Tractebel Energia

GDF SUEZ

2013 Sustainability Report

Coexistence that generates energy

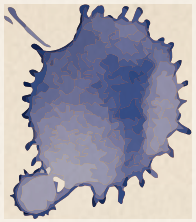




The art in this publication is inspired by travel diaries or memories, in which important perceptions and reminiscences of a period are recorded artisanally.

To approach the theme of the report - "Coexistence that generates energy" -, elements were used such as clippings, photos, quotes and collages in which Tractebel Energia brings readers portraits of its operations throughout the country, showing the Company's relationship with the communities in which it operates.

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Coexistence that Generates Energy

Tractebel Energia celebrated its 15th anniversary in 2013. During this time, it has nearly doubled its production capacity. It has long surpassed the 100-customer mark, renewing, each year, the mutual trust that it maintains with each one of them, and winning over new ones.

It has learned. It has improved upon its governance and management processes, and obtained recognitions and certifications. It has innovated. It has surpassed milestones for sales, stock appreciation and return on invested capital. With an attitude guided by ethics and working side-by-side with its employees, it has maintained its position as the largest private-sector energy generation company in Brazil, gaining respect throughout society.

It has coexisted.

And it coexists. The Company shares in the community life in each of the five regions of the country, respecting the differences of each location where of its offices and 24 plants it operates are located and working toward integration, with ongoing exchange of knowledge, learning, cultures...

Whether in the implementation of a new undertaking, or in the everyday operation of a plant, Tractebel Energia seeks to go beyond its legal obligations, in order to make its role in society clear and, at the same time, listen to representatives of each community, being interested in learning local expectations and needs, especially those to which it can make an effective contribution as a company.



Thus, the Company has supported projects such as cultural centers and environmental parks, which were innovative especially in how they are conceived, with the community's participation since the beginning. Duly prepared, the communities assume management of these spaces, transforming them into a collective undertaking.

Two openings in 2013 definitively showed this purpose: in the region of the Itá Hydroelectric Power Plant, the Alto Bela Vista Culture Center, and in the region of the Jorge Lacerda Thermoelectric Complex, the Tractebel Environmental Park, both in Santa Catarina. It was also in 2013, in Trairi (Ceará state), that the operation of two new wind farms was started up, expanding the Company's generation of renewable energy. In addition to construction of more wind farms, there is another opening planned for 2014 in the same region: the Trairi Cultural Center.

This 2013 Sustainability Report focuses especially on Tractebel Energia's coexistence with the communities of which it is a part and presents testimony from representatives of the communities interviewed for this Report. We would like to invite you to experience this coexistence that generates energy.



Mission

Generating energy for life.

Vision

In a sustainable way, to be the best energy company in Brazil.

Values

Professionalism, sense of partnership, teamwork, creation of value, respect for the environment, ethics.



2013 Highlights

Sustainable Management and Awards

Voted the best case of value creation in the electric energy sector in the 2010-2012 by the Brazilian Association of Publicly-Traded Companies (Abrasca), for the generation of 13.3% of value for Tractebel Energia shareholders on average for the three years.

Tractebel Energia won the Trophy for Best Company in the Brazilian Electric Energy Sector awarded by Isto É Dinheiro magazine, published by Editora Três; and in the ranking by Institutional Investor magazine, the Company won the awards for Best CEO, Best CFO, Best Professional and Best Investor Relations (IR) Team in Latin America.

The 2012 Sustainability Report won fourth place in the Abrasca Annual Best Report Awards, in the category of companies with net revenue equal to or greater than R$ 3 billion, with an honorable mention in Strategy.

In the Brazil-US Chamber of Commerce's Environmental Brazil Award, Tractebel Energia won in the category Rational Use of Water Resources, for the Tractebel Energia Springs Protection Program.

Two openings in 2013 permanently marked Tractebel Energia's participation in the communities of which it is a part: the Alto Bela Vista Cultural Center, in the region of the Itá Hydroelectric Power Plant, and the Tractebel Environmental Park, in Capivari de Baixo, near the Jorge Lacerda Thermoelectric Complex (both in Santa Catarina state).

Tractebel Energia was voted one of the best companies to work for by Época magazine, a publication of Editora Globo, and for the fourth time, it won the Transparency Trophy from the National Association of Finance, Management and Accounting Executives (Anefac).



Capital Markets

Company with the greatest market capitalization in the Brazilian electric utilities sector for the second consecutive year, having reached R$ 23.5 billion by December 31.

For the ninth consecutive year, part of BM&FBovespa's Corporate Sustainability Index (ISE), having been a part of the index since 2005, when it was created.

15.5% appreciation of the Company's shares in relation to 2012, without including dividends (with yield above 6.0%), while the Ibovespa fell 8.8%.

Maintenance of its ratings: "brAAA" by Standard & Poor's and "AAA(bra)" by Fitch, both on a national scale, and "BBB(bra)" by Fitch on a global scale.

Operation



With the commercial start-up of two wind parks in Ceará state, with installed capacity of 25.4 MW and 30.0 MW, respectively, the total capacity of the 24 plants operated by Tractebel Energia across the five regions of Brazil reached 8,685.4 MW.

Excluding the consortium stakes in some plants, the Company's total own capacity reached 6,964.7 MW, equivalent to 6.0% of total installed capacity in the country as at December 31.

Over 40 new free customers became part of Tractebel Energia's portfolio, of which 24 are special consumers (with demand above 0.5 MW and that acquire their energy from renewable sources complementing large hydro).

The availability of the plants operated by Tractebel Energia reached 97.4%, surpassing 2012's level by 0.5%.

Main Indicators

Economic

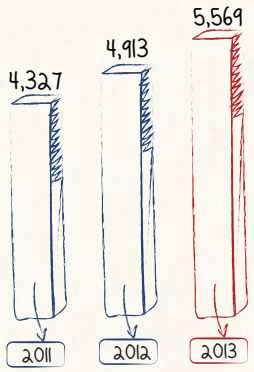
	2011	2012	2013	Change 2013/2012
Financial Information (R$ million)				
Total assets	12,028.6	12,310.9*	12,654.4	2.8%
Shareholders' equity	5,450.3	5,502.3*	5,364.6	-2.5%
Net revenue from sales	4,327.0	4,912.5	5,568.7	13.4%
Gross income	2,466.3	2,781.6	2,656.8	-4.5%
Earnings from services (EBIT)(1)	2,408.6	2,539.3*	2,387.2	-6.0%
Operating income	2,034.8	2,086.3*	2,001.7	-4.1%
Net income	1,448.1	1,490.9*	1,436.7	-3.6%
EBITDA(2)	2,909.7	3,100.5*	3,042.6	-1.9%
Financial Indicators (R$ million)				
Total debt (loans, financing and debentures)	3,649.2	3,534.5	3,495.4	-1.1%
Cash and cash equivalents	781.8	1,179.9	1,224.2	3.8%
Net debt	2,867.4	2,354.6	2,271.2	-3.5%
ROCE(3) (%)	22.9*	24.7*	23.1	-1.6 p.p.
Gross debt/EBITDA	1.3	1.1	1.1	-
Debt-to-equity ratio (%)	54.7	55.3*	57.6	2.3 p.p.
Operating margin (%)	47.0	42.5*	35.9	-6.5 p.p.
Net margin (%)	33.5	30.3*	25.8	-4.5 p.p.
Shares				
Net earnings per share (R$)	2.2185	2.2840*	2.2011	-3.6%
Average price per share(5) – common stock (R$)	22.59	30.19	34.67	14.8%
Dividends per share (R$)	2.1898	2.3691	2.2584	-4.7%

1. EBIT (earnings before interest and taxes) = operating income + financial income.
2. EBITDA (earnings before interest, taxes, depreciation and amortization) = net income + income tax and social contribution + financial expenses, net + depreciation and amortization + provision for impairment.
3. ROCE (return on capital employed) = earnings from services/non-current assets.
4. p.p. (percentage points).
5. Simple average of closing prices, adjusted for dividends.

* Adjustment arising from change in accounting practice (see considerations on the Financial Statements).

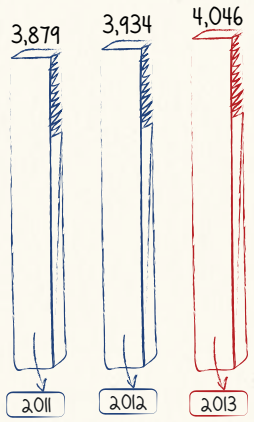
Net Sales Revenue

R$ million



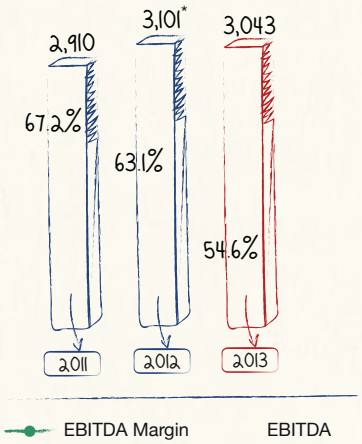
Sales Volume

Average MW



EBITDA and EBITDA Margin

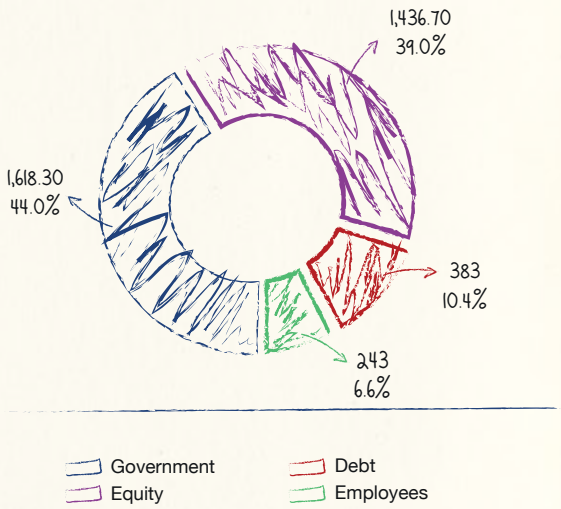
R$ million



* Adjustment resulting from change in accounting practice

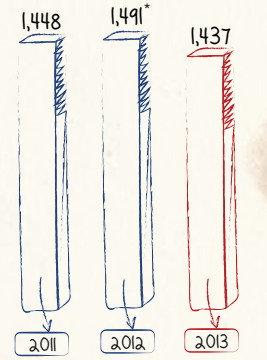
Distribution of Value Added

R$ million and %



Net Income

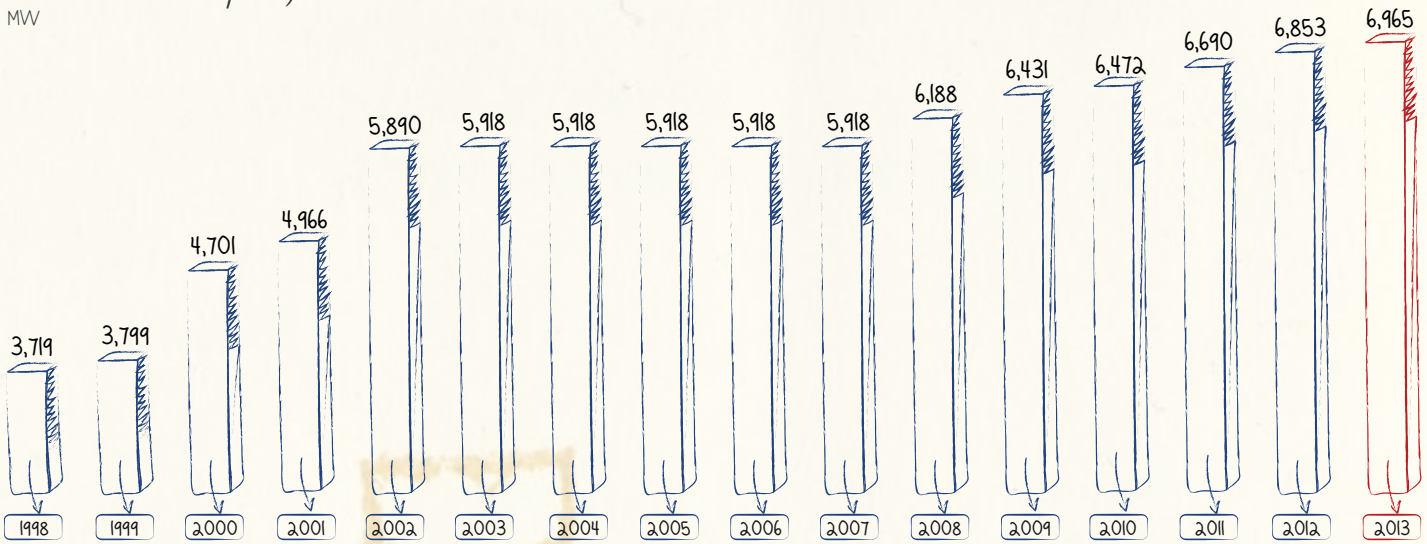
R$ million



* Adjustment resulting from change in accounting practice.

