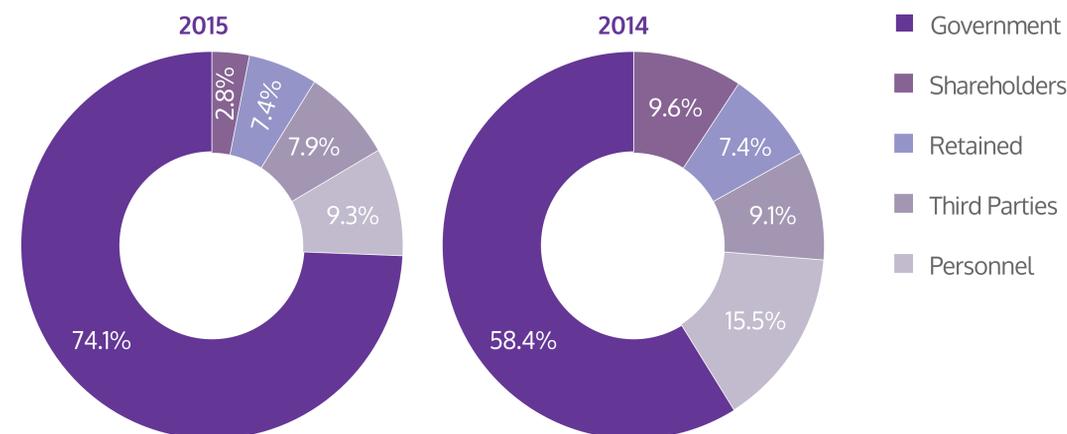
Evolution of net profit



### Value Added

G4-EC1

In the 2015 period, Copel recorded R\$ 14,456.4 million in Total Value Added, a total 83.9% higher than the previous year. This variation is mainly due to the aggregate increase of Copel's supply rate in 2015 of 51.69%, composed of RTE and RTA. The full statement can be seen in **Financial Statements** (p.10).



### Provisions and Reversals

Starting in June 2015, Copel GeT stopped provisioning credit for doubtful debtors for the difference between the sales price of energy negotiated in the CCEARs of the Colíder hydroelectric plant and the PLD, considering the assumption of 150 days of exclusive responsibility associated with delay in delivering the Colíder hydroelectric plant into operation (used to test impairment in 2014). The balance provisioned until June 2015 is of R\$ 119.7 million. The Company is awaiting definition from ANEEL concerning the request to review the schedule for the beginning of commercial operations of the plant for a possible reversal of this provision. More details available in **Balance Sheets** (p. 3-4).

### Reassessment of Hydrological Risk

G4-EC2

At the end of December 2015, Copel Geração e Transmissão and Centrais Elétricas do Rio Jordão filed a request to reassess the hydrological risk in the ACR of the Mauá, Foz do Areia, Santa Clara and Fundão plants. According to the request, and given its retroactivity, the subsidiaries managed to partially recover the cost with GSF in the year at R\$ 33.55 per average megawatt for the SP100 class product referring to the risk premium they hired.

This reassessment allows for a reversal of R\$ 135 million in costs with purchase of energy.



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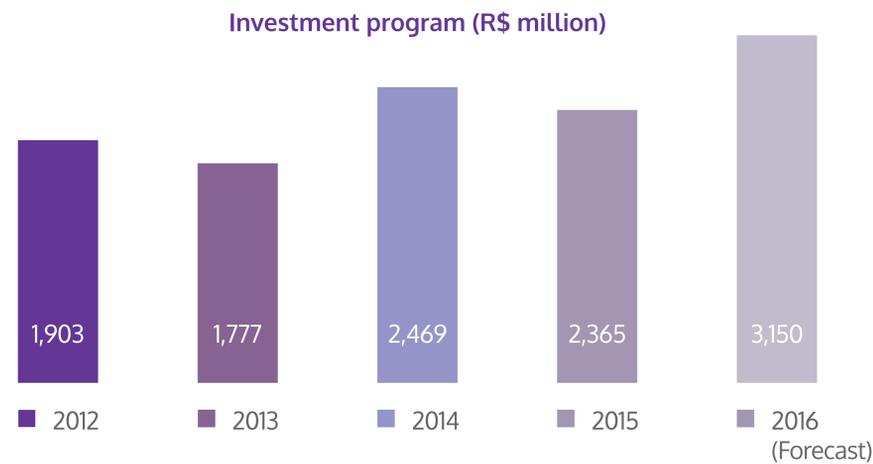
### Investments

In 2015, Copel’s investments totaled R\$ 2,364.7 million. For 2016, the Company intends to carry out investments of approximately R\$ 3,149.8 million approved by the 151st ordinary meeting of CAD.

#### Evolution of investments by Copel

COMPANIES (R\$ MILLION)	INVESTED IN 2015	INVESTED IN 2014	VARIATION % 2015-2014	BUDGET 2016
Generation and Transmission	1,373.3	1,316.3	4.3	1,695.1
Distribution	656.4	857.7	(23.5)	570.0
Telecommunications	105.4	107.5	(2.0)	146.0
Wind Farm Projects (1)	229.3	176.0	30.3	714.8
Other (2)	0.3	11.5	(97.5)	23.9
Total	2,364.7	2,469.0	(4.2)	3,149.8

(1) Includes Brisa Potiguar, Cutia Empreendimentos Eólicos, São Bento Energia and Voltália.  
 (2) Includes Holding, Copel Renováveis, among others.



### Consumer Default

Starting in the 2003 accounting period, Copel Distribuição began calculating the default rate for supply of electricity, using the following calculation methodology:

$$\text{Default (\%)} = \frac{\sum \text{past due debts} > 15 \text{ days} \leq 360 \text{ days}}{\sum \text{billing in the 12 month period}}$$

For calculation purposes, consumers are considered in default in case of a debit past due for more than 15 days up to 360 days, in compliance with the term of the due date notice (ANEEL Resolution No. 414/2010), and recognition of loss of past due debits is excluded.

In December 2015, default of consumers of Copel Distribuição totalled R\$ 272.8 million, which is equivalent to 1.81% of its revenue.

### Liquidity and capital resources

The Company finances liquidity and the need for capital with resources from operations and external financing, aiming to expand and modernize businesses associated with generation, transmission, and distribution of electricity, as well as telecommunications. It is important to note that the Company seeks to invest in shareholding interest using financing lines available in the market and in line with the Company’s capital structure, in terms of financial leveraging considering the return of the projects. We point out that our perspectives for financing, as well as cash availability, will be sufficient to meet the needs of the Company’s investment plan. For detailed information, see Explanatory Note - EN (Nota Explicativa – NE) 5 and 6, of the **Financial Statement** (p.31-32).

### Indebtedness

Copel’s level of indebtedness is in line with the Company’s capital structure, in terms of financial leveraging considering the return of the projects, as well as the expansion established in the Company’s strategic planning. Additionally, indebtedness meets the criteria and performance indicators required by the institutions in the financial market, as well as by the Banco Nacional de Desenvolvimento Econômico e Social - BNDES. For detailed information, see Explanatory Note - EN (Nota Explicativa – NE) 22, of the **Financial Statement** (p.65).



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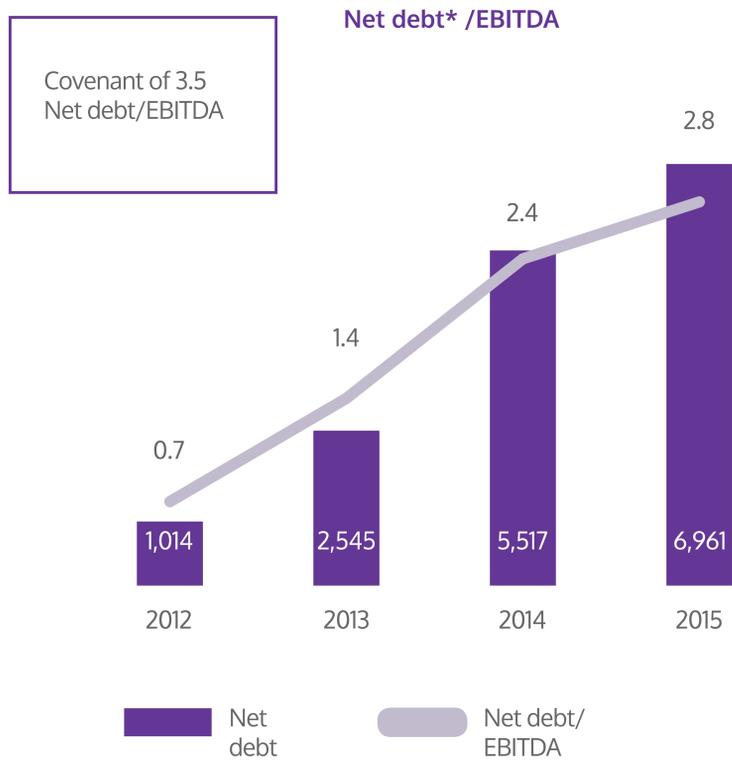
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\*Considers guarantees and warranties

Copel's level of indebtedness, measured through the index that represents the ratio between net debt and EBITDA, has grown in recent years, reaching the mark of 2.8 at the end of 2015. Despite the growth, the indicator is still distant from our covenants, which is the ratio of 3.5.

Indebtedness is intrinsically associated with the Company's solid investment program in recent years.

### Energy Planning

The R&D project **Integrated Market Forecast System - SPIM** was developed together with Lactec aiming to mitigate risks arising from energy market forecasts, as they

are used to acquire energy from the Distributor as well as tax and financial planning. The system introduced a significant improvement to techniques and consequently to the level of assertiveness in preparing market forecast using analysis of temporal series, neural networks, fuzzy logic, and classic methods of forecast, sending the results of energy projections and demand by class, level of tension, and rate position, for a ten-year horizon, and with varied frequencies.