Own Installed Capacity

MW



Environmental Indicators

	2011	2012	2013	Change 2013/2012
Saplings of native species planted and donated (thousands)*	540	347	338	-2.6%
Non-hazardous waste recycled (%)	99.9	99.9	100.0	+0.1 p.p.
Energy consumed per GJ generated (GJ)	0.018	0.026	0.026	0.0%
Surface water consumption (millions of m^3)**	5.4	5.5	7.1	+29.1%
CO_2 emissions per MWh generated (t of CO_2/MWh)	0.084	0.148	0.143	-3.4%
Investment in improvements for environmental protection (R$ million)***	40.2	40.1	55.3	+37.9%

* For hydroelectric power plants in consortia (Itá, Machadinho and Estreito Hydroelectric Power Plants), the numbers of saplings are under their responsibility (Itá Consortium, Machadinho Consortium and Estreito Energia Consortium (Ceste), respectively).
** The increase in water consumption in 2013 is proportional to the increase in energy generation at the thermoelectric plants, due to unfavorable weather conditions for power generation at hydroelectric plants in 2013.
*** The increase in investments is mainly due to the implementation of the Tractebel Environmental Park, in Capivari de Baixo (Santa Catarina state), and the Mata do Rio Uruguai Teixeira Soares Municipal Nature Park (Paraná state), as part of the environmental compensation for the implementation of the Itá Hydroelectric Power Plant.

Social Indicators

	2011	2012	2013	Change 2013/2012
Voluntary investments in social projects (R$ million)	10.2	13.1	17.7	+35.1%
Number of visitors to plants	41,931	46,931	43,525	-7.3%
Number of direct jobs generated	1,084	1,082	1,125	+4.0%
Number of professionals from contracted companies	907	827	869	+5.1%
Investment in training and professional development (R$ million)	3.3	4.0	6.4	+60.0%
Total hours of training	80,445	78,916	59,663	-24.4%
Number of on-the-job and in-transit accidents of employees	7	2	10*	+400.0%

* In 2013, on-the-job and in-transit accidents with and without leave are included, unlike in previous years, when only those involving leave were taken into account.

Message from Management

2013 was an important year for Tractebel Energia. On the one hand the Company experienced adversities specific to the electrical energy sector and adversities stemming from the economy's slower dynamics, on the other hand we celebrated some victories: we ended another year as the company with the highest market capitalization in the Brazilian electric energy sector, reaching R$ 23.5 billion as at December 31; the Company's shares climbed 15.5% in relation to 2012, without taking into account the distribution of earnings with a yield above 6% (this while the Ibovespa – the index that contains the exchange's most-traded stocks – fell 8.8%); and for the ninth consecutive year, the Company was part of BM&F Bovespa's Corporate Sustainability Index (ISE), of which it has been a part since the index was created in 2005.

This positive performance makes the Company's economic and financial competitiveness evident and reaffirms our willingness to remain firm in our investment in the country. This investment has continued since 1998, when Tractebel Energia was established in Brazil, upon the privatization auction of Gerasul. Controlled by GDF SUEZ, the world's largest independent producer of electric energy, with installed capacity of 117 GW in operation, since this date the Company has been investing in projects to expand its installed capacity and diversify its generation facilities.

In 2013, Tractebel Energia acquired wind farm projects in Bahia, which, when developed, will have a capacity of approximately 206 MW. Moreover, the Company ended the year with two of the four wind farms of the Trairi Wind Farm Complex in operation, adding 55.4 MW to its generation facilities. For 2014, the Fleixeiras I and Mundaú Wind Farms are scheduled to commence operation, each with a capacity of 30 MW, and we will see the construction of the Santa Mônica Wind Farm Complex, also in Ceará





and near the Trairi complex, with capacity of 97.2 MW.

Acquisitions in 2013 also included the Company's purchase of the full capital of Ferrari Termoelétrica Ltda., a cogeneration plant fueled by sugarcane bagasse that has been in operation since 2009 and has an installed capacity of 65.5 MW. Thermal generation was in high demand in 2013, and the Company's six plants reached record production of 6, 294 GWh, or 718 average MW.

We also celebrated the start-up of the eighth and final generation unit of the Estreito Hydroelectric Power Plant, with a capacity of 1,087 MW. 2014 will see many developments. In the first quarter, the expectation is to take a first step in solar energy generation, with the opening of a photovoltaic plant with peak capacity of 3 MW which is a project of the Brazilian Electricity Regulatory Agency (Aneel), conducted in partnership with other institutions and which Tractebel Energia will lead.

With regard to financial performance, despite a positive balance on various fronts, Tractebel Energia – as well as other companies in the sector – was affected by decisions made by the federal government in response to the major drought that has persisted in the country since late 2012. These decisions include redistribution of the burden of additional thermoelectric generation and the implementation of supplementary measures, over the course of 2013, which went against companies' planning. Against this backdrop, the Company's net income was R$ 1,436.7 million, down 3.6% from 2012. Nevertheless, Tractebel Energia decreased its debt in foreign currency, and thus its foreign exchange exposure. Furthermore, it settled its obligations with the National Treasury in advance, generating book revenue of nearly R$ 50 million.

In the commercial area, we also overcame some challenges in 2013. Tractebel Energia intensified its energy trading business, gaining 40 new free customers in this area.

Of these, 24 are special consumers, with demand of more than 0.5 MW. These customers purchased their energy from renewable energy sources, complementing large-scale hydroelectric power, such as small hydroelectric power plants, wind farms and biomass power plants. The Company's net sales totaled R$ 5,568.7 million, up 13.4% from 2012.

However, the Company sees its business success as being complete only if it is accompanied by social advances, especially in the regions in which the Company operates (we currently have 24 plants installed in 12 Brazilian states). In 2013 we carried out noteworthy actions in this regard. One such action was the opening of the Cultural Center of Alto Bela Vista, a municipality in the region of the Itá Hydroelectric Power Plant, in Santa Catarina state. This Cultural Center includes an auditorium, theater and a cinema for 250 people. In the same state, we also opened the Tractebel Environmental Park, located in the region of the Jorge Lacerda Thermoelectric Complex. This is a leisure and cultural center that has, thus far, received around two thousand visitors on weekends.

For the electric energy sector as a whole, in order to attract more investments and provide customers and consumers with better commercial conditions, the challenge in 2014 will be to return to greater regulatory stability. Another important issue will be ensuring sustainable competitiveness, both in socio-environmental and economic terms. The federal government has quite legitimately established price caps in auctions, in order to ensure moderate tariffs. However, these price caps should be consistent with the aim of ensuring competitors are truly capable of implementing and operating projects with long useful lives, with all its positive and negative impacts, not only for the regions where they are located, but also nationally and even globally.

As we report our results and render our accounts to our shareholders, employees and other stakeholders, we know that we have made achievements but that we also face challenges. Nevertheless, we stress our constant commitment to perfect our practices and enhance our results to ensure good ethics, sustainability and transparency.



Maurício Stolle Bähr
Chairman of the Board of Directors



Manoel Arlindo Zaroni Torres
Chief Executive Officer

About the Sustainability Report

Development of the Publication

This Sustainability Report presents the management and performance of Tractebel Energia and its subsidiaries in 2013, the corporate governance, the economic, social and environmental management principles, and the profile of the Company.

The purpose of this publication is to thoroughly and clearly render accounts on the year's events, in addition to serving as a tool for dialog between Tractebel Energia and its stakeholders.

This report was developed by a multidisciplinary team from different areas of the Company, including the Sustainability Committee. This involvement facilitates the identification of the most significant themes from Tractebel Energia's viewpoint and the provision of complete information on each of them.



2013 Sustainability Report of Tractebel Energia was verified by GRI by means of the *Materiality Matters* evaluation, which validates the correct presentation of the material indicators in accordance with the GRI G4 guidelines.

GRI: 32

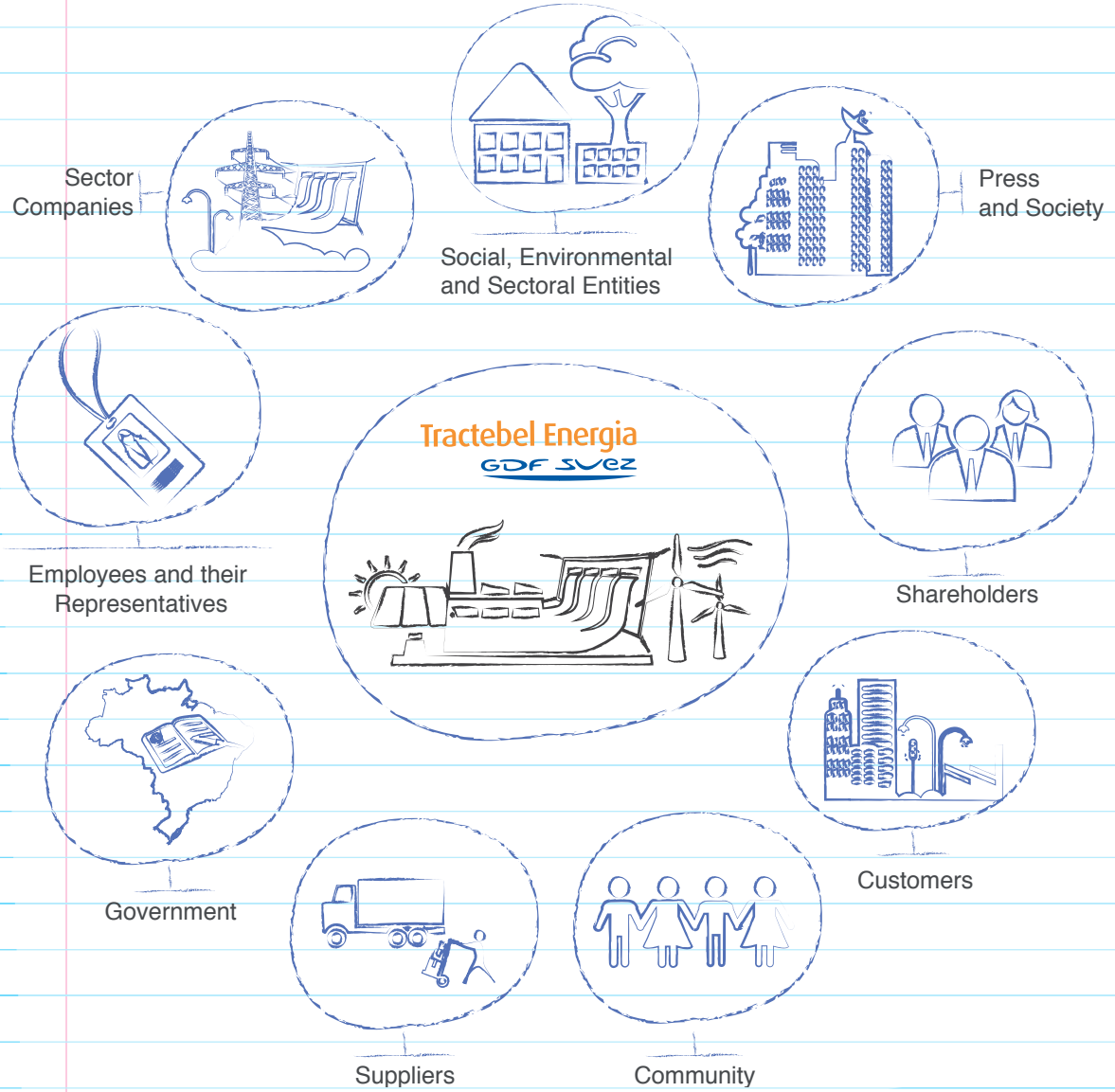
Global Reporting Initiative (GRI) Guidelines

This report follows GRI guidelines, version G4, officially launched in May 2013. The option chosen by Tractebel Energia for following the guidelines was "Comprehensive". As G4 does not yet have sector-specific indicators, this report presents those from version G3.

Consultation of Stakeholders and Materiality

The Company consulted its stakeholders prior to drafting this Report, by means of online consultation and an in-person workshop.

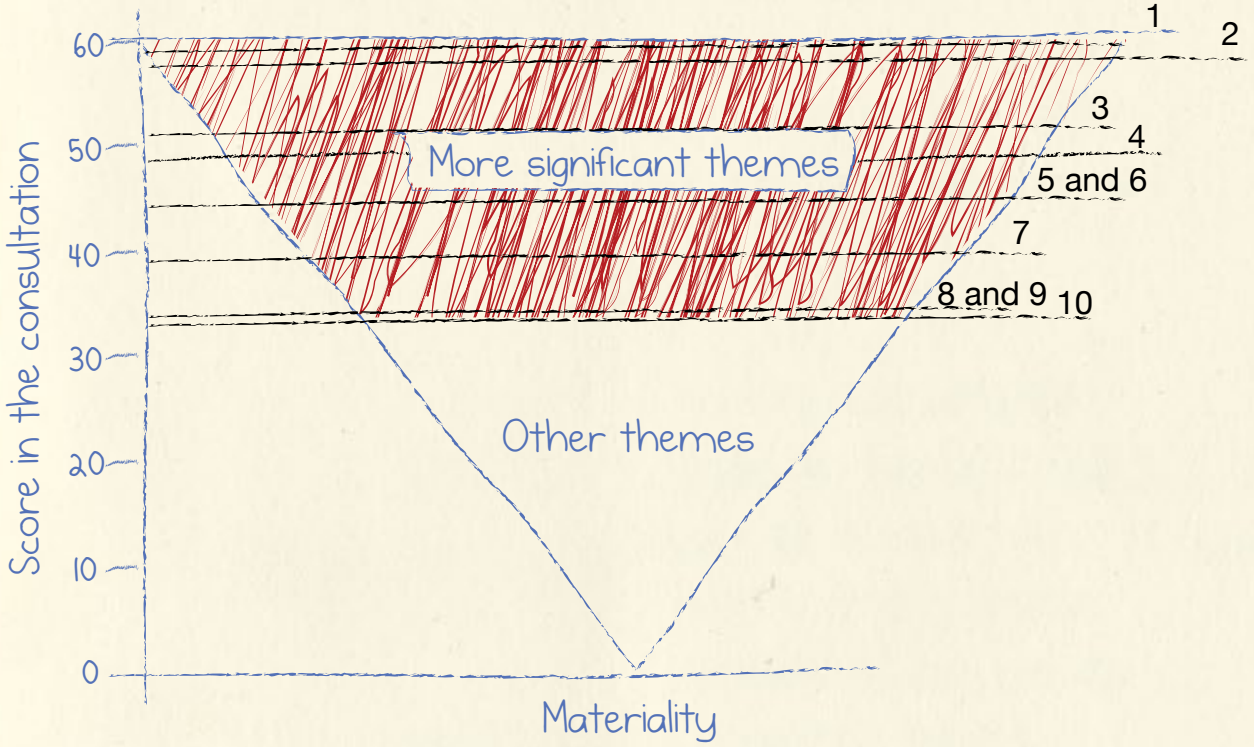
Stakeholders Consulted



Based on GRI G4, themes related to sustainability and aspects of the guidelines that gave rise to the questionnaire used in the online consultation and the in-person workshop were defined. In the questionnaire, those consulted could choose from ten themes the ones that interested them the most; they also had the option of specifying a different theme.

In addition, the in-person workshop – held at the Jorge Lacerda Thermoelectric Complex, in Capivari de Baixo (Santa Catarina state) – comprised an initial presentation with an introduction of sustainability, followed by a group session and a cycle of debate panels, in which stakeholders voluntarily divided themselves into five groups to discuss the impact of and on Tractebel in relation to society, individuals, the environment, customers and the economy.

The results of the questionnaires applied in these interviews resulted in the selection of ten relevant themes, addressed over the course of this report and presented in the following matrix.



1. Indirect economic impacts	5 and 6. Management of natural resources; Main environmental impacts
2. Economic performance	7. Marketing communication
3. Community	8 and 9. Water management; Training and education
4. Job creation	10. Market presence

Integrated Report

Tractebel Energia has been following the development of the integrated reporting platform proposed by the International Integrated Reporting Council (IIRC), and adopts the criterion of seeking to homogenize the information provided to its various stakeholders and integrate reporting on economic performance and management with social, environmental and governance reporting. Thus, it adopts initiatives such as the disclosure of social and environmental indicators in the quarterly earnings releases, and, as occurs in this edition, the incorporation of the economic and financial information contained in the Management Report and Financial Statements in the Sustainability Report, among others.



01

Corporate Profile

Respect

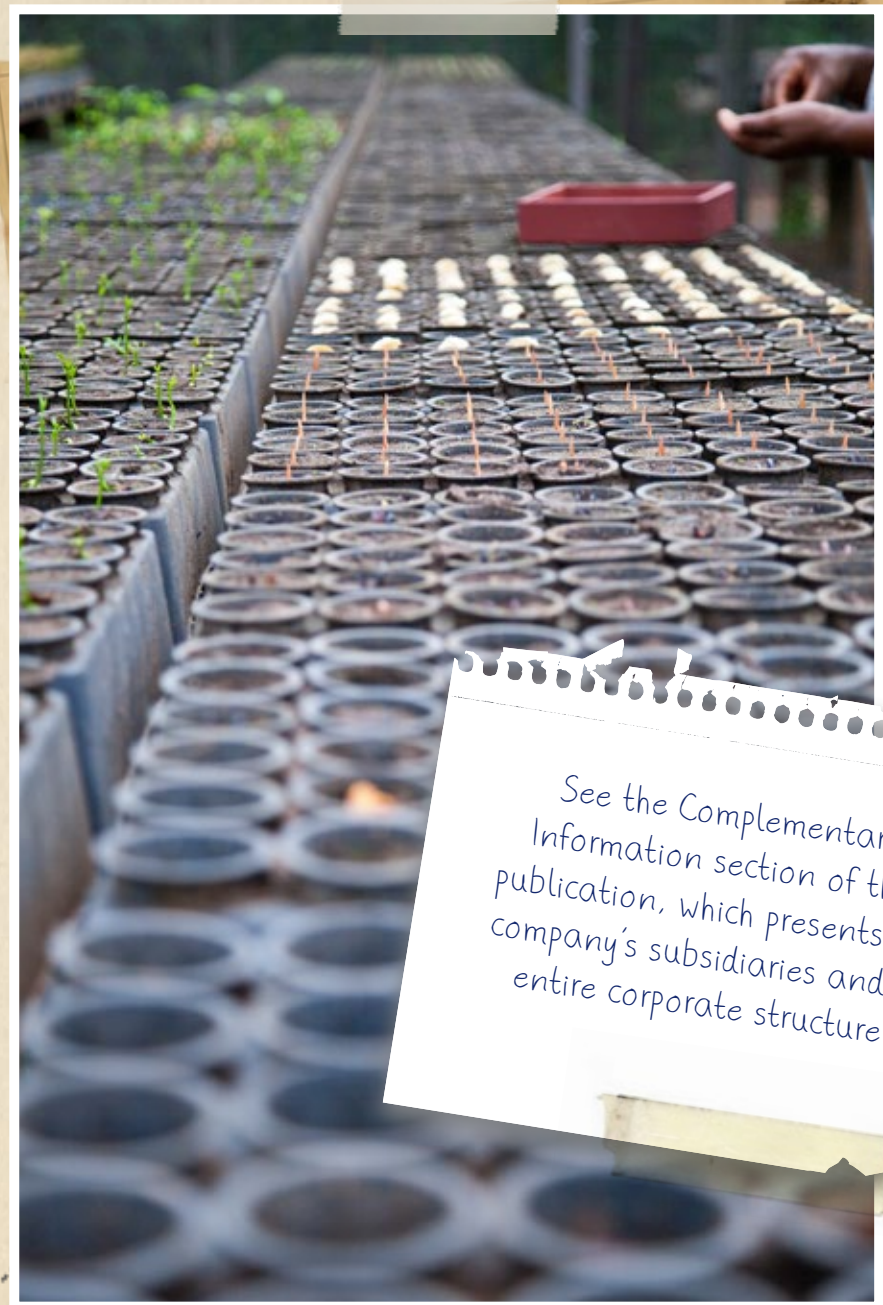
Respect is taking into consideration different cultures, reasons, beliefs and motivations of individuals, groups and communities, based on recognition and tolerance of particularities.

Tractebel Energia

Tractebel Energia (the Company), Brazil's largest private sector electricity generation company, has been operating since 1998 in the generation and trading of energy by implementing and operating power plants. The Company is headquartered in Florianópolis, Santa Catarina state, and its plants are installed across all regions of Brazil.

The Company has capital of R$ 2,445.8 million, comprising 652,742,192 common shares, traded regularly under ticker symbol TBLE3 on BM&F Bovespa's Novo Mercado. Tractebel Energia also trades Level 1 American Depositary Receipts (ADRs) on the US over-the-counter market, under ticker symbol TBLEY, at a ratio of one ADR for each common share.

Shareholding control over the Company is held by GDF SUEZ Energy Latin America Participações Ltda. (GSELA), which accounts for 68.71% of Tractebel Energia's capital. GSELA is controlled by French-Belgian group GDF SUEZ, the world's largest independent energy producer, with a worldwide installed capacity of 117 GW. GDF SUEZ operates throughout the energy value chain, in exploration and production, transportation, distribution and trading of electricity and natural gas.



See the Complementary Information section of this publication, which presents the company's subsidiaries and its entire corporate structure.

Sapling nursery at the Estreito Hydroelectric Power Plant

Generation Facilities

Tractebel Energia has an installed capacity of 6,964.7 MW, equivalent to 6.0% of the total installed capacity in Brazil. Its generation facilities, which are present in 12 states across the country's five regions, comprise 24 power plants, including hydroelectric, thermoelectric and complementary plants: small hydroelectric power plants (SHPPs), wind farms and biomass power plants. The Company operates all of these plants and fully controls 20 of them. With respect to the remaining four, Itá, Machadinho, Estreito and Ibitiúva Bioenergética, it has a stake as a consortium member. The installed capacity operated by Tractebel Energia at the 24 plants is 8,685.4 MW.