Another important objective achieved through this project was the integration of several forecasts prepared for different objectives, both for those already mentioned above and for planning of operations and expansion of the Company and also of the electric sector (ONS, EPE), eliminating duplicity of data and reducing risk of discrepant information. In addition to greater assertiveness of projects, SPIM provided greater agility, safety and reliability data and processes, thereby contributing to the optimization of time and smaller disbursements.



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*Social*  
**AUDIT**



**COPEL**  
*Pura Energia*

ANNUAL SOCIAL AUDIT  
On December 31 2015 and 2014  
(Amounts expressed in R\$ thousand, except when stated otherwise)

		2015		2014	
	<b>1 - CALCULATION BASE</b>				
NE 31	Net revenue (NR)	14,728,131		13,918,517	
	<b>2 - INTERNAL SOCIAL INDICATORS</b>		<b>% ABOUT NR</b>		<b>% ABOUT NR</b>
NE 32.2	Management remuneration	19,194	0.1	16,066	0.1
	Employee remuneration	842,948	5.7	754,218	5.4
	Food and meals (meal allowances and others)	119,410	0.8	105,425	0.8
	Mandatory payroll taxes and benefits	271,224	1.8	247,826	1.8
	Pension Plan	68,090	0.5	66,972	0.5
	Health (assistance plan)	205,291	1.4	153,539	1.1
	Training and professional development	10,600	0.1	8,056	0.1
NE 32.2	Profit sharing	78,462	0.5	92,657	0.7
	Employee compensation and severance pay	6,905	0.0	6,588	0.0
(1)	Other benefits	16,118	0.1	15,177	0.1
	<b>Total</b>	<b>1,638,242</b>	<b>11.1</b>	<b>1,466,524</b>	<b>10.5</b>
	<b>3 - EXTERNAL SOCIAL INDICATORS</b>		<b>% ABOUT NR</b>		<b>% ABOUT NR</b>
	Culture	7,568	0.1	13,016	0.1
	Health and sanitation	3,121	0.0	4,421	0.0
	Sports	1,801	0.0	3,130	0.0
	<b>Other</b>	<b>128,231</b>	<b>0.9</b>	<b>108,310</b>	<b>0.8</b>
	Research & Development	66,361	0.5	51,581	0.4
	Energy Efficiency Program	38,666	0.3	15,856	0.1
	Morar Bem Program	12,769	0.1	19,692	0.1
	Nighttime Rate Program	3,833	0.0	4,665	0.0
	Other	6,602	0.0	16,516	0.1
	<b>Total contributions to society</b>	<b>140,721</b>	<b>1.0</b>	<b>128,877</b>	<b>0.9</b>
	Taxes (excluding payroll taxes)	10,495,595	71.3	4,394,165	31.6
	<b>Total</b>	<b>10,636,316</b>	<b>72.2</b>	<b>4,523,042</b>	<b>32.5</b>
	<b>4 - ENVIRONMENTAL INDICATORS</b>		<b>% ABOUT NR</b>		<b>% ABOUT NR</b>
	Investments related to the company's operations	490,621	3.3	333,021	2.4
	Investments in programs and/or external projects	856	0.0		0.0
	<b>Total</b>	<b>491,477</b>	<b>3.3</b>	<b>333,873</b>	<b>2.4</b>
(2)	Number of environmental sanctions	1		2	
G4-EN29	Amount of environmental sanctions (R\$ thousand)	132		1,600	

In terms of defining annual targets for reduction of waste generation and of general consumption during production/operation, as well as for increase of efficiency of natural resources use, the company:

2015  
(x) doesn't have targets  
( ) meets 0-50%  
( ) meets 51-75%  
( ) meets 76-100%

2016  
( ) doesn't have targets  
( ) meets 0-50%  
( ) meets 51-75%  
(x) meets 76-100%



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G4-LA12 5 - WORKFORCE INDICATORS (INCLUDING SUBSIDIARIES)

		2014			2013		
		Total	Male	Female	Total	Male	Female
Number of employees at the end of the year		8,813			8,777		
Number of hires during the year		234			235		
<b>Employee schooling</b>							
Total Higher and postgraduate		4,282	2,993	1,289	3,849	2,684	1,165
Total Secondary		4,343	3,673	670	4,802	4,044	758
Total Primary		188	181	7	126	124	2
<b>Employee Age Group</b>							
(3)	Under 18	-			-		
	From 18 to 30 (exclusive)	1,100			1,331		
	From 30 to 60 (exclusive)	4,257			4,159		
	From 45 to 60 (exclusive)	3,371			3,232		
	60 or older (exclusive)	85			55		
<b>Women working in the company</b>		1,966			1,927		
<b>% of women in management positions:</b>							
In relation to the total number of women		5.4			5.3		
In relation to the total number of managers		19.9			20.6		
<b>Blacks working in the company</b>		981			1,002		
<b>% of blacks in management positions:</b>							
In relation to the total number of blacks		3.3			2.7		
In relation to the total number of managers		6.0			5.4		
<b>Employees with special needs</b>		207			195		
<b>Dependents</b>		15,580			16,256		
(4)	<b>Outsourced</b>	6,457			5,895		
(5)	<b>Apprentice(s)</b>	252			177		
(5)	<b>Intern(s)</b>	333			313		
<b>Number of labor suits in course at the end of the year</b>		4,795			4,867		
<b>Number of labor suits terminated in the period</b>		1,011			552		
<b>6 - RELEVANT INFORMATION ON CORPORATE CITIZENSHIP</b>							
(6)	<b>Ratio of highest to lowest remuneration in the company</b>			19			19
<b>Total number of work-related accidents</b> (includes accidents involving contractors)				254			263
<b>Total number of consumer complaints and grievances:</b>							
to company				43,360			34,106
at PROCON (Consumer Protection Agency)				558			515
in court				2,649			2,680
<b>% of complaints addressed or solved:</b>							
to company				99.3%			100.0%
at PROCON (Consumer Protection Agency)				100.0%			97.5%
in court				17.1%			17.2%



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	2015	Metas 2016
The company's social and environmental projects were defined by:	<b>Board and management</b>	<b>Board and management</b>
Work place safety and sanitary standards were defined by:	<b>ALL + Cipa (Internal Commission for the Prevention of Accidents)</b>	<b>ALL + Cipa (Internal Commission for the Prevention of Accidents)</b>
Regarding freedom of association, right to collective bargaining and internal worker representation, the company:	<b>Encourages and will follow ILO</b>	<b>Encourages and will follow ILO</b>
Private pension plan covers:	<b>ALL</b>	<b>ALL</b>
Profit sharing program covers:	<b>ALL</b>	<b>ALL</b>
In selecting suppliers, the same ethical, social responsibility and environmental standards adopted by the company:	<b>Are required</b>	<b>Are required</b>
Regarding employee participation in volunteer work, the company:	<b>organizes and encourages</b>	<b>organizes and encourages</b>

**G4-EC1 7 - GENERATION AND DISTRIBUTION OF WEALTH**

	2015	2014
<b>Total value added for distribution</b>	<b>14,456,447</b>	<b>7,860,056</b>
<b>Distribution of Value Added:</b>		
Third parties	7.9%	9.1%
Personnel	9.3%	15.5%
Government	74.1%	58.4%
Shareholders	2.8%	4.9%
Retained	5.9%	11.8%

**8 - OTHER INFORMATION**

- After 2010, the Instituto Brasileiro de Análises Sociais e Econômicas - Ibase has no longer prescribed its standard model for Social Audit, understanding that this tool and methodology are already broadly disseminated among companies, consulting companies and institutes that promote corporate social responsibility in Brazil. For this reason, Copel, which had been using this model since 1999, decided, based on Ibase recommendation, to improve its Social Audit Statement, addressing information requested in NBCT 15 with a view to ensuring transparency.
  - The explanatory notes - ENs are an integral part of the Financial Statements and contain additional social and environmental information not covered in this Social Audit
  - This Social Audit contains data related to Copel holding, wholly-owned subsidiaries, associated companies and consortiums due to the consolidation of their results with Copel's, unless indicated otherwise.
- (1) The item Other Benefits is composed of: Complementary Illness Assistance, Extended Maternity Assistance, Insurance, Surplus Transport Allowance and Assistance for Permanent Injury, Accidental Death, Daycare Assistance, Education, Culture and Occupational Health and Safety Assistance.
- (2) This information refers to social and environmental fines and notifications for Copel holding and its wholly-owned subsidiaries: Copel Distribuição S.A., Copel Geração e Transmissão S.A, Copel Telecomunicações S.A., Copel Comercialização S.A. and Copel Renováveis S.A. The original amounts are disclosed; these may be altered in accordance with the administrative defense presented to the environmental body. Amounts related to Terms of Commitment - TCs and Terms of Conduct Adjustment - TACs are classified as external social or environmental, depending on the specific nature of each.
- (3) Refer to the apprentice program in conflict with the law, which was terminated in 2014.
- (4) This number corresponds to the total number of contractors hired in the year regardless of the number of hours worked. It does not represent the number of outsourced work positions. Neither does it cover the contractors engaged in the implementation of the work of Copel Geração e Transmissão and subsidiaries (Plants, Transmission Lines and Substations) or those engaged in the expansion of the Copel Telecom system.
- (5) Not part of the staff.

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The following table presents the indicators of the GRI guidelines reported in this publication and the identification of their location throughout the contents of the Report or their direct response.

INDICATOR	DETAILS OR REFERENCE PAGE	GLOBAL COMPACT
<b>STRATEGY AND ANALYSIS</b>		
G4-1 Message from the president	6	All
G4-2 Description of key impacts, risks, and opportunities	6, 8, 15, 16, 22	
<b>ORGANIZATIONAL PROFILE</b>		
G4-3 Name of the organization	12	
G4-4 Primary brands, products, and/or services	12	
G4-5 Location of organization's headquarters	12	
G4-6 Countries where the organization has significant operations or those that are specifically relevant to the sustainability topics covered in the report	12	
G4-7 Nature of ownership and legal form	12, 19	
G4-8 Markets served	14	
G4-9 Size of the organization	14, 27	
G4-10 Labour force profile	27	6

BY CATEGORY	FEMALE	MALE	TOTAL
Advisor	3	34	37
Director	0	23	23
*Employee	1,805	6,303	8,108
*Manager	104	416	520
Intern	187	136	323

\*Direct employees

WORK HOURS/DAY	FEMALE	MALE	TOTAL
4 hours	34	45	79
6 hours	363	418	781
8 hours	1,512	6,256	7,768
<b>Grand Total</b>	<b>1,909</b>	<b>6,719</b>	<b>8,628</b>

BY REGION	FEMALE	MALE	TOTAL
South	1,903	6,648	8,551
Southeast	0	9	9
Midwest	6	57	63
Northeast	0	5	5
<b>Total number of employees</b>	<b>1,909</b>	<b>6,719</b>	<b>8,628</b>

BY CAREER	FEMALE	MALE	TOTAL	
Operational	<b>Total</b>	<b>0</b>	<b>136</b>	<b>136</b>
	Employee	0	135	135
	Manager	0	1	1
Technical Prof. High School Degree	<b>Total</b>	<b>136</b>	<b>1,937</b>	<b>2,073</b>
	Employee	135	1,910	2,045
	Manager	1	27	28
Prof. High School Degree	<b>Total</b>	<b>1,377</b>	<b>3,554</b>	<b>4,931</b>
	Employee	1,339	3,468	4,807
	Manager	38	86	124
Prof. University Degree	<b>Total</b>	<b>396</b>	<b>1,092</b>	<b>1,488</b>
	Employee	331	790	1,121
	Manager	65	302	367
<b>Grand Total</b>	<b>1,909</b>	<b>6,719</b>	<b>8,628</b>	



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G4-11 Percentage of employees covered by collective bargaining agreements	27	1,2,3
G4-12 Description of the organization's supply chain	34	All
G4-13 Significant changes regarding size, structure, ownership, and supply chain	12, 50	
G4-14 Description of how the precautionary approach or principle is addressed by the organization	22	
G4-15 Externally developed social charters, principles, or other initiatives	3, 23, 79	All
G4-16 Memberships of associations and organizations	23, 79	All
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>		
G4-17 Entities included in the consolidated financial statements and entities not covered by the report	3, 13	
G4-18 Process for defining the report content	3, 4	
G4-19 Material aspects identified in the process for defining report content	5	
G4-20 Aspect boundary, within the organization, of each material aspect	5	
G4-21 Aspect boundary, outside the organization, of each material aspect	5	
G4-22 Restatements of the information are provided throughout the report, together with the context of the change	3, Restatements of the information are provided throughout the report, together with the context of the change.	
G4-23 Significant changes from previous reporting periods in the scope and aspect boundaries	3,4	
<b>STAKEHOLDER ENGAGEMENT</b>		
G4-24 List of stakeholder groups engaged by the organization	4, 5	All
G4-25 Basis for identification and selection of stakeholders with whom the company engages	4	
G4-26 Approach to stakeholder engagement	4	
G4-27 Key topics and concerns that have been raised during the engagement, by stakeholder group	5	
<b>REPORT PROFILE</b>		
G4-28 Reporting period	3	
G4-29 Date of most recent previous report	3	
G4-30 Reporting cycle	3	
G4-31 Contact point for questions regarding the report or its contents	4	
G4-32 'In accordance' option and location of the GRI Content Index	3, 64	
G4-33 Policy and current practices with regard to seeking external assurance for the report	3, 76	10
<b>GOVERNANCE</b>		
G4-34 Governance structure of the organization	18	
G4-35 Process for delegating authority from the highest governance body for economic, environmental, and social topics	23	
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	23	All
G4-37 Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	The company has several structures for dialogue and for meeting the demands of its stakeholders, as shown in subsection Integrity Practices.	
G4-38 Composition of the highest governance body and its committees	18, 19	
G4-39 Chair of the highest governance body	19	
G4-40 Selection criteria and nomination processes for the highest governance body and its committees	19	



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G4-41 Processes to ensure conflicts of interest are avoided and managed	17	10
G4-42 Roles of the highest governance body and senior executives in the development of policies and goals to manage impacts	The Assembled Board has executive functions and implements the Company's strategy. The Board of Directors determines and sets the overall direction of the business.	ALL
G4-43 Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	20	ALL
G4-44 Process for delegating authority from the highest governance body for economic, environmental, and social topics	20	ALL
G4-45 Responsibility for the implementation of economic, environmental and social policies	22, 23	
G4-46 Role of governance in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social aspects	22	
G4-47 Frequency of the highest governance body's review of impacts, risks, and opportunities	19, 22	
G4-48 Formal approval of the organization's sustainability report	On March 15, 2016, the Board of Directors approved the integrated reporting structure applied to Copel's 2015 Sustainability Report and its strategic and material aspects, which should be the focus of the company's management and communication with its stakeholders.	
G4-49 Process used for communicating critical concerns to the highest governance body	22	10
G4-51 Relation between the remuneration and the performance of the organization	19 The remuneration of directors and audit committee members is made up only by honorary payments, not linked to the achievement of any goals or variable compensation or performance indicators.	
G4-52 Process for determining remuneration	19	
G4-53 Stakeholders' views regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Stakeholders do not participate in the company's remuneration process.	
G4-54 Ratio between the highest salary and the overall average of the organization	The remuneration of the highest paid individual is 7 times higher than the average for all employees. The calculation considers all items of the compensation, except the 13th salary.	
G4-55 Ratio between the increase in the highest salary and the average increase of the organization	The increase in total annual remuneration of the highest-paid individual equals one time the average percentage increase of the total annual remuneration of other employees.	
<b>ETHICS AND INTEGRITY</b>		
G4-56 Organization's values, principles, standards and norms of behavior	12, 20, 21	ALL
G4-57 Internal and external mechanisms for seeking advice on ethical and lawful behavior	21	10
G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	21	10
<b>ECONOMIC ASPECTS</b>		
<b>INDICATOR</b>	<b>DETAILS OR REFERENCE PAGE</b>	<b>GLOBAL COMPACT</b>
<b>ECONOMIC PERFORMANCE</b>		
G4-EC1 Direct economic value generated and distributed	27, 28, 41, 54, 55, 56, 60, 62	1, 2, 7, 8, 9
G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	43, 56	1, 2, 7, 8, 9
<b>MARKET PRESENCE</b>		
G4-EC5 Ratio of the lowest wage compared to the local minimum wage	Variation of the lowest wage and the minimum wage: 2.19 Variation of the lowest wage and the minimum wage - Male: 2.02 Variation of the lowest wage and the minimum wage - Female: 2.19 National minimum wage on 12/31/2015: R\$ 788.00	1, 2, 6
<b>INDIRECT ECONOMIC IMPACTS</b>		
G4-EC7 Development and impact of infrastructure investments and services provided	41	1, 2, 7, 8, 9



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ACTIVITIES	DESCRIPTION OF THE INVESTMENT	CURRENT AND EXPECTED IMPACTS	TYPE OF INVESTMENT
Implementation of Parque Linear - Caminhos do Iguaçú - located in União da Vitória, State of Paraná.	Park with an extension of 4 km, covering a large portion of the coast of the city of União da Vitória, in the Environmental Protection Area (APP) of the reservoir of the GBM Hydroelectric Plant. It has 3 sports courts, 1 skate park, 1 motocross track and 1 lookout point.	- Sport and leisure options; - Boost to tourism in the municipality; - Park lighting, improving security in the region; - Prevention of irregular occupations in floodable areas of the Environmental Protection Area (APP). - Investments in a landscaping team and maintenance of green areas;	- Investments totaled R\$ 2,935,314.31; - Contributions of the municipality, in environmental education and maintenance of the park.
Technical support to municipal administrations in the area of influence of the Colíder Hydroelectric Plant in the preparation and/or implementation of their Participatory Master Plans.	A specialized company was contracted to assist the municipalities in all stages of mobilization, training, dissemination, diagnosis, and drafts of bills.	The municipalities were better prepared to host the project, through stimulus to the institutionalization of planning structures and territorial management.	- Total Invested (R\$): 190,613.08 - Services agreement.
Monitoring and promotion of local economic activities, from the start of construction of the Colíder Hydroelectric Plant up to a few years after completion.	Meetings for the development of fishing activities; Action Plan for the Development of Tourism; household production included in the municipalities of the area of influence of the Colíder Hydroelectric Plant, and Training Workshops in production management, processing, and marketing processes.	Reconfiguration and stimuli to the development of sustainable economic activities, contributing to strengthening the municipalities and reducing the risks of economic downturn at the end of the construction work of the Colíder Hydroelectric Plant.	- Total Invested (R\$): 351,812.80 - Services agreements.
Epidemiological surveillance and monitoring in the area of influence of the Colíder, Hydroelectric Plant in accordance with the guidelines of the Ministry of Health. An action plan for controlling this disease was agreed upon with local authorities.	Boats, trucks, motorcycles, furniture, rechargeable flashlights, printers, digital cameras, GPS, software licenses, and Entomological materials were transferred. Ambulances, office supplies, computer equipment, laboratory equipment and supplies, and logistical support services are also foreseen.	Prevention of outbreaks of the disease during construction of the project and permanent strengthening of environmental surveillance and epidemiological conditions of the municipalities in the area of influence of the project, since it is a malaria-endemic region.	- Total Invested (R\$): 1,223,921.65 - Terms of Donation
Social Projects BNDES - Colíder Hydroelectric Plant- Social demands submitted by the municipal managers that were approved by Copel's Board of Directors.	Investments by the municipality were: - NOVA CANAÃ DO NORTE: 2 ambulances; - ITAÚBA: 1 van adapted for transportation of patients; - CLÁUDIA: X-ray equipment and Processor, 2 playgrounds for 2 municipal daycares, 1 Ambulance, and 1 minibus - COLÍDER: 46 air conditioners for cooling of 12 municipal schools; Construction of the headquarters of the Department of Children and Family Services (DCFS);	Coordination with the local public authorities that drive public policies and projects to serve the various segments of the local community.	- Total Invested (R\$): 1,207,274.10
G4-EC8 Significant indirect economic impacts, including the extent of impacts		16, 36	1, 2, 7, 8, 9
<b>PROCUREMENT PRACTICES</b>			
G4-EC9 Proportion of spending on locally-based suppliers		34	1, 2, 7, 8, 9
<b>ENVIRONMENTAL ASPECT</b>			
<b>ENERGY</b>			
G4-EN3 Energy consumption within the organization		45	7, 8
<b>WATER</b>			
G4-EN8 Total water withdrawal by source		45	7, 8
G4-EN9 Water sources significantly affected by withdrawal of water		45 In the production process for energy generation, there is no significant variation between the volume of water withdrawn and the volume of water returned to the source; therefore, this amount was not considered as consumption.	8
<b>BIODIVERSITY</b>			
G4-EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Copel, including assets of Copel GeT and Copel DIS, has 8,208.4 km of transmission lines with voltages ranging from 69 to 500kV. Of this total, only 82.146 km reach Full Protection conservation units, according to the National System of Protected Areas (SNUC), only 0.96% – of its total extension.	8
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		46 In 2015, eight preliminary environmental studies were carried out and their Simplified Environmental Reports -RAS were prepared, for the following projects: Substation Douradina; Substation Bela Vista; Substation Colombo; Substation Rio Branco do Sul; TL Joaquim Távora; TL ATM - RBS; Substation Catanduvas kV; TL Cafelândia. These studies did not identify relevant impacts on biodiversity, considering the magnitude of the projects and their locations.	8