To operate the generation facilities, the Company holds concessions and authorizations granted by the regulatory body. Details of these concessions and authorizations are provided in the table below:

Generation facilities and installed capacity of assets in respect of which concessions and authorizations have been granted to the Company as at December 31, 2013

Hydroelectric Power Plants	Location	Expiration of Concession/ Authorization	Own Installed Capacity (MW)
Salto Santiago	Iguaçu River (PR****)	09/27/2028	1,420.0
Itá *	Uruguai River (SC and RS)	10/16/2030	1,126.9
Salto Osório	Iguaçu River (PR)	09/27/2028	1,078.0
Cana Brava	Tocantins River (GO)	08/26/2033	450.0
Estreito *	Tocantins River (TO and MA)	11/26/2037	435.6
Machadinho *	Uruguai River (SC and RS)	07/14/2032	403.9
São Salvador	Tocantins River (TO)	04/22/2037	243.2
Passo Fundo	Passo Fundo River (RS)	09/27/2028	226.0
Ponte de Pedra	Correntes River (MT)	09/30/2034	176.1
Total from hydroelectric sources			**5,559.7**

Thermoelectric Power Plants	Location	Expiration of Concession/ Authorization	Own Installed Capacity (MW)
Complexo Termelétrico Jorge Lacerda **	Capivari de Baixo (SC)	09/27/2028	857.0
William Arjona	Campo Grande (MS)	04/28/2029	190.0
Charqueadas	Charqueadas (RS)	09/27/2028	72.0
Alegrete ***	Alegrete (RS)	09/27/2028	66.0
Total from thermoelectric sources			**1,185.0**
Complementary Power Plants			
Parque Eólico Guajiru	Trairi (CE)	09/20/2041	30.0
Lages	Lages (SC)	10/29/2032	28.0
Rondonópolis	Ribeirão Ponte de Pedra (MT)	12/18/2032	26.6
Beberibe	Beberibe (CE)	08/03/2033	25.6
Parque Eólico Trairi	Trairi (CE)	09/29/2041	25.4
José Gelazio da Rocha	Ribeirão Ponte de Pedra (MT)	12/18/2032	23.7
Ibitiúva Bioenergética *	Pitangueiras (SP)	04/04/2030	22.9
Areia Branca	Rio Manhuaçu (MG)	05/02/2030	19.8
Pedra do Sal	Parnaíba (PI)	10/01/2032	18.0
Total from complementary sources (biomass, wind and SHPPs)			**220.0**
Total			**6,964.7**

See the Complementary Information section of this publication, which presents further information on the plants that make up the generation facilities operated by the Company.

* The hydroplants owned by consortia have the following total installed capacities: Itá, 1,450.0 MW; Estreito, 1,087 MW; Machadinho, 1,140 MW; and Ibitiúva, 33 MW. Thus, the capacity of the 24 plants operated by Tractebel Energia totals 8,685.4 MW.
** Thermoelectric complex comprising three plants.
*** The Alegrete Thermoelectric Power Plant (UTAL) is a thermoelectric plant fired by fuel oil, which was built around 45 years ago. Currently, due to its high operating cost, it has not been dispatched in normal situations, since there are more economical plants which can meet demand. In the current situation, the plant is no longer economically feasible and the Company has made a request to the Brazilian Electricity Regulatory Agency (Aneel) to issue a definitive revocation of its operation authorization and its return to the federal government.
**** Brazilian state abbreviations: Ceará – CE, Goiás – GO, Maranhão – MA, Mato Grosso – MT, Mato Grosso do Sul – MS, Minas Gerais – MG, Paraná – PR, Piauí – PI, Rio Grande do Sul – RS, São Paulo – SP, Santa Catarina – SC, Tocantins - TO.

Expansion in 2013

Since the beginning of its operations in Brazil, the Company has analyzed opportunities for expanding into the different regions of the country which are sustainable from an economic, social and environmental point of view. Thus, it has been diversifying its energy matrix and its participation in different regional markets. The Company remains firmly committed to expanding its generation facilities, prioritizing renewable sources, such as hydroelectric, wind, biomass and solar power.



Zequinha and family
Tubarão (Santa Catarina state)

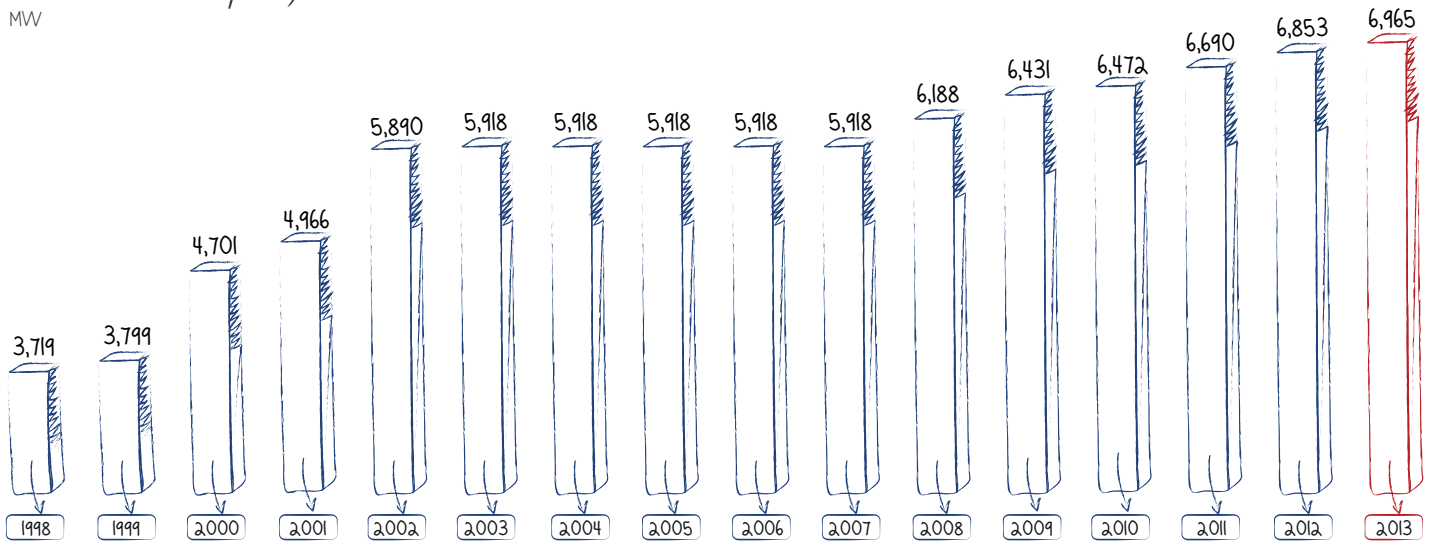
José de Souza Goulart, "Zequinha", is the coordinator of the Forest Nursery Space of the Jorge Lacerda Thermoelectric Complex.

"Tractebel Energia's commitment that I admire the most is its commitment with the environment. In the nursery, we receive visitors, explain about the saplings of native trees that we produce, and talk about respecting the environment and one's neighbor. We are not just the present, our concern is about the future.

When I visit places and see the trees that were planted in the nursery have grown, and knowing that it was a seed that was in my hand, it's priceless, it's brilliant."

Own Installed Capacity

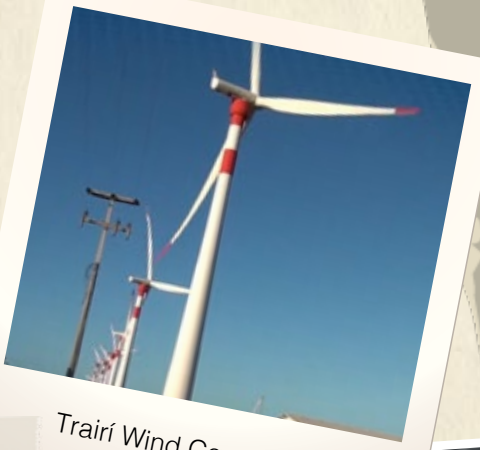
MW



On March 21, 2013, the eighth and last generation unit of the Estreito Hydroelectric Power Plant commenced operation – a project in which Tractebel Energia has a 40.07% stake – on the border between Tocantins and Maranhão. Moreover, two of the four wind farms being implemented in the municipality of Trairi, Ceará state, commenced commercial operation: the Guajiru Wind Farm, on October 28, 2013, and the Trairi Wind Farm, on November 22, 2013. As a subsequent event, the Fleixeiras I Wind Farm received authorization from Aneel to begin its commercial operations starting January 28, 2014. Construction of the Mundaú Wind Farm continues, being scheduled to commence operation in the first quarter of 2014. Together, the four wind farms total 115.4 MW of installed capacity and 58.2 average MW of commercial capacity.

On December 16, 2013, the Company's Board of Directors approved the acquisition of the full capital of Ferrari Termoelétrica S.A., which holds all the assets of the Ferrari Thermoelectric Power Plant (Ferrari HPP), an energy cogeneration project fueled by sugarcane biomass, with installed capacity of 65.5 MW and commercial capacity of 23.2 average MW. The investment will be recognized in the accounting records when all of the conditions established in the acquisition contract are fulfilled, which is expected for the first quarter of 2014.

Two wind farms that are part of the Trairi Complex went into operation in 2013: Trairi, with 25.4 MW, and Guajiru, with installed capacity of 30 MW. The conclusion of work on the remaining wind farms was rescheduled for 2014: Flexeiras I and Mundaú, each with 30 MW. When these two wind farms go into commercial operation, the Trairi Wind Complex's total capacity will be 115.4 MW.



Trairí Wind Complex



Students visiting the Forest Nursery Space of the Jorge Lacerda Thermoelectric Complex



.02

Corporate Governance

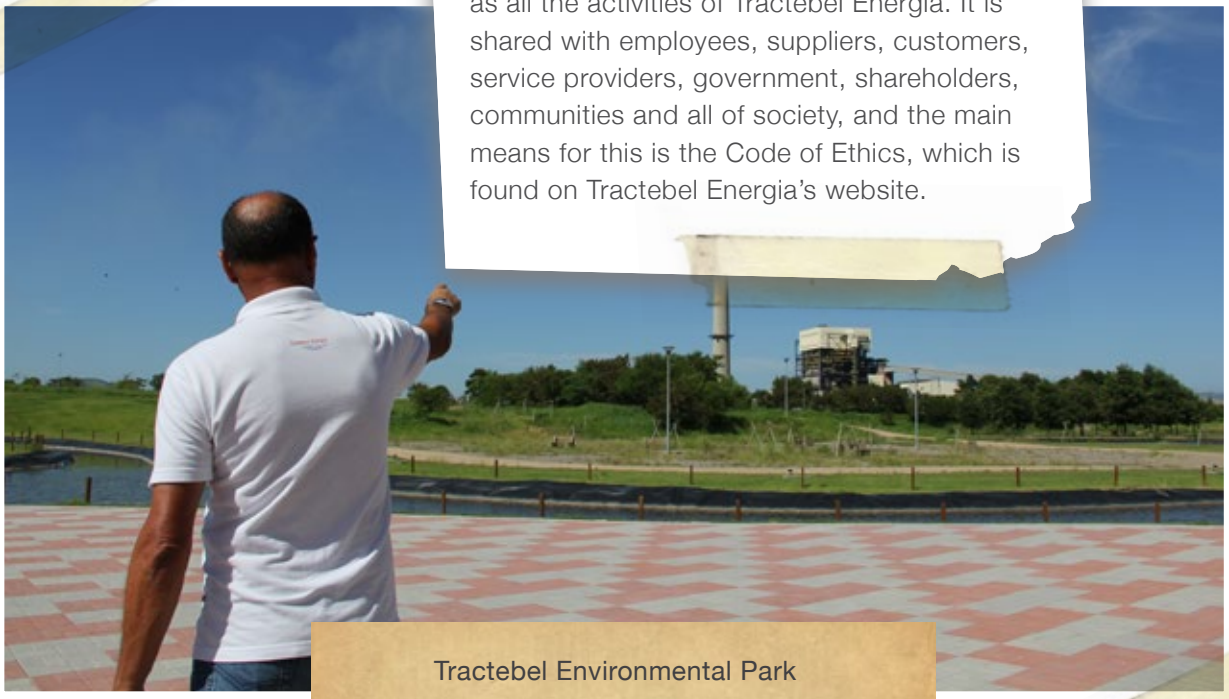
Transparency

Transparency refers to the quality of communication between the community's various agents, in which clarity of intentions and objectives, and accurate and accessible information, without double meanings, about actions, means and consequences to achieve them establish the standard of truth.