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G4-EN13 Habitats protected or restored	47	8																					
<p><b>Rio dos Touros Ecological Station</b> is classified as Full Protection and is aimed at preserving nature and conducting scientific research. It was created on June 5, 2001 through State Decree No. 4,229/2001, for environmental compensation of the Governador Ney Braga Hydroelectric Plant. The predominant vegetation cover is the Araucaria Moist Forest. It has an area of 1,231.06 hectares and is located on the right bank of the reservoir of the Governador Ney Braga Hydroelectric Plant (Salto Segredo), municipality of Reserva do Iguçu, State of Paraná.</p> <p><b>Tia Chica Ecological Station</b> will be classified as Full Protection, aiming at the preservation of nature and scientific research. It has an area of 423.12 ha and is located in the backwater of the reservoir of the Derivação Hydroelectric Plant in the Jordão River, municipality of Pinhão, State of Paraná. The area declared of Public Utility for condemnation purposes has not yet been declared as a Conservation Unit, and the process is ongoing.</p> <p><b>Guarani River State Park</b> is classified as Full Protection and aims at preserving natural ecosystems of ecological significance and scenic beauty. It began to be studied by Copel in 1997, as a result of the implementation of the Governador José Richa Hydroelectric Plant. The predominant forest formations are the Semi-deciduous Seasonal Forest and the Araucaria Moist Forest. It has an area of 2,322.00 ha and is located on the right bank of the reservoir of the Hydroelectric Plant. Governador José Richa (Salto Caxias), municipality of Três Barras do Paraná, State of Paraná.</p> <p><b>Lago Azul State Park</b> is classified as Full Protection and aims at preserving natural ecosystems of ecological significance and scenic beauty. It has an area of 1,749.00 hectares and is located in the Semi-deciduous Seasonal Forest and the Araucaria Moist Forest, compensating the areas affected by the reservoir and vicinity of the Mourão Hydroelectric Plant, municipality of Campo Mourão and Luiziana, State of Paraná. Report the status of the area: It was created through State Decree No. 3,256/1997.</p> <p>- Copel has had an agreement with the IAP - Environmental Institute of Paraná - since 2012, through which it provides outsourced job positions exclusively for the production of native forest seedlings used in the restoration of Permanent Preservation Areas, Legal Forest Reserves and Forest Replacement Areas. In addition, part of the seedlings grown in Copel's Forest Plantations are donated and used for forest restoration in the State. Source: Copel contracts and <a href="http://www.bioclima.pr.gov.br/modules/noticias/article.php?storyid=41">http://www.bioclima.pr.gov.br/modules/noticias/article.php?storyid=41</a></p> <p>All of these Protected Areas created by Copel present biodiversity characteristics similar or superior to the affected locations for installation of the projects compensated. Only areas with clear environmental interest in order to represent the original forest formations are accepted create Protected Areas. More information in Protected Areas on the website.</p>																							
G4-EN14 Total number of IUCN red list species and in other conservation lists with habitats in areas affected by operations of the organization	<table border="1"> <thead> <tr> <th colspan="5">ENDANGERED SPECIES</th> </tr> <tr> <th>CRITICALLY ENDANGERED</th> <th>ENDANGERED</th> <th>VULNERABLE</th> <th>NEAR THREATENED</th> <th>LEAST CONCERN</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>12</td> <td>34</td> <td>11</td> <td>28</td> </tr> </tbody> </table>	ENDANGERED SPECIES					CRITICALLY ENDANGERED	ENDANGERED	VULNERABLE	NEAR THREATENED	LEAST CONCERN	2	12	34	11	28	8						
ENDANGERED SPECIES																							
CRITICALLY ENDANGERED	ENDANGERED	VULNERABLE	NEAR THREATENED	LEAST CONCERN																			
2	12	34	11	28																			
<b>EMISSIONS</b>																							
G4-EN15 Direct greenhouse gas (GHG) emissions (Scope 1)	43	7, 8																					
G4-EN16 Indirect greenhouse gas (GHG) emissions from the acquisition of energy (Scope 2)	43	7, 8																					
G4-EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)	43	7, 8																					
G4-EN18 Intensity of greenhouse gas (GHG) emissions	Intensity of emissions (ton of CO2 eq scope 1 and 2) by Net Operating Revenue reached in R\$ thousand: 0.045																						
G4-EN19 Reduction of greenhouse gas (GHG) emissions	43	7, 8, 9																					
G4-EN20 Emissions of ozone-depleting substances (ODS)	Copel doesn't operate production, import or export of SDO.	7, 8																					
G4-EN21 NOx, SOx and other significant air emissions	<table border="1"> <thead> <tr> <th colspan="2">AIR EMISSIONS</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>NO<sub>x</sub></td> <td></td> <td>583</td> </tr> <tr> <td>SO<sub>x</sub></td> <td></td> <td>4,797</td> </tr> <tr> <td>Persistent Organic Pollutants (POP)</td> <td></td> <td>0</td> </tr> <tr> <td>Volatile Organic Compounds (VOC)</td> <td></td> <td>0.42</td> </tr> <tr> <td>Hazardous Air Pollutants (HAP)</td> <td></td> <td>0</td> </tr> <tr> <td>Particulate Matter (PM)</td> <td></td> <td>229</td> </tr> </tbody> </table>	AIR EMISSIONS		2015	NO <sub>x</sub>		583	SO <sub>x</sub>		4,797	Persistent Organic Pollutants (POP)		0	Volatile Organic Compounds (VOC)		0.42	Hazardous Air Pollutants (HAP)		0	Particulate Matter (PM)		229	7, 8
AIR EMISSIONS		2015																					
NO <sub>x</sub>		583																					
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Persistent Organic Pollutants (POP)		0																					
Volatile Organic Compounds (VOC)		0.42																					
Hazardous Air Pollutants (HAP)		0																					
Particulate Matter (PM)		229																					
<b>EFFLUENTS AND WASTE</b>																							
G4-EN22 Total water discharge by quality and destination	In 2015, Copel's administrative facilities, in the State of Paraná, discharged 106,507.2 m³ of sanitary wastewater* in public collection networks or in controlled septic tanks. *Generation of sanitary wastewater calculated according to NBR 7,229, coefficient of return water - sewer = 0.8.	8																					
G4-EN23 Total weight of waste by type and disposal method	46	8																					



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COMPLIANCE																		
G4-EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	60	8																
	<table border="1"> <thead> <tr> <th colspan="4">SIGNIFICANT FINES</th> </tr> <tr> <th></th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>MONETARY VALUE OF SIGNIFICANT FINES (R\$)</td> <td>25,000</td> <td>0</td> <td>132,000</td> </tr> <tr> <td>Number of non-monetary sanctions</td> <td>1</td> <td>0</td> <td>1</td> </tr> </tbody> </table> <p>In 2015, there was a non-monetary sanction, with the legal nature of suspension of activities (infraction 013510/15 - ICMBio) - which, in turn, has been restored. Also in 2015, a Public Civil Action was filed by the Non-Governmental Organization "M.A.E" against Copel Distribuição S.A., whose application includes compensation for damage and materials, totaling the amount of R\$ 1,058,897.10.</p>	SIGNIFICANT FINES					2013	2014	2015	MONETARY VALUE OF SIGNIFICANT FINES (R\$)	25,000	0	132,000	Number of non-monetary sanctions	1	0	1	
SIGNIFICANT FINES																		
	2013	2014	2015															
MONETARY VALUE OF SIGNIFICANT FINES (R\$)	25,000	0	132,000															
Number of non-monetary sanctions	1	0	1															
SUPPLIERS																		
G4-EN32 Percentage of new suppliers that were screened using environmental criteria	38	8																
G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken	38	8																
SOCIAL ASPECT																		
Labor practices and decent work																		
EMPLOYMENT																		
G4-LA1 Total number and rates of new employee hires and employee turnover	27	6																
G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	28 Copel offers a package of <b>benefits that contribute to the well-being of all employees</b> : Food Aid, Snack Aid, Daycare Assistance, Extended Maternity Leave, Extended Paternity Leave, Profit Sharing, Advance of the 13th Salary, Education Aid, Foreign Language Training, Advance on Vacation Bonus, Vacation Allowance, Flexibility, Assistance to People with Disabilities, Professional Rehabilitation and Readjustment Program, Award for Traffic Safety, Complementing Disability Insurance, Chemical Dependency Program, Vaccination. <b>Quality of Life Benefits</b> - Internal Games, SESI Games, Pre Retirement program, Health and Energy Facilities, Copel Choir <b>Benefits provided through the Copel Foundation</b> - Private Pension Plan, Annuity Plan, Pro-Health III, Loans	1, 2, 6																
G4-LA3 Return to work and retention rates after parental leave	In 2015, 117 employees took maternity leave (return rate 98.29%) and 283 – paternity leave (return rate 100%).	6																
OCCUPATIONAL HEALTH AND SAFETY																		
G4-LA6 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	31																	
TRAINING AND EDUCATION																		
G4-LA9 Average number of training hours per year by employee	29	6																
G4-LA10 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	29	6																
G4-LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	29	6																
DIVERSITY AND EQUAL OPPORTUNITY																		
G4-LA12 Composition of governance bodies and breakdown of employees by employee category according to gender, age group, minority group membership, and other indicators of diversity	61 More information is described in G4-10 indicator of index.	6																
SUPPLIER ASSESSMENT FOR LABOR PRACTICES																		
G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	38	1, 2, 7, 8																
G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	38	1, 2, 7, 8																

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HUMAN RESOURCES				
<b>INVESTMENTS</b>				
G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	38		2	
<b>INDIGENOUS RIGHTS</b>				
G4-HR8 Total number of incidents of violations involving rights of Indigenous people and actions taken	41		1	
<b>SUPPLIER HUMAN RIGHTS ASSESSMENT</b>				
G4-HR10 Percentage of new suppliers that were screened using human rights criteria	38		1, 2	
G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken	38		1, 2	
SOCIEDADE				
<b>LOCAL COMMUNITIES</b>				
G4-SO1 Percentage of operations with local community engagement, impact assessments, and local development programs	100% of operations		1, 2, 7, 8	
G4-SO2 Operations with significant actual and potential negative impacts on local communities	16, 39		1, 2, 7, 8	
<b>ANTI-CORRUPTION</b>				
G4-SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	20		10	
G4-SO4 Communication and training on anti-corruption policies and procedures	20		10	
G4-SO5 Confirmed incidents of corruption and actions taken	20 One of the confirmed cases of corruption is related to obtaining own financial benefits and benefits of third parties. Another case occurred in São José dos Pinhais with employees charging clients undue amounts. Both cases resulted in employment termination.		10	
<b>PUBLIC POLICIES</b>				
G4-SO6 Total value of political contributions by country and recipient/beneficiary	Given its quasi-public nature, the Company is legally prohibited to making this type of contribution.		10	
<b>ANTI-COMPETITIVE BEHAVIOR</b>				
G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Copel does not have pending or closed lawsuits regarding unfair competition and violation of antitrust laws and of the regulation of monopoly in which the Organization has been identified as a participant.			
<b>COMPLIANCE</b>				
G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations				
		2013	2014	2015
	Total monetary value of significant fines (R\$)	8,683,432	7,634,638	4,750,816
	Number non-monetary sanctions	1	0	1
	Proceeding instituted through mechanisms of arbitration	0	0	0
<b>SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b>				
G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	38		1, 2, 7, 8, 10	
G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken	38		1, 2, 7, 8, 10	
<b>ENVIRONMENTAL GRIEVANCE MECHANISMS RELATED TO IMPACTS ON SOCIETY</b>				
G4-SO11 Number of grievances related to impacts on society filed, addressed, and resolved through formal grievance mechanisms	36			



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RESPONSIBILITY FOR PRODUCT		
<b>PRODUCT AND SERVICE LABELING</b>		
G4-PR5 Results of surveys measuring customer satisfaction	34, 35, 36	
<b>COMPLIANCE</b>		
G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	In 2015, there was no case of non-compliance associated with quality in Tele Service (INS, lab and ICO Indices), Quality in Distribution of Services - DIC, FIC, and DIMIC or Supply Voltage Levels.	
SECTOR DISCLOSURES		
INDICATOR	DETAILS OR REFERENCE PAGE	GLOBAL COMPACT
<b>ORGANIZATIONAL PROFILE</b>		
EU1 - Installed capacity, broken down by primary energy source and regulatory regime	50	
EU2 - Net energy output, by primary energy source and regulatory regime	50, 52	
EU3 Number of residential, industrial, and trade accounts	34	
EU4 Extension of transmission and distribution lines, aerial and underground, broken down by regulatory system	52	
<b>MANAGEMENT OF DEMAND FOR ELECTRIC POWER</b>		
G4-DMA EU7 Management programs for demand, including residential, trade, institutional, and industrial (former EU7).	37 The distribution utilities developed and implemented a <b>campaign</b> aiming to clarify for consumers of their concession areas about how the <b>mechanism for fare flags works</b> and raise awareness about the efficient use of electricity. The campaign aimed to reach the largest audience possible, throughout the country. To this end, videos, spots, and advertisements were produced to be aired on TV, radio, Internet and print media, with simple and educational explanations.	
<b>RESEARCH &amp; DEVELOPMENT</b>		
G4-DMA EU8 R&D activity and expenditure aimed at providing more reliable electricity and promoting sustainable development (former EU8).	32	1, 7, 8
<b>AVAILABILITY AND RELIABILITY</b>		
G4-DMA EU6 Management approach to ensure short- and long-term electricity availability and reliability ( <b>former EU6</b> ).	50	
<p>The Operation and Maintenance (O&amp;M) processes for Generation have a management model supported by Reliability techniques. The Operation and Maintenance Based on Reliability (O&amp;MBC) is a structured process that aims, through the analysis of cause and effect, to define the ideal policies for failure management to prevent or limit the consequences of functional failures and their relationships (health, environment, safety and costs), when applied to any physical asset, considering their operational context.</p> <p>The guarantee of reliability and availability of electricity in Copel's Distribution system is a complex system that involves planning of networks in the medium and long term as well as several short-term actions, called Operation for Distribution Networks.</p> <p>Planning of distribution networks is analyzed through medium-and long-term studies, involving mainly three sub-processes by voltage class: Low Voltage Distribution System, in the 220/127V and 254/127V voltages, Medium Voltage Distribution System, in the 13.8kV and 34.5kV voltages, and High Voltage Distribution System, in the 69kV, 88kV, and 138kV voltages;</p> <p>For low-voltage circuits, the network designer uses, among others, peak data (demand) and consumer capacity.</p> <p>For medium-voltage systems, planning uses customer consumption and demand data, market growth data (provided by the energy market studies area of DIS) as well as data from metering in substations.</p> <p>For high-voltage systems, planning uses customer consumption and demand data, market growth data (provided by the energy market studies area of DIS), data from metering in substations, and data provided by the agencies of the electricity sector, the ONS (Electric System National Operator) and the EPE (Energy Research Company). Several studies are conducted and developed in conjunction with these agencies.</p> <p>The networks are simulated considering the rate of natural increase in a particular region and systemic construction works are planned to meet consumer demand for energy.</p> <p>The operation of distribution networks works to ensure reliability and availability of electricity in the short term, using computerized systems and professionals to ensure availability of the electrical system, coordinate reconnection, and optimize service and maintenance teams.</p>		



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G4-EU10 Planned capacity in MW, including energy purchased and reserve margins for each regulatory regime broken down by both sources of energy and building capacity; planning of future investments, including agreements signed by the plant.	Copel does not perform a comparison between the planned capacity with the projection of demand, because the planning expansion of generation is carried out by the Energy Research Company (EPE), considering the entire load of the National Interconnected System (SIN)																						
<b>SYSTEM EFFICIENCY</b>																							
G4-EU11 Average generation efficiency of thermal plants by energy source and by regulatory regime	<table border="1"> <thead> <tr> <th>AVERAGE GENERATION EFFICIENCY</th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Figueira Thermal Plant - Fuel: coal - Installed power: 20MW - Efficiency – PCI base</td> <td>16.64</td> <td>16.64</td> <td>16.64</td> </tr> <tr> <td>Araucária Thermal Plant - Fuel: natural gas - Installed power: 475MW (combined cycle) - Efficiency – PCI base</td> <td>52.52</td> <td>52.41</td> <td>54.43</td> </tr> </tbody> </table>	AVERAGE GENERATION EFFICIENCY	2013	2014	2015	Figueira Thermal Plant - Fuel: coal - Installed power: 20MW - Efficiency – PCI base	16.64	16.64	16.64	Araucária Thermal Plant - Fuel: natural gas - Installed power: 475MW (combined cycle) - Efficiency – PCI base	52.52	52.41	54.43										
AVERAGE GENERATION EFFICIENCY	2013	2014	2015																				
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Araucária Thermal Plant - Fuel: natural gas - Installed power: 475MW (combined cycle) - Efficiency – PCI base	52.52	52.41	54.43																				
G4-EU12 Transmission and distribution losses as a percentage of total energy	53																						
<b>BIODIVERSITY</b>																							
G4-EU13 Biodiversity of offset habitats compared to the biodiversity of the affected areas	47 Management of the compensation areas of the main projects being installed by Copel GeT (Colíder Hydroelectric Plant and TL-ARA TAU) does not allow for presentation of consolidated data on their compensation areas, since they are still undergoing a negotiation and/or execution process. Over 2016 these areas will be recorded, and may be presented in the next report. Area of the habitat (km2): 0.03 Main species preserved/protected: Avifauna: mainly the rufous-bellied thrush and Jurema (native plant) Habitat classification: Forest and caatinga biome	7, 8																					
<b>LABOR PRACTICES AND EMPLOYMENT</b>																							
G4-DMA EU14 Programs and processes that ensure the availability of skilled labor (former EU14).	27, 28, 29	1, 2, 5																					
G4-EU15 Percentage of employees with a right to retirement in the next 5 to 10 years, broken down by functional category and region	<p>27 Considered a new rule to retirement, in which the numbers 85 and 95 represent the sum of the age of the person and their time of contribution to the INSS (National Social Security Institute). 85 for women, and 95 for men. These number increase over time, taking into account the life expectancy of Brazilians. 85/95 will be valid until 2018. Then it will increase until 2027, when it will be 90/100.</p> <table border="1"> <thead> <tr> <th>PERIOD</th> <th>MALE</th> <th>FEMALE</th> </tr> </thead> <tbody> <tr> <td>Up to Dec. 30/2018</td> <td>95</td> <td>85</td> </tr> <tr> <td>From Dec. 31/2018 to Dec. 30/2020</td> <td>96</td> <td>86</td> </tr> <tr> <td>From Dec. 31/2020 to Dec. 30/2022</td> <td>97</td> <td>87</td> </tr> <tr> <td>From Dec. 31/2022 to Dec. 30/2024</td> <td>98</td> <td>88</td> </tr> <tr> <td>From Dec. 31/2024 to Dec. 30/2026</td> <td>99</td> <td>89</td> </tr> <tr> <td>From Dec. 31/2026 onwards</td> <td>100</td> <td>90</td> </tr> </tbody> </table>	PERIOD	MALE	FEMALE	Up to Dec. 30/2018	95	85	From Dec. 31/2018 to Dec. 30/2020	96	86	From Dec. 31/2020 to Dec. 30/2022	97	87	From Dec. 31/2022 to Dec. 30/2024	98	88	From Dec. 31/2024 to Dec. 30/2026	99	89	From Dec. 31/2026 onwards	100	90	1, 2, 5
PERIOD	MALE	FEMALE																					
Up to Dec. 30/2018	95	85																					
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From Dec. 31/2022 to Dec. 30/2024	98	88																					
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From Dec. 31/2026 onwards	100	90																					