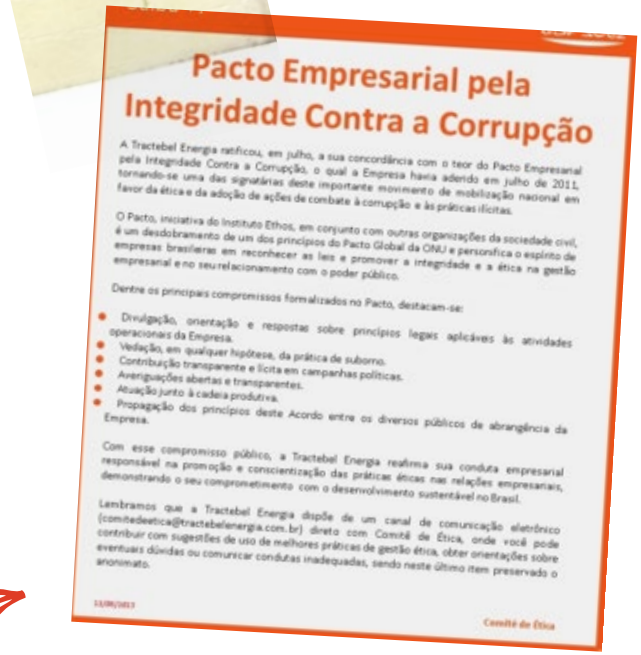
Principles

Tractebel Energia's corporate governance, which steers its business management and sustainability, follows the best market practices and is based on the pillars of constant transparency and ongoing commitment to rendering of accounts and equal treatment in access to information for all its stakeholders. These pillars are based on principles that guide the Company's corporate governance:

Ethics – this is one of the Company's values and is interlinked with all the others, as well as all the activities of Tractebel Energia. It is shared with employees, suppliers, customers, service providers, government, shareholders, communities and all of society, and the main means for this is the Code of Ethics, which is found on Tractebel Energia's website.



Tractebel Environmental Park



Pacto Empresarial pela Integridade Contra a Corrupção

A Tractebel Energia ratificou, em julho, a sua concordância com o teor do Pacto Empresarial pela Integridade Contra a Corrupção, o qual a Empresa havia aderido em julho de 2011, tornando-se uma das signatárias deste importante movimento de mobilização nacional em favor da ética e da adoção de ações de combate à corrupção e às práticas ilícitas.

O Pacto, iniciativa do Instituto Ethos, em conjunto com outras organizações da sociedade civil, é um desdobramento de um dos princípios do Pacto Global da ONU e personifica o espírito de empresas brasileiras em reconhecer as leis e promover a integridade e a ética na gestão empresarial e no seu relacionamento com o poder público.

Dentre os principais compromissos formalizados no Pacto, destacam-se:

- Divulgação, orientação e respostas sobre princípios legais aplicáveis às atividades operacionais da Empresa.
- Vedação, em qualquer hipótese, da prática de suborno.
- Contribuição transparente e lícita em campanhas políticas.
- Averiguações abertas e transparentes.
- Atuação junto à cadeia produtiva.
- Propagação dos princípios deste Acordo entre os diversos públicos de abrangência da Empresa.

Com esse compromisso público, a Tractebel Energia reafirma sua conduta empresarial responsável na promoção e conscientização das práticas éticas nas relações empresariais, demonstrando o seu comprometimento com o desenvolvimento sustentável no Brasil.

Lembramos que a Tractebel Energia dispõe de um canal de comunicação eletrônico (comitedeetica@tractebelenergia.com.br) direto com Comitê de Ética, onde você pode contribuir com sugestões de uso de melhores práticas de gestão ética, obter orientações sobre eventuais dúvidas ou comunicar condutas inadequadas, sendo neste último item preservado o anonimato.

Comitê de Ética

Promoting ethics

- In July 2013, Tractebel Energia ratified the Business Pact for Integrity and Against Corruption. As stated in the internal release, the pact is an initiative of Instituto Ethos in collaboration with other organizations of civil society and an outcome of the Global Compact of the United Nations (UN), of which GDF SUEZ is a signatory.

- In June, the second edition of the Ethics, Sustainability and Energy Seminar took place, with speakers from Universidade do Sul de Santa Catarina (Unisul), Movimento Nós Podemos SC, Institutes Akatu and Acende Brasil, and Ambientalis Consultoria.

Management – the management guidelines, based on Tractebel Energia's values (ethics, professionalism, sense of partnership, teamwork and respect for the environment), are part of a set of policies and codes, available on the Company's website for public knowledge. They are:

- The Tractebel Energia Sustainable Management Policy;
- The Tractebel Energia Policy on Climate Change;
- The Internal Bylaws of the Sustainability Committee;
- The Environmental Code;
- The Code of Ethics.

The management rules and procedures are established in documents known by the employees, provided on the intranet.
The main ones are:

- The Corporate Bylaws;
- The Organizational Manual;
- The Management Manual.

Transparency – The Company seeks to present the information and accounts disclosed – relating to its activities or important issues for the sector in which it operates – with equality and transparency for its various stakeholders.

Tractebel Energia's Information and Stock Trading Disclosure Policy complies with financial market regulators' rules, such as the Brazilian Central Bank (Bacen), Brazilian Securities Commission (CVM) and the BM&FBovespa stock exchange; and material event notices follow CVM Instruction 358/02, offering investors ample time for decision-making. Some of the materials released by the Company are:

- Quarterly information;
- Earnings releases and presentations;
- Financial Statements[1];
- Management Reports;
- Announcements to the market;
- Notices to shareholders;
- Material facts;
- Sustainability Reports;
- Boas Novas magazine, for external and internal stakeholders; and
- Internal communications of interest to employees and directors, as exemplified in images.







1. The 2013 Financial Statements are in the Management Report and Financial Statements for the Years 2013 and 2012, available on Tractebel Energia's website.

Control – Tractebel Energia adopts a system of internal control based on the Sarbanes-Oxley Act (SOX), which is constantly improved and annually undergoes tests and certification by Management. The results of these tests and their conformity with law are verified by means of external audits. The Company has an internal audit unit to evaluate the proper conduct of various types of processes – financial and non-financial – and the application of manuals and rules that provide the basis for the principle of corporate governance management. Meanwhile, the Fiscal Council became permanent in 2013, and that same year, Management maintained the decision to not create an Audit Committee.

GRI: 41

Differentials and Best Practices

Continual Improvement - Continual improvement is a constant concern for Tractebel Energia in all areas of management, starting with corporate governance. Instruments such as the Global Reporting Initiative (GRI), the Corporate Sustainability Index (ISE) and the ISO 26000 standard contribute to evaluations of improvement in the governance system practiced by the Company, which take into account possible gains in management and control, costs and time involved in implementing potential improvements.

Novo Mercado – As it is part of the Novo Mercado, the highest level of corporate governance of BM&FBovespa, Tractebel Energia adopts a set of good corporate governance practices that surpasses what is required by legislation.

Shareholder Rights – The Company strives to protect the interests of all its shareholders, guaranteeing the following rights:

- Vote in Annual or Extraordinary Shareholders' Meeting.
- Submit recommendations to the Board of Directors by means of a specific channel in the Investors Portal of Tractebel Energia's website.
- Receive dividends and participate in profit sharing or other payments to shareholders.
- Oversee Management and withdraw from the Company in the cases provided for in Brazilian Corporate Law.
- In the event of a public offering of shares as a result of disposal of control, receive at least 100% of the price paid per common share of the control block, in accordance with Novo Mercado rules.



Cláudio Lopes
Tubarão (Santa Catarina state)

Cláudio Lopes works for the Visitors' Program of the Jorge Lacerda Thermoelectric Complex.

"We seek to show visitors our experience in generating energy and preserving the environment, but we also talk about life. Thus, we form a very strong bond between the Company and the community.

The proximity is essential when we are dealing with relationships between people, because it facilitates transparency, which is very important. I believe that Tractebel Energia is on the right track, reaching its objective of generating energy with quality and generating wellbeing."

Arbitration – Tractebel Energia determines, in its Bylaws, that any dispute between shareholders of the Company – especially related to capital markets and corporate law – will be resolved in the Market Arbitration Chamber, a body linked to BM&FBovespa that is independent, confidential and efficient in resolving conflicts.

Permanent Fiscal Council – In 2013, the Company's Fiscal Council became permanent, improving controls related to the results disclosed by the Company in the Financial Statements.

Board of Directors Representative on Sustainability Committee – Since 2012, the employees' representative on the Board of Directors has been a member of Tractebel Energia's Sustainability Committee.

Corporate Sustainability Index – Tractebel Energia was selected to be part of the Corporate Sustainability Index (ISE) from January 6, 2014 to January 2, 2015. The new portfolio contains 51 stocks of 40 companies, representing 18 sectors and totaling R$ 1.14 trillion in market capitalization, equivalent to 47.2% of the total value of the companies with shares traded on BM&FBovespa . The Company has been part of the ISE since it was created in 2005, that is, for nine consecutive years.

Sustainability Report, GRI G4 Standard – The Company's first Sustainability Report to adopt GRI guidelines was the one for 2007, level C, version G3. Those for 2008 to 2012 joined level A+ of the same version, thus incorporating external verification of the report's social and environmental information, while the economic and financial information is audited by an accredited institution in issuing the Management Report. Starting with this Sustainability Report for 2013, Tractebel Energia opted to follow version G4, which was officially launched by GRI in May 2013, with the "Comprehensive" option.

Índice de Sustentabilidade Empresarial ISE 2014



2. Based on the closing of November 26, 2013. Source: www.isebmf.com.br.

Management

Tractebel Energia's management follows the rules established for BM&FBovespa's Novo Mercado, as well as the Company's corporate governance principles and practices.