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G4-EU17 Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities.	<table border="1"> <thead> <tr> <th>Distribution – estimated number of days worked by contractor and subcontractor in:</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Construction activities</td> <td>767520</td> <td>777504</td> </tr> <tr> <td>Operation activities</td> <td>0</td> <td>0</td> </tr> <tr> <td>Maintenance activities</td> <td>625248</td> <td>672672</td> </tr> </tbody> </table> <p><b>Business Distribution of information:</b>  <b>Activities associated with:</b> cleaning and maintenance of offices and power-generating plants, maintenance of green areas, clearing under transmission lines and right of ways, travel, masonry, apprentice, service in canteens/kitchens, geoprocesed registration, specialized consulting, courier, messenger, SW development, typing, development of projects, submission of notice of disconnection, gymnastics, meter reading, consumer connection, disconnection and reconnection, cleaning and maintenance of green areas, maintenance of lines and networks, carpentry, engineering works, trimming of trees, reception services, clearing of right of ways, general services, technical support, computer service, telephony, telecommunications, training, surveillance.</p>	Distribution – estimated number of days worked by contractor and subcontractor in:	2014	2015	Construction activities	767520	777504	Operation activities	0	0	Maintenance activities	625248	672672	
Distribution – estimated number of days worked by contractor and subcontractor in:	2014	2015												
Construction activities	767520	777504												
Operation activities	0	0												
Maintenance activities	625248	672672												
EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	<p>31</p> <p>In 2015, a total of 5,955 (i.e. 100% of) contractors and subcontractors were trained on health and safety. At Copel Generation and Transmission, there were 3,291 people trained. Due to the high turnover of contracted employees and due to the characteristics of the contracts (eg. by demand), it is not possible to estimate the proportion of trained contractors. The Company adopts as a rule the achievement of security integration training for all its contractors.</p>	1, 2, 5												
<b>LOCAL COMMUNITIES</b>														
G4-DMA EU19 Stakeholder participation in the decision making processes related to energy planning and infrastructure development (former EU19).	<p>Participation of stakeholders occurs in various ways, according to the phase of each project. Details of the main parties involved can be found below:</p> <p><b>Copel Holding:</b> Copel Distribuição is a wholly owned subsidiary of Copel Holding. All investment decisions are on the agenda of and approved by the Holding.</p> <p><b>Government of the State of Paraná:</b> The government has controlling interest of the common shares and retains administrative control of Copel Holding, and is therefore involved in all strategic decisions of Copel Distribuição.</p> <p><b>Ministry of Mines and Energy:</b> The Ministry operates directly and indirectly (through its related companies detailed below) in the decision-making process of long-term investments.</p> <p><b>ANEEL:</b> The National Electric Energy Agency - agency linked to the MME, aims to standardize and monitor all services rendered by Copel Distribuição. Its role is to adjust and reconcile the interests of society as a whole and of the energy distribution companies.</p> <p><b>EPE - Energy Research Company:</b> agency linked to the MME. Aims to plan transmission networks, aligning with the Distribution needs.</p> <p><b>ONS - Electric System National Operator:</b> agency linked to the MME. Aims to operate the interconnected system and point out problems and solutions of the Distribution networks.</p> <p><b>Consumer Council:</b> Represents the various classes of consumers of electricity in all levels of planning - strategic, tactical and operational.</p> <p><b>Organized civil society:</b> Is represented by governmental and non-governmental bodies for discussions about infrastructure developments, such as State Prosecution Office, representations or organized unions;</p> <p><b>Municipal Administrations:</b> the city halls are also significant stakeholders in all decision-making processes of infrastructure projects;</p> <p><b>Environmental agencies and intervenors:</b> Are responsible for the examination and approval of environmental and archaeological licensing of major infrastructure works of Copel DIS. Among them, we can highlight IAP, IPHAN, SMMA Curitiba, and ICMBio.</p> <p>During the implementation phase of infrastructure projects, the procedures described below are adopted for all Generation and Transmission projects.</p> <p>During implementation of new infrastructure, the community is consulted through public hearings directly conducted by the licensing body, and indirectly through permits/licenses/no reservations issued by municipalities, environmental agencies, etc.</p> <p>During implementation, all those affected are involved by the social and environmental programs established during the licensing process. Changes in the business plan are submitted to the departments responsible for approval.</p> <p>With respect to the implementation phase, the community is involved as the social and environmental licensing process occurs, and deviations in the business plan are escalated to higher hierarchical levels, for decision-making, as soon as they are detected.</p> <p>During implementation of the infrastructure projects, the social communication plan is developed and channels are provided, as defined in the social and environmental licensing.</p> <p>DDN – Business Development Department is responsible for the analysis of business opportunities and approves together with the Executive Board and the Board of Directors, responsible for approving strategic decisions.</p> <p>The acquisitions of assets and the development of projects for participation in auctions follow the company's strategic alignment.</p> <p>- In the case of acquisitions of assets, finalizing the acquisition of any asset requires approval of regulatory agencies, such as ANEEL - The National Electric Energy Agency, CADE - Administrative Council for Economic Defense, and Financing Agencies., in addition to the necessary internal approval (Executive Board and Board of Directors), and the entire process is monitored by the Court of Auditors of the State.</p> <p>- In the case of preparation of projects to participate in energy auctions, several agencies participate in the process, being the environmental agency (IAP / Departments of the Environment / IBAMA) as a licensing agency and several others as intervening agencies (FUNAI, Fundação Palmares, Agência Nacional de Águas - ANA, INCRA, IPHAN, Instituto das Águas do Paraná); Federal and State prosecutors, Local Universities and Municipal and State governments also participate in the process.</p> <p>The areas coordinating and executing the project are structured to provide information and details on all resources involved and ensure participation of stakeholders, including those vulnerable, following the environmental legislation, the needs for public hearings in licensing processes, informative technical meetings and obtaining consent of the municipalities and intervening agencies.</p> <p>This detailing allows for decision-making on the implementation or not of the business, considering the social and environmental viability, availability of environmental resources and legal consents for the projects.</p> <p>In the case of acquisition of assets, prior to implementing the business, it is necessary to obtain approval from the Board of Directors (internal approvals), as well as external approval (ANEEL, CADE, Funders).</p> <p>The development of projects for subsequent participation in auctions, such as hydroelectric, thermal and wind power projects, undergoes an environmental licensing phase, since participation in auctions requires a preliminary environmental license. In these cases, another list of stakeholders is part of the process, in view of the implementation of public hearings and/or informative technical meetings with the participation of the government, society and other stakeholders, in accordance with current legislation and criteria of the environmental licensing agencies.</p> <p>In the case of environmental licensing processes, the environmental agency may request consultations to society and other stakeholders as early as the issue phase of the terms of reference for the preparation of studies. In most processes, the first contact with society and other stakeholders occurs during the implementation process of environmental studies, through informative technical meetings, which aim to bring to the attention of society the development of studies and gather information for analysis of the possible impacts of projects and propose mitigating measures (in the case of negative impacts).</p>													
G4-DMA EU20 Approach to managing the impacts of displacement (former EU20).	39													
G4-EU22 Identify the number of people physically or economically displaced by large projects, broken down by type of project (ex: expansion of the plant, new facilities, new transmission lines).	40													



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**PROVISION OF INFORMATION**

G4-DMA EU24 Practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services (former EU24).		1, 2, 8
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Copel provides several customer service channels to facilitate access to its products and services. Seeking to facilitate low-literacy consumers access to information and services provided, Copel participates in integrated actions carried out by the Departments of State and Municipalities; in these events Copel provides guidance to the public in an educational manner, through the use of games and the Energy Efficiency VAN, regarding the conscious and safe use of electricity, in addition to on-site customer service to the population, in order to facilitate access to services and answer questions.

Some examples of practices that occurred in 2015:

- UPS Cidadania (in Curitiba, in the districts of Parolim, CIC, Tatuquara);
- Prefeitura no Bairro (Municipality of Colombo);
- Paraná Cidadão (in the Municipality of Almirante Tamandaré);
- Minha Casa Minha Vida (in the Municipality of Araucária).

Copel has several Indigenous communities in its concession area and assures this group the right to a differentiated rate benefit provided for in the TSEE (Social Electricity Rate). In 2015, a total of 669 consumer units of Indigenous people were included in the Social Electricity Rate - Low Income. Seeking to facilitate access to electricity, Copel developed the service project with photovoltaic energy, produced by panels that generate electricity from solar radiation, taking energy to the Indigenous lands of Sambaquí, Cerco Grande, Cotinga, and Shangri-lá.

**Special needs**  
 Copel offers **blind consumers** the possibility to receive their energy bills in Braille. The request can be made directly in the agencies and personalized service stations or via 0800 51 00 116. Currently, about 100 bills are issued monthly. Copel Distribuição has 81.7% of agencies and **customer service stations architecturally adapted for people with disabilities**. Copel's website is adapted for access to people with visual impairment. Additionally, Copel provides a customer service channel to the community (Ombudsman's Office) which works toward preservation of values such as transparency, equality and fairness in addressing issues that involve all stakeholders in the company's businesses. Access is facilitated via website, toll-free and on-site.

**CONSUMER HEALTH AND SAFETY**

G4-EU25 Number of accidents and fatalities for users of the service involving company assets, including decisions and legal agreements, in addition to court cases pending relating to diseases.	<b>ACCIDENTS AND FATALITIES</b>			<b>2013</b>	<b>2014</b>	<b>2015</b>
	Number of accidents for users of the service			27	31	29
	Number of fatalities for users of the service			10	8	13
	Number of cases related to health and safety, including diseases and members of the audiences affected in trials and potential risks associated			0	0	3

**ACCESS**

G4-EU23 Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services, as well as to its safe use	36, 79	1, 2, 7
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G4-EU26 Percentage of the population not served in areas with regulated distribution or service	Copel serves 100% of the population in its concession area. There are requests for new connections that will be attended to within the regulatory time limits.	
---	--	--

G4-EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	<b>Number of consumer units disconnected by time between disconnection and payment agreement</b>		<b>2015</b>
	Less than 48 hours		232,716
	Between 48 hours and one week		41,852
	Between one week and one month		54,293
	Between one month and one year		51,069
	Over one year		0
	<b>Number of consumer units disconnected by total time between payment agreement</b>		<b>2015</b>
	Less than 24 hours		268,742
	Between 24 hours and 48 hours		11,702
	Between 48 hours and 72 hours		17,004
Over 7 days		34,250	

G4-EU28 Frequency of interruptions in power supply (FEC).	52	
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G4-EU29 Average duration of interruptions in energy supply (DEC).	52	
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G4-EU30 Average plant availability, broken down by energy source and regulatory system	53	
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# REPORT



COPEL

*Pura Energia*



KPMG Financial Risk & Actuarial Services Ltda.  
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**Limited assurance report issued by independent auditors**

To the Board of Directors, Shareholders and Stakeholders  
 Companhia Paranaense de Energia  
 Curitiba - PR

**Introduction**

We have been engaged by Companhia Paranaense de Energia ("Copel" or "Company") to apply limited assurance procedures on the sustainability information disclosed in Copel's 2015 Sustainability Report, related to the year ended December 31<sup>st</sup>, 2015.

**Responsibilities of Copel's Management**

The Management of Copel is responsible for adequately preparing and presenting the sustainability information in the 2015 Sustainability Report in accordance with the *Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (GRI-G4)*, the *"Electric Utilities Sector Supplement"*, as well as the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

**Independent auditors' responsibility**

Our responsibility is to express a conclusion about the information in the 2015 Sustainability Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Copel's 2015 Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Copel and other professionals of the Company involved in the preparation of the information disclosed in the 2015 Sustainability Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the 2015 Sustainability Report taken as a whole could present material misstatement.

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

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



The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the 2015 Sustainability Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- (a) Engagement planning: considering the material aspects for Copel's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Copel's 2015 Sustainability Report. This analysis defined the indicators to be checked in details;
- (b) Understanding and analysis of disclosed information related to material aspects management;
- (c) Analysis of preparation processes of the 2015 Sustainability Report and its structure and content, based on the *Principles for Defining Report Content and Quality of the Global Reporting Initiative - GRI (GRI-G4)*;
- (d) Evaluation of non-financial indicators selected:
  - Understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
  - Application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the 2015 Sustainability Report;
  - Analysis of evidence supporting the disclosed information;
  - Visits to Copel's offices for application of these procedures, and items (b) and (c);
- (e) Analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company;
- (f) Comparison of financial indicators with the financial statements and/or accounting records.

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

**Scope and limitations**

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the 2015 Sustainability Report.

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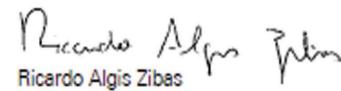
Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments.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

**Conclusion**

Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in Copel's 2015 Sustainability Report is not fairly stated in all material aspects in accordance with the *Global Reporting Initiative - GRI (GRI- G4)*, and the *"Electric Utilities Sector Supplement"*, as well as its source records and files.

São Paulo, May 16<sup>th</sup>, 2016

KPMG Financial Risk & Actuarial Services Ltda.

  
Ricardo Algis Zibas

KPMG Assessores Ltda.  
CRC 2SP034262/O-4 F-SP

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

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# ANNEX



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## Annex - Incorporation of the Global Compact Principles

G4-15, G4-16, EU23

The Company ratifies its commitment to the United Nations Global Compact and presents below its Communication on Progress (COP), in which it specifies the initiatives developed to implement the Global Compact principles in its operations. Throughout the publication of which this annex is a part, we also present the results of these initiatives and the progress of its commitments throughout 2014, which can be found in the GRI indicators reported by Copel.

### Principles of the Global Compact



**RESPECT** and support the internationally recognized human rights in its area of influence



**SUPPORT** freedom of association and recognize the right to collective bargaining



**ERADICATE** effectively all forms of child labor from its production chain



**ASSUME** a responsible and proactive preventive approach environmental challenges



**ENCOURAGE** the development and dissemination of environmentally responsible technologies



**ENSURE** the company's non-participation in violation of human rights



**ELIMINATE** all forms of forced or compulsory labor



**STIMULATE** practices that eliminate any kind of discrimination in employment



**DEVELOP** initiatives and practices to promote and disseminate social and environmental responsibility



**FIGHT** corruption in all its forms, including extortion and bribery

PROJECTS / PROGRAMS / MANAGEMENT SYSTEMS / PARTICIPATIONS AND POLICIES	PRINCIPLES OF THE GLOBAL COMPACT										DATE START / END
<b>POLICIES AND MANAGEMENT SYSTEMS</b>											
<b>Adherence to voluntary commitments</b> in an effort to promote sustainability, ethical conduct and best practices in corporate governance: <b>Global Compact</b> , <b>Call to Action Statement</b> for Governments in Fighting Corruption, <b>Business Pact for Integrity and Against Corruption</b> and <b>Principles for Sustainable Executive Education (PRME)</b> .	1	2	3	4	5	6	7	8	9	10	Various / Undetermined
<b>Corporate contribution to Promotion of Green and Inclusive Economy:</b> Actions for a more inclusive economy, which contributes to tackling the major challenges in sustainability.	1	2	3	4	5	6	7	8	9	10	2012 / Undetermined
<b>Management for Sustainability in the Supply Chain:</b> Aims to contribute to the development of suppliers, establishing parameters linked to sustainability, proposing actions that promote and strengthen best practices throughout the supply chain.	1	2	3	4	5	6	7	8	9	10	2008 / Undetermined
<b>Our Energy Program</b> - associates new opportunities in terms of career development, remuneration, and personal development with performance.	1	2	3	4	5	6	7	8	9	10	2013 / Undetermined
<b>Ethical Guidance Council</b> – analyzes and provides guidance on processes related to ethical conduct in the Company.	1	2	3	4	5	6	7	8	9	10	2003 / Undetermined
<b>Committee for the Analysis of Reports on Psychological Harassment</b> - aims to assess reports on psychological harassment in labor relations within the Company.	1	2	3	4	5	6	7	8	9	10	2009 / Undetermined
<b>Diversity Program:</b> Implementation of the Action Plan and certification for the 5th Edition of the Pro-gender and Race Equity Program of the Department of Policies for Women.	1	2	3	4	5	6					2007 / 2017
<b>Internal Social and Environmental Committees – CISAS:</b> Act as multipliers of sustainability concepts, enabling the identification of problem situations in the social and environmental aspect, strengthening the relationship with stakeholders.	1	2	3	4	5	6	7	8	9	10	2014 / Undetermined
<b>Copel's Corporate University – UniCopel:</b> Implementation of Educational Planning and management of the Leadership Development Programs, Postgraduate, Master's and Doctoral degrees, and Languages.	1	2					7	8	9	10	2012 / Undetermined
<b>Corporate Management Program on Climate Change:</b> Aims to discuss and deliberate actions associated with the study of the effects of climate change, implementation of Copel's Climate Change policy, and voluntary commitments undertaken.	1	2					7	8	9		2011 / Undetermined
<b>SUPPORT TO PUBLIC POLICIES AND MANAGEMENT IMPROVEMENT</b>											
Participation in the Brazilian Global Compact Committee.	1	2	3	4	5	6	7	8	9	10	2000 / Undetermined