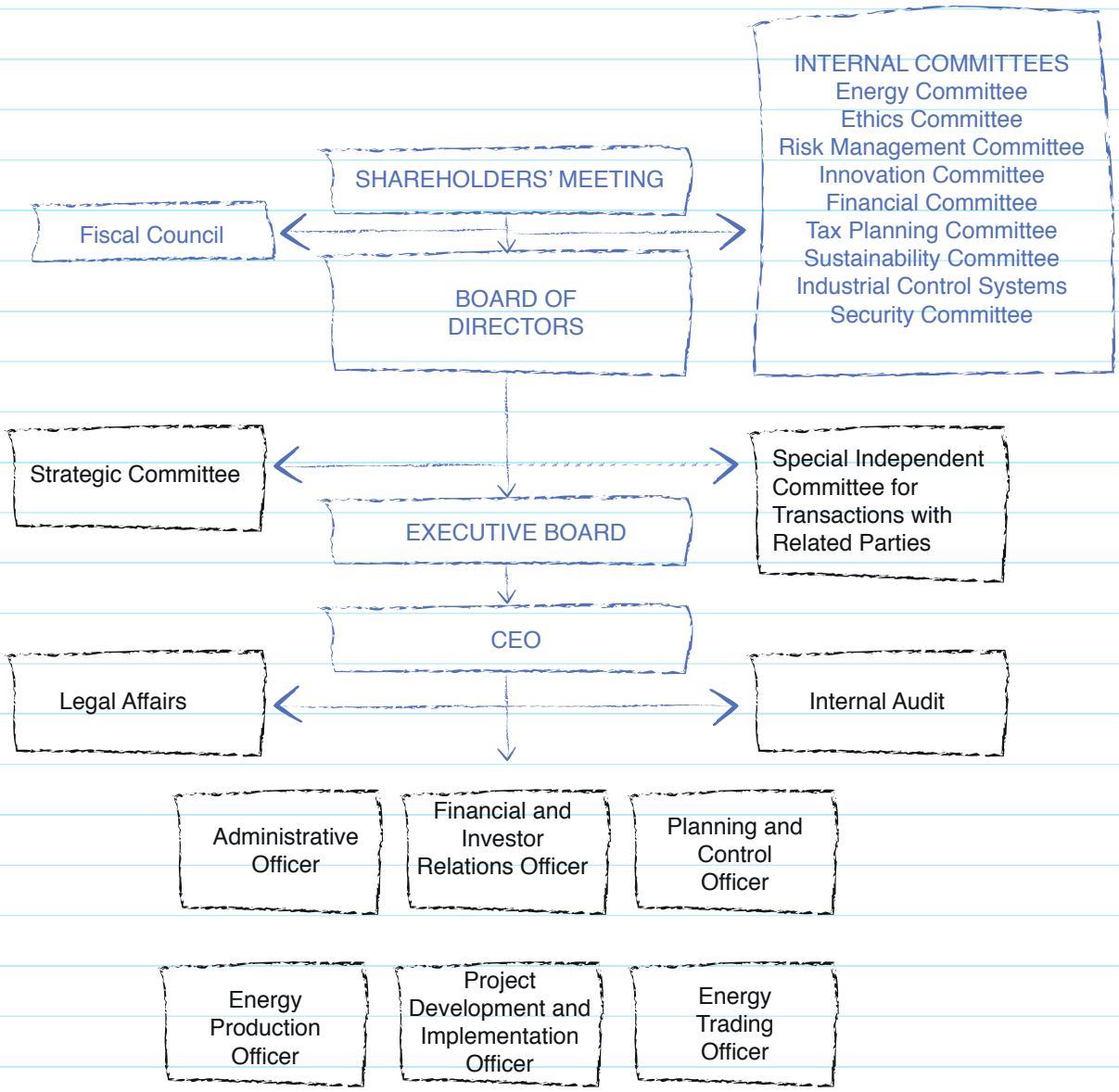
Selection and Appointment

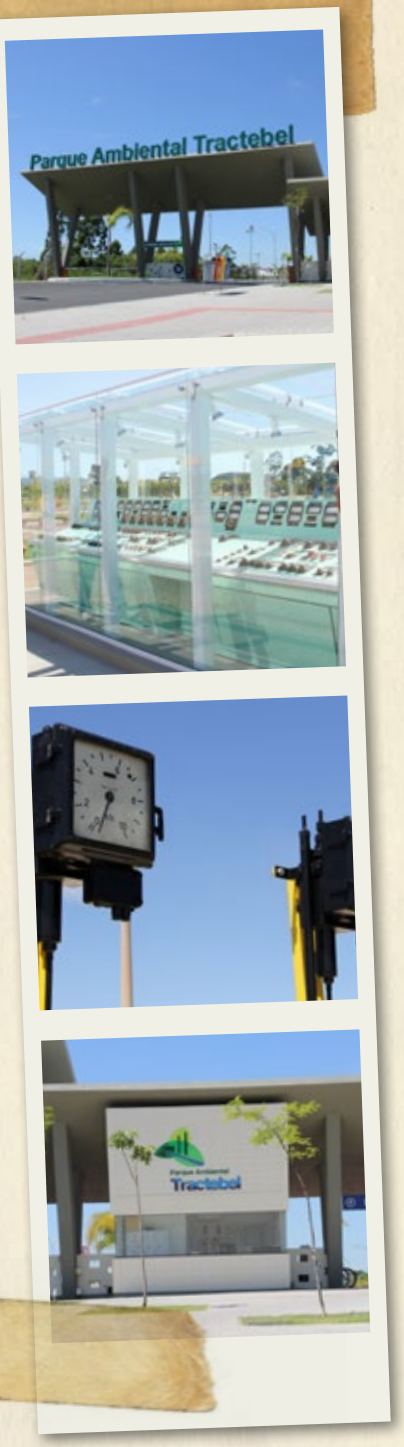
The Annual General Shareholders' Meeting elects the members of the Board of Directors based on their personal and professional qualities, and the contributions they can make to the Company's management. The same criterion applies to the committees described below, and, in general, guides the balance between genders in leadership and strategic positions. This is aligned with the goals of GDF SUEZ, the controlling shareholder of Tractebel Energia.



Students visiting the Forest Nursery Space of the Jorge Lacerda Thermoelectric Complex

Tractebel Energia's Current Organizational Chart (December 31, 2013)





GRI: 35 | 36 | 48

Process for Delegating Authority

Tractebel Energia's Bylaws, available on its website, establish the responsibilities of the Board of Directors to elect, remove and oversee the management of officers, as well as determine their duties. The Organizational Manual, available to employees on the intranet, determines the duties of each officer and sets out that the Financial and Investor Relations Officer is responsible for economic aspects; the Energy Production Officer, for environmental aspects; and the Administrative Officer, for social aspects.

GRI: 37 | 49 | 50

Process for Consulting Stakeholders

There is more than one means available for Tractebel Energia to consult its stakeholders about economic, social and environmental aspects of its activities. These include:

- The Ethics and Sustainability Committees, whose means of contact are available in the Tractebel Energia Sustainable Management Policy, on the Company's website; and
- The website's portals: Business, Investors, Sustainability, Suppliers and Press, in which the "contact" channel can be accessed. For shareholders, there is also a channel dedicated to sending recommendations to the Board, including any communication of critical concerns. As of December 31, 2013, there had been no record of this channel being used by shareholders.

The Communication Policy and Guidelines document, available for employees on the intranet, establishes the procedure for handling each type of consultation, including those responsible for the response for each case. Feedback to Management – if and when necessary – is to the Executive Officer, and there is reporting to the Board of Directors only in cases related to the Company's medium and long-term sustainability strategy.

Board of Directors

Responsibilities

The Board of Directors' responsibilities are established in the Company's Bylaws and the Internal Charter of the Board of Directors, both of which are available on Tractebel Energia's website. The Internal Charter aim to ensure effective contributions by the board members, as well as establish principles, practices, responsibilities and standards of ethics and integrity that must be observed by its members. The Bylaws establish that the board must have at least five and no more than nine permanent members, and an equal number of alternate members. Among the members, there must be a Chairman of the Board and a Vice-Chairman, chosen by the shareholders in accordance with law. These officials have a term of two years, with reelection being permitted. The Bylaws also establish that one of the members of the Board of Directors and the respective alternate member are to be elected by employees in direct voting organized by the Company, and the names must be approved by shareholders in a shareholders' meeting. Meanwhile, paragraph four of the same article establishes that, of the board members, at least 20% must be independent board members, in accordance with the definition in the Novo Mercado Regulations, and expressly declared as such in the minutes of the shareholders' meeting that elected them. The elected board members are also considered independent.

Composition

Nine members make up the Board of Directors of Tractebel Energia, three of which are independent: two represent minority shareholders and one, the Company's employees. The members as at December 31, 2013 were elected in the 15th Annual General Meeting of Shareholders, held on March 21, 2012. Their resumes are in the Reference Form, filed with the CVM, and also available on Tractebel Energia's website.



Board of Directors of Tractebel Energia

(December 31, 2013)

Permanent Members	Alternate Members
Maurício Stolle Bähr Chairman	Patrick Charles Clement Obyn
Jan Franciscus María Flachet Vice-Chairman	Pierre Victor Marie Nicolas Devillers
Manoel Arlindo Zaroni Torres Board Member	André de Aquino Fontenelle Canguçu
Guy Marie Numa Joseph Ghislain Richelle Board Member	Luiz Eduardo Simões Viana
Luiz Antônio Barbosa Board Member (independent, elected by employees)	Roberto Henrique Tejada Vencato Independent, elected by employees
Dirk Achiel Marc Beeuwsaert Board Member	Gil de Methodio Maranhão Neto
José Pais Rangel Board Member (independent)	José João Abdalla Filho Independent
Luiz Leonardo Cantidiano Varnieri Ribeiro Board Member (independent)	Antonio Alberto Gouvêa Vieira Independent
Willem Frans Alfons Van Twembeke Board Member	José Carlos Cauduro Minuzzo

Executive Board

Responsibilities

According to the Bylaws, the Chief Executive Officer is responsible for leading the Executive Board's meetings, coordinating and guiding the activities of all other officers in their respective areas of competence, attributing to any of the officers special activities and tasks, regardless of those for which they are usually responsible, and guiding the execution of decisions by the Board of Directors and Executive Board.

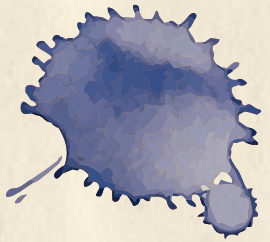
Composition

In addition to the Chief Executive Officer, the Executive Board comprises the following officers: Energy Production, Administrative, Energy Trading, Project Development and Implementation, Financial and Investor Relations, and Planning and Control. The officers' terms are for three years, and can be renewed. The composition as at December 31, 2013 is presented below.

Executive Board of Tractebel Energia

(December 31, 2013)

Name	Position
Manoel Arlindo Zaroni Torres	Chief Executive Officer
José Carlos Cauduro Minuzzo	Energy Production Officer
Luciano Flávio Andriani	Administrative Officer
Marco Antônio Amaral Sureck	Energy Trading Officer
José Luiz Jansson Laydner	Project Development and Implementation Officer
Eduardo Antonio Gori Sattamini	Chief Financial and Investor Relations Officer
Edson Luiz da Silva	Planning and Control Officer



Fiscal Council

Responsibilities

Tractebel Energia's Fiscal Council, which became permanent in 2013, has the duties of analyzing the Company's Financial Statements, overseeing the Executive Board's actions, and evaluating risk management and internal control systems and proposals to be submitted to the Board of Directors in the event of contracting additional services from the company auditing the financial statements.

Composition

The Fiscal Council comprises three to five permanent members and an equal number of alternate members, elected in the Annual General Shareholders' Meeting for a one-year term, with reelection being allowed. The composition of the Fiscal Council as at December 31, 2013 is presented below.



Lages Cogeneration Unit

Fiscal Council of Tractebel Energia

(December 31, 2013)

Permanent Members

Manoel Eduardo Lima Lopes
Elected by minority shareholders

Carlos Guerreiro Pinto
Elected by controlling shareholders

Paulo de Resende Salgado
Elected by controlling shareholders

Alternate Members

Ailton Pinto Siqueira
Elected by minority shareholders

Manuel Eduardo Bouzan de Almeida
Elected by controlling shareholder

Flávio Marques Lisboa Campos
Elected by controlling shareholder

Management Compensation

Policy

The compensation policy for the members of the Board of Directors, Executive Board and Fiscal Council take into account the knowledge required, the complexity of the activities and the results expected for each position.

Criteria

The Company's Annual General Shareholders' Meeting determines the annual overall compensation of its administrators, meeting the following criteria:

- **Board of Directors –** The annual amount established for each board member is paid in 13 monthly installments, and variable installments may be considered based on financial indicators, targets and operating results, including aspects related to sustainability. The Chairman of the Board receives higher compensation than the other board members; and the employees' representative receives a bonus based on the number of months of compensation paid to employees as profit sharing.
- **Executive Board –** The members of the Executive Board receive annual compensation comprising a fixed portion and a variable portion, in the form of a bonus. The fixed compensation is established based on the market, and its amount is paid in 13 monthly installments. The officers' fringe benefits include: health plan, life insurance and supplementary retirement plan. The bonus is paid in the first half of the following year, after the closing of the base year. It can vary between 25% and 90% of the total annual compensation, according to the position, challenges and targets established, and takes into account:
  - financial indicators, such as evolution of EBITDA, free cash flow generation and net results, and importance to the controlling shareholder's results, among other factors, which on average account for 40% of the amount of the bonus;
  - individual and operational indicators, such as meeting of targets and operating and/or financial results, including themes related to sustainability, which on average account for 40% of the amount of the bonus; and
  - other managerial and behavioral matters, which on average account for 20% of the amount of the bonus.
- **Fiscal Council** - The Fiscal Council members' compensation is fixed, paid in the form of director fees. The amount paid to each acting member cannot be less than 10% of the average monthly compensation of the executive officers, without taking benefits and variable compensation into account.

Total Compensation of Board of Directors and Executive Board in 2013

The total compensation of the Board of Directors and Executive Board was approximately R$ 17.9 million in 2013, of which 65.4% corresponds to fixed compensation.

Total Compensation of Fiscal Council in 2013

A total of R$ 388.4 thousand was paid to Tractebel Energia's Fiscal Council in 2013.

Committees

The following committees directly or indirectly participate in Tractebel Energia's decision-making processes:

Strategic Committee: consultative body with the function of guiding the Board of Directors and Executive Board on matters related to the Company's strategy, such as regulatory aspects, trends in the electric energy sector and expansion of generation facilities.

Special Independent Committee for Transactions with Related Parties: non-permanent body, subordinated to the Board of Directors, established when there is a transaction involving parties related to Tractebel Energia, in order to ensure that the interests of the Company and its shareholders are defended. It comprises three or five members, a majority of which are independent members of the Board of Directors. Its duties include negotiating the terms of the transaction and orienting the Board.

Internal committees: their functions are related to Tractebel Energia's management strategy, and are formed of professionals from different areas of the Company. The eight internal committees in place as at December 31, 2013 are listed below:

Energy Committee: has the functions of evaluating the situation of the electric energy market and Tractebel Energia's business; approving trading and market risk management policy; defining transfer pricing; and validating strategies to participate in energy auctions and sale contracts.

Ethics Committee: has the function of continually evaluating whether Tractebel Energia's Code of Ethics is up to date and pertinent; disseminating, raising awareness of, applying and updating the Code; deciding on questions of interpretation regarding its content; and judging any cases of violations.

Risk Management Committee: has the functions of setting targets, guidelines and procedures for controlling the Company's risks; and continually improving the process of evaluating risks managed by operating areas.

Innovation Committee: has the purpose of creating a proper environment for innovative ideas, capable of adding value to Tractebel Energia, evaluating proposals submitted by employees and recommending to the Executive Board the allocation of resources for the adoption of the ideas selected, as well as actions for recognizing the authors. It also has the purpose of encouraging the Company's participation in the GDF SUEZ Innovation Trophies competition, promoted by the controlling shareholder.



Estreito Hydroelectric Power Plant

Financial Committee: has the duties of evaluating macroeconomic conditions and their impacts on the financial management of Tractebel Energia; recommending policies for funding, investment of resources and derivatives, prepayments, and acceleration or postponement of receivables; identifying risks of mismatching of payable and receivable transactions; participating in contracting of liability restructuring operations; approving rankings of banks with which the Company will work; and, when pertinent, proposing hedge transactions.

Tax Planning Committee: has the duties of discussing and interpreting the application of tax legislation; debating and recommending actions in the course of administrative and judicial disputes; presenting suggestions for obtaining possible legal tax benefits in Tractebel Energia's operations; participating in decisions on new projects; and identifying new opportunities for tax savings.

Sustainability Committee: has as its main duties creating a proactive system for the Company's actions related to social and environmental issues in the communities in which it is present; raising awareness of its stakeholders about sustainability; making recommendations about aspects of social and environmental sustainability of projects in development and implementation; proposing and submitting for Executive Board approval the Tractebel Energia Sustainability targets for each year; and liaising with operating areas for these targets to be achieved.

Industrial Control Systems Security Committee: has the duties of proposing the industrial control systems security policy; periodically overseeing the activities of the Industrial Control Systems Tactical Group; and ensuring that GDF Suez Group's new projects in Brazil are in accordance with the requirements of the Industrial Control Systems Security Committee.

.03

Strategy and Competitive Advantages



Cooperation

Acting in conjunction: individual action integrated with those of other individuals of the community, seeking the common good or objectives.

Strategy

Tractebel Energia strives to continue to expand, and thus remain the country's largest private-sector generation company, with the vision to be, in a sustainable way, the best energy company in Brazil. Having to mission of GENERATING ENERGY FOR LIFE, the Company continually seeks to solidify its position as a reference of sustainability in the sector in which it operates. This strategy is based on the following principles:



Ibitiúva Bioenergética Thermoelectric Power Plant

Ethics, Integrity and Responsibility

concepts and practices of ethical, integral and responsible business and personal conduct are shared by the Company with all of its stakeholders. Tractebel Energia's Code of Ethics is available on the website, in addition to being provided to all employees. The Tractebel Energia Sustainable Management Policy reaffirms the Company's values, and its social responsibility dimension explicitly ratifies ethics and integrity as fundamental for Tractebel Energia's social management.

Motivation and Alignment

over the course of its trajectory, the Company has had the motivation and alignment of its employees to achieve its business objectives, since it shares with them its values, seeking to establish a culture of trust, cohesion and development.

Operating Efficiency

Tractebel Energia has highly-prepared teams to operate and maintain its systems and equipment, as well as for strategic, commercial, technical and administrative management of its business, while investing in research and development (R&D) and modernization of its generation facilities.

Efficient Customer Portfolio

A strategic principle of Tractebel Energia is to form an efficient customer portfolio, by means of the following guidelines:

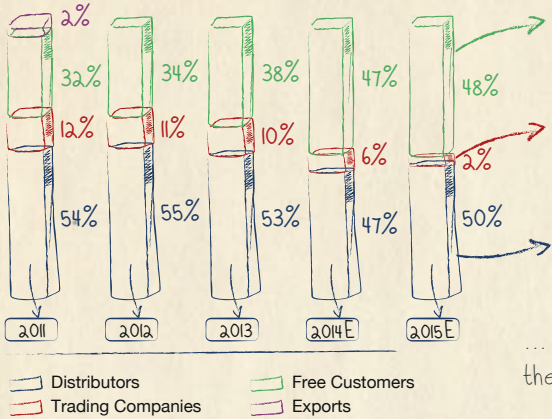
- **Diversification of the portfolio:** diversification allows for diluting risks and occurs on two levels: (i) different markets - the regulated market, comprising distribution companies, and the free market, comprising free consumers of conventional energy (with demand greater than 3.0 MW), special consumers - with demand greater than 0.5 MW that acquire incentivized energy from alternative renewable sources, such as biomass, wind and small hydroelectric power plants (SHPPs) - and trading companies; and (ii) among the different industrial sectors in which free and special consumers operate: chemical and petrochemical, automotive, mining, industrial gases, pulp and paper, supermarkets and others.
- **Credit analysis:** the rates of on-time payments by Tractebel Energia's customers are very close to 100%.
- **Guarantee of supply:** Tractebel Energia's diversification of the generation facility matrix, high availability of plants, strong cash generation, economic and financial soundness, expertise in regulatory aspects and market experience are factors helping to ensure supply of energy to its customers.
- **Negotiation flexibility:** energy supply contracts are customized to meet each customer's specific needs.
- **Loyalty:** its basic element is alignment with Tractebel Energia's values, mission and vision, thus contributing to the solidification of lasting relationships.



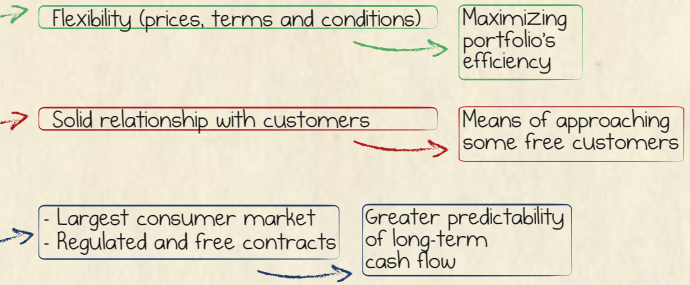
At the end of 2013, Tractebel Energia had 171 free customers, being 122 for conventional energy and 49 for incentivized energy. During the year, 40 new customers joined the Company's portfolio, being 16 for conventional energy and 24 for incentivized energy.

Makeup of Tractebel Energia's customer portfolio (December 31, 2013)

Contracted Energy by Customer Type[1]



Pioneer in systematic serving of the free market...



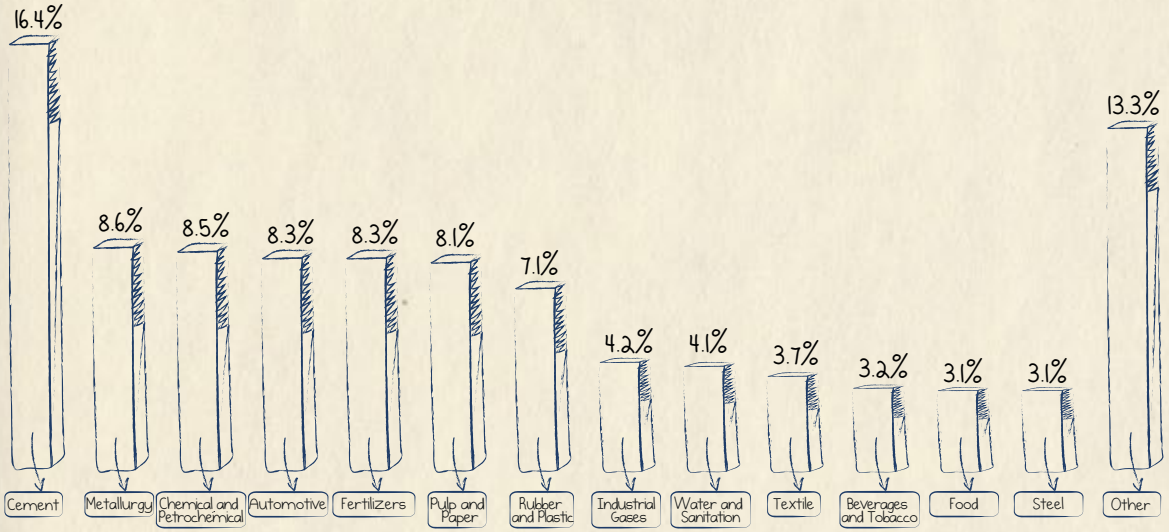
... with the aim of minimizing risks and maximizing the efficiency of the customer portfolio.

1. The amounts were reclassified. In 3Q12, the Company began to present sales to trading companies that allocate energy purchased exclusively for their production units as sales to free consumers, and no longer to trading companies.

Portfolio of free customers

Total volume of sales to free customers for 2014:

(1,930 average MW)



Source: Internal study by Tractebel Energia based on IBGE classification.

Sustainable growth, with financial discipline

Discipline is the main foundation of the Company's financial management. Its revenues are expanded sustainably, by means of thorough evaluation of risks, investments and returns involved in the development and implementation of new projects, as well as in energy trading transactions, always considering the social and environmental dimensions involved.

Competitive Advantages

People and Management

The Management of Tractebel Energia is made up of experienced executives, committed to best corporate governance practices. The Company's employees are prepared to join their technical foundation with a strategic and managerial vision of the Company's business. A talent retention program, aligned with an incentivized termination plan, ensure turnover that is compatible with the need to renew personnel, in addition to a high internal level of satisfaction.

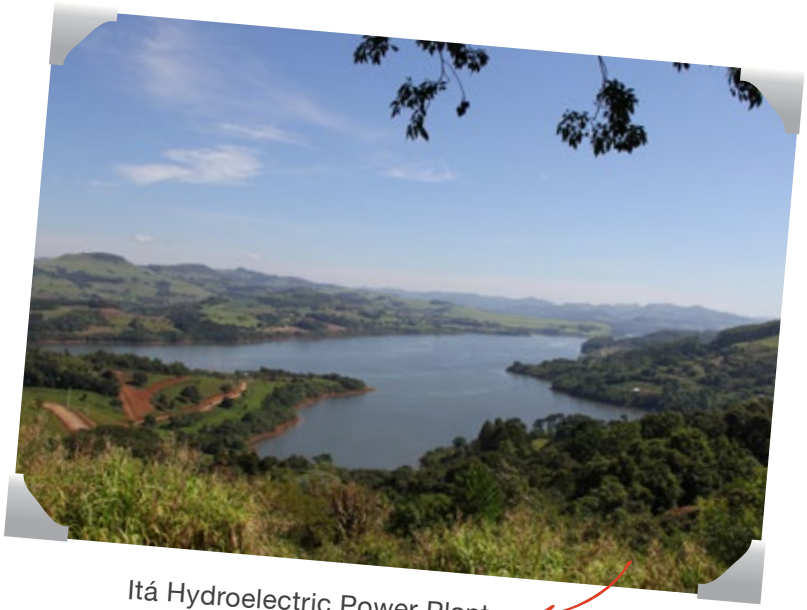
In 2013, in the Company's first participation, Época magazine, published by Editora Globo, ranked Tractebel Energia as one of the best companies to work for in Brazil.