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Participation in <b>organizations in the electrical industry</b> that discuss and promote <b>energy efficiency</b> and <b>environmental improvements</b> : Brazilian Assoc. of Electric Utilities, Energy Planning Company, Independent Energy Producers Assoc., the Environmental Committee of Cigrè, Brazilian Assoc. of Power Generation Companies, Brazilian Assoc. of Power Distribution Companies, Brazilian Assoc. of Large Power Transmission Companies, Brazilian Com. of Large Dams, Regional Council of Engineering, Architecture and Agronomy of the State of Paraná, FUNCOGE.	1	2	3	4	5	6	7	8	9	10	Various / Undetermined
Participation in <b>associations that discuss and promote environmental improvements</b> : Agenda 21 Forum of the State of Paraná, Federation of industries of Paraná, Interinstitutional Committee for Environmental Education of the Environmental Education Program, Watershed Committee of the State of Paraná, the Environmental Committee of Cigrè, Regional Council of Engineering, Architecture and Agronomy of the State of Paraná, Waste and Citizenship Forum Pr, Climate Change Forum of the State of Paraná, Environmental Committees of the Public Prosecutor's Office Pr.							7	8	9		Various / Undetermined
Participation in the <b>Corporate Citizenship Council of the State of Paraná</b> - CPCE, for joint promotion of social responsibility in the State of Paraná.	1	2	3	4	5	6	7	8	9	10	2005 / Undetermined
Voluntary participation in the <b>Competitive Paraná Movement and in examining panels of awards</b> : Nacional da Qualidade, MPE Brasil, and Paranaense da Qualidade em Gestão.	1	2	3	4	5	6	7	8	9	10	2000 / Undetermined
<b>Integrated Management of Water and Soil</b> - Copel, Sanepar, and of State Departments, to create synergy of actions carried out, in its field of activity, in the context of watersheds, with the purpose of improving the quality and availability of water by perfecting the use, management, and proper conservation of soil, water, and forests.	1	2					7	8	9		2010 / Undetermined
<b>A founding member of the Brazilian GHG Protocol Program</b> : Copel conducts and publishes annually the accounting report of greenhouse gas (GHG) emissions.	1	2					7	8	9		2008 / Undetermined
<b>PROGRAMS, PROJECTS, AND SOCIAL AND ENVIRONMENTAL ACTIONS</b>											
<b>Program to collect donations to charities and social service institutions</b> , non-profit and of collective interest, through the energy bill. To apply, the entity must be welfare-oriented or be of collective interest, nonprofit, and submit the required documentation.	1	2	3	4	5	6	7	8	9	10	1999 / Undetermined
Annual donation, through tax incentives, to <b>Fund for the Rights of Children and Adolescents – FIA, Rouanet Act, Elderly Act, Incentive to Sports Act, PRONON, PRONAS</b>	1	2			5						2006 / Undetermined
<b>Corporate Volunteer Program - EletriCidadania</b> : the program allows employees to use up to 4 hours/month for performing volunteer work.	1	2		4	5		7	8			2001 / Undetermined
<b>Program Cultivating Energy</b> : Aims to implement community gardens in the buffer areas of Copel's power networks, in partnership with municipal administrations and associations of residents.	1						7	8	9		2009 / Undetermined
<b>Corporate Accessibility Program</b> : Aims to make the company rigorously adapted in terms of accessibility issues, implementation of technological resources, and provision of training and educational campaigns, so that audiences with specific accessibility needs have full access to its facilities, information, and services.	1	2				6					2007 / Undetermined
<b>Eco-Efficiency Program – ECOPEL</b> : Aims to concentrate the various eco-efficiency initiatives developed by Copel into one program that operates as a hub, interconnecting them, strengthening them, empowering them, and enabling new forms of operation.							7	8	9		2014 / Undetermined
<b>Education for Sustainability Program</b> : aims to train and develop professionals, formal and informal leaders of Copel, in sustainability-related issues.	1	2	3	4	5	6	7	8	9	10	2011/ Undetermined
<b>Copel's Seminar on Social and Environmental Best Practices</b> - the initiative aims to promote projects and social and environmental practices.	1	2	3	4	5	6	7	8	9	10	2009/ Undetermined
<b>Susie Pontarolli Sustainability Award</b> - aims to recognize and support initiatives aimed at contributing to the promotion of sustainable development and quality of life.	1	2	3	4	5	6	7	8	9	10	2012 / Undetermined
<b>Luz Fraternal Program</b> : Program of the Government of the State of Paraná that makes payment of consumer bills registered in the Social Electricity Rate, provided that consumption does not exceed 120 kWh.	1	2		4	5					10	2003 / Undetermined
<b>Universalization of energy - "Program Light for All"</b> : Since its inception, the program has benefited more than 400,000 people in Paraná, through the connection of approximately 80,000 rural households, surpassing the goal initially established. The fifth and last phase of the Program ended in December 2014, totaling more than R\$ 500 million invested.	1	2		4	5					10	2004 / 2014
<b>Program Live Well Paraná</b> : in partnership with the Housing Company of Paraná - Cohapar - housing program for families with monthly income of up to six national minimum wages.	1	2		4	5					10	2003/ Undetermined
<b>Rural Nighttime Rate Program</b> : incentive to increased agricultural production, to poultry and pig farmers, through discount prices for consumer units classified as rural, served in low voltage.	1	2		4	5			8			2007 / Undetermined
<b>Nighttime Irrigation Program</b> : incentive to use irrigation to increase agricultural and poultry production and improve quality of life in rural areas. Subsidized rates and equipment to rural consumers.	1	2						8			2003 / Undetermined
<b>Paraná in Action</b> : program promoted by the Special Department for Community Relations, with the objective of offering free services that promote citizenship and social inclusion. Copel participates by providing customer service and guidelines for safe and efficient use of electricity.	1	2		4	5	6				10	2003/ Undetermined
<b>Paraná Digital Program</b> : digital inclusion in public education, through connection of State schools to the Internet. In partnership with the State Government / SEED, we take the Internet to schools, with priority to locations with low HDI. Today, there 2,210 State schools served by Paraná Digital.	1	2		4	5	6				10	2003 / Undetermined



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<b>Paraná Connected Program:</b> the initiative foresees fiber optic internet access at affordable prices and speed of 1 Mbps, and interconnects public buildings to Copel's fiber optics, allowing for greater speed and reliability of browsing to government agencies.	1	2		4	5	6				10	2003 / Undetermined
<b>State Broadband Plan - PEBL:</b> aims to disseminate affordable Internet access to all municipalities of Paraná - sell communication services to providers and municipalities that join the plan and that, on the other hand assume the commitment of providing affordable Internet service.	1	2		4	5	6				10	2010 / Undetermined
<b>Social Electricity Rate:</b> Established through Law No 10,438/2002, discounts are offered on electricity consumption up to 220 kWh, to families registered in the Single Register of Social Programs from the Federal Government, provided the other criteria laid out in ANEEL Resolution No. 414/2010 are observed.	1	2		4	5					10	2002 / Undetermined
<b>More than Energy Project:</b> Implementation, expansion and consolidation of social investment projects and programs for the community. In 2015, the funds were geared toward supporting institutions and schools that assist the deaf and/or deaf and blind.	1	2					7	8	9		2014 / Undetermined
<b>Smart Grid Project:</b> Installation of 2,000 telemetry points in the urban area of Curitiba and 1,000 points in the rural area of Colombo and Bocaiúva do Sul; reading is carried out every hour enabling error detection, power outage, and reading for billing without traveling.	1	2					7	8	9		2015 / Undetermined
<b>Project Illuminating Generations:</b> Lectures to fourth-grade students from public schools, of informative and preventive nature regarding the conscious and safe use of electricity, use of natural resources (energy and water) and correct disposal of waste.	1	2					7	8	9		1970 / Undetermined
<b>Program + Clic Rural:</b> Improving the quality of electric power supply in rural areas, with a focus on farming activities integrated with productive processes sensitive to interruptions.	1	2					7	8	9		2015 / Undetermined
<b>Sympathetic Bill:</b> Incentive to customers who opt for receiving the bill by email; at each registration, Copel donates R\$ 1.00 to the APAE institutions in the State of Paraná .	1	2					7	8	9		2015 / Indeterminado
<b>PrevenCão:</b> Awareness of the population about the importance of caring for pets to prevent accidents.	1	2					7	8	9		2015 / Undetermined
<b>Energy Efficiency Program:</b> Geared toward the efficient use of electricity in residential, industrial, trade, and public schools installations located in Copel's concession area.	1	2					7	8	9		2000 / Undetermined
<b>Program for Integrated Actions for Development and Citizenship - UPS Citizenship:</b> Integrated actions for urban development and social promotion, and recovery of citizenship are carried out in the areas of installation of the Safe Paraná units (UPS). The initiative is developed in partnership with agencies and entities of the Federal, State, and Municipal administration, and civil society, contributing to improving public safety and local social and economic development.	1	2					7	8	9		2013 / Undetermined
<b>Program for Monitoring and Repopulation of Fish Fauna -</b> Aims to monitor and repopulate the Company's reservoirs and the rivers where Copel's projects have some influence.							7	8	9		1993 / Undetermined
<b>Corporate Waste Management Program:</b> Aims to reduce, reuse, measure, and monitor the solid waste generated by the Company.							7	8	9		2006 / Undetermined
<b>Riparian Woods Program:</b> Aims to recover natural environments surrounding the reservoirs of Plants and other areas of interest to the Company.							7	8	9		2006 / Undetermined
<b>Experimental Station for Ichthyological Studies:</b> Study and reproduce species suitable for repopulation of rivers and reservoirs in Paraná.							7	8	9		1992 / Undetermined
<b>Control of invasive and/or exotic species:</b> Monitoring and control of invasive and/or exotic species of wildlife and flora.							7	8	9		2000 / Undetermined
<b>Recovery of degraded areas:</b> Monitoring and recovery of degraded areas.							7	8	9		1999 / Undetermined
<b>Forest Gardens:</b> Its objective is the production of seedlings suitable for use by other Company programs.							7	8	9		1973 / Undetermined
<b>Botanical Garden:</b> aims at conservation and research of plant species and housing collections of exotic ornamental plants.							7	8	9		2010 / Undetermined
<b>Corporate Management Program on Climate Change:</b> Aims to develop strategies, propose goals and corporate indicators to address the commitments of Copel's Climate Change Agenda.							7	8	9		2007 / Undetermined
<b>Iguaçu Regional Museum:</b> Presents the social, cultural and environmental characteristics of the populations who have occupied the banks of the Iguaçu River. It holds the collection from the Archaeological Salvage programs and from the Cultural and Scientific Exploitation Memory of Flora and Wildlife in the implementation of the Ney Braga Hydroelectric Plant.							7	8	9		2000 / Undetermined
<b>Urban Forests Program:</b> Assists municipalities in adjusting afforestation in order to have peaceful coexistence between trees and power distribution networks.							7	8	9		2008 / Undetermined

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



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# Credits

and Corporate Information

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## Coordination

Institutional Relations Department  
Corporate Sustainability Coordination Office

## GRI Consulting, validation of materiality and texts

Keyassociados

## Graphic Project

Vivas Comunicação