Synergy, Corporate Tradition and Growth Potential

The controlling shareholder of Tractebel Energia is GDF SUEZ, which has Brazil as one of its investment priorities, and is the world's largest independent energy producer, with installed capacity of 117 GW.

Since the beginning of operations, in 1998, Tractebel Energia's own installed capacity grew 87%, going from 3,719 MW to 6,965 MW in 2013.

Over this period, the Company has made its mark in the five regions of the country. Another differential is the diversification of primary energy sources: at the end of 2013, 80% from hydroelectric power plants, 17% from thermoelectric power plants, and 3% from complementary sources, such as biomass, wind and small hydroelectric power plants (SHPPs).



Itá Hydroelectric Power Plant



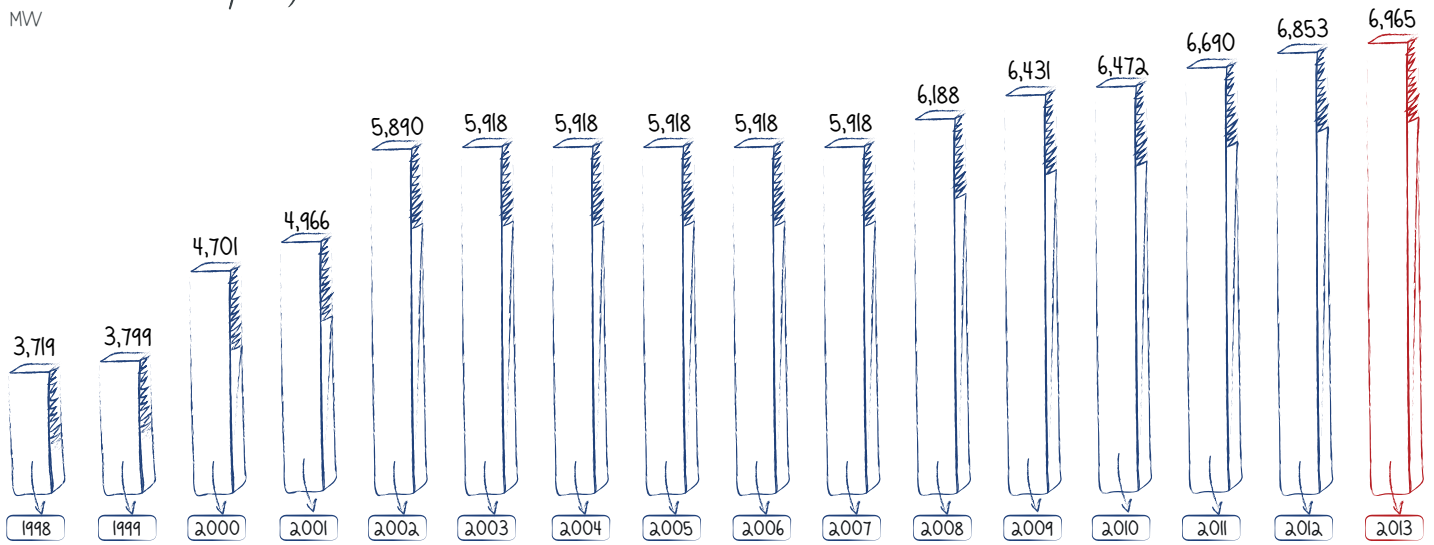
Itá Hydroelectric Power Plant Reservoir

Own installed capacity growth of **87%** from 1998 to 2013

Growth of Generation Facilities from 1998 to 2013

Own Installed Capacity

MW



The share of this expansion due to new hydroelectric power plants was based on a model that calls for the transfer of shareholder control from the controlling shareholder to Tractebel Energia only after mitigating the main risks inherent in the implementation. Since 2010, to reinforce the transparency of this model, transfer of shareholder control has been submitted to evaluation by the Special Independent Committee for Related-Party Transactions - a majority of which is made up of minority shareholders' representatives on the Board of Directors.

Focus on Generation

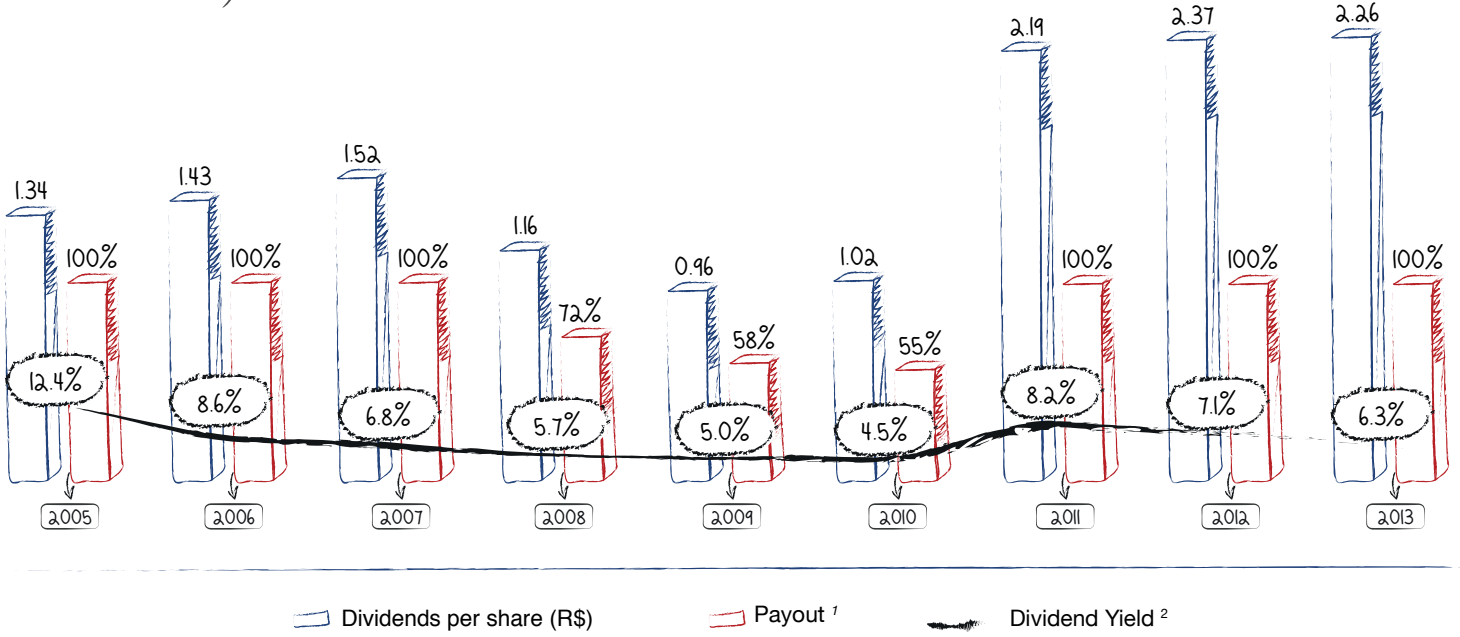
As it is focused on generation, and does not operate in distribution or transmission, Tractebel Energia maximizes the potential of its human capital in prospecting, evaluating and developing opportunities for new business in this segment, and avoids any possible overlaps of interests.

Payment of Dividends and Interest on Capital (Payout)

The amount of the payout depends on macroeconomic conditions, financial conditions and the investment outlook for Tractebel Energia. Management's commitment is a minimum payment equivalent to 55% of adjusted net income for the year, which is greater than the 30% provided for in its Bylaws, which in turn is greater than the 25% provided for in the Brazilian Corporate Law. For the third consecutive year, the Company had a payout of 100% in 2013.

The annual payouts since the time the Company made a secondary stock offering that resulted in it joining BM&FBovespa's Novo Mercado (in 2005) are presented below.

Evolution of Payouts

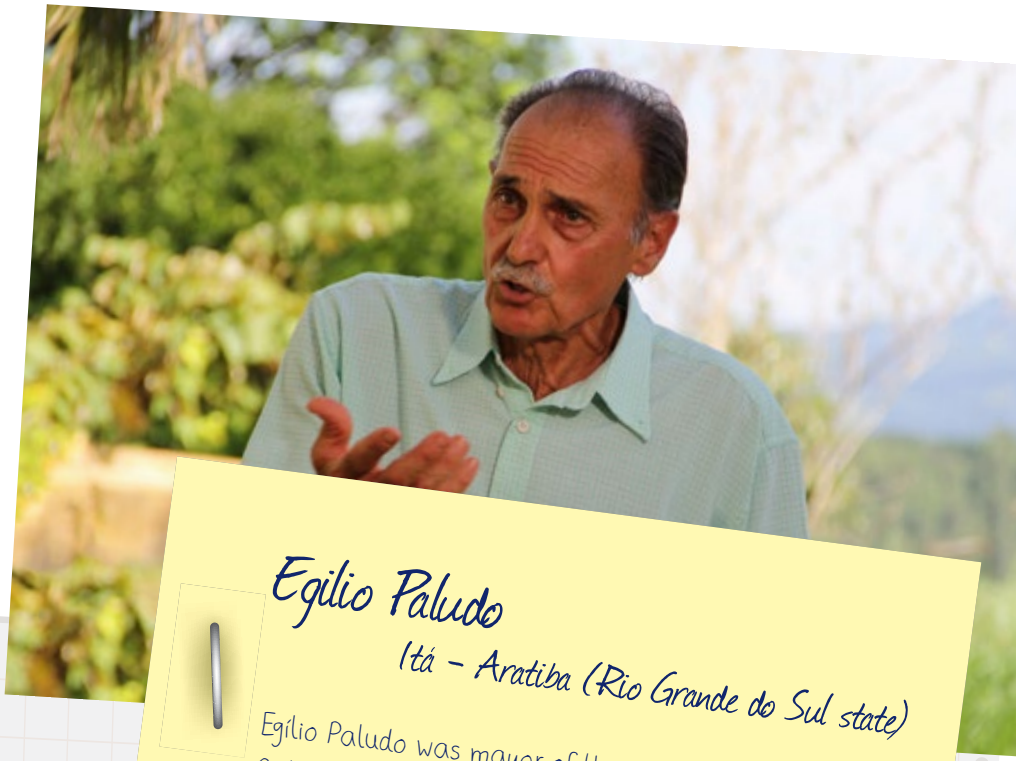


1. Based on adjusted net income for the year.
2. Based on the closing price weighted for the volume of common shares in the period.

Attractiveness for Capital Markets

Since it joined BM&FBovespa's Novo Mercado in 2005, Tractebel Energia stock has outpaced the Ibovespa index. Some factors in addition to the competitive advantages identified above contribute to this performance:

- Operating in a strategic sector, with a defensive profile in times of crisis.
- Financing with attractive conditions and an excellent risk rating: the ratings obtained in 2012 were maintained in 2013.
- Stable financial performance, with strong cash generation, average EBITDA margin above 50%, consistent net income for the year, low foreign exchange exposure and active financial management.
- Leadership in the sector, as the largest private-sector energy generation company in Brazil.
- Company with the largest market capitalization in the Brazilian electric sector, reaching R$ 23.5 billion as at December 31, 2013.
- Clear commercial strategy, with a high level of contracting in the coming years and contracts indexed to the inflation rate.
- Predictability of cash flow.
- Hydro generation base, with diversification in thermal, wind and biomass.



Egilio Paludo

Itá – Aratiba (Rio Grande do Sul state)

Egílio Paludo was mayor of the city of Itá (Santa Catarina state) at the time of implementation of the Itá Hydroelectric Power Plant.

"During the preparation for the plant's construction, we began to work and dialog with Tractebel Energia and, with this, we managed to transform Itá into a prettier, more well-planned city, with structure and beautiful architecture.

We believe in cooperation. Whoever not assuming responsibilities one cannot claim rights. So if we add citizens' collaboration with this support that Tractebel gives Itá, everyone wins"



.04

Intangible Assets



Integration

Integration is a unit of diversity. Mutual development through interaction, dialog and understanding, in which similarities are joined and differences add quality to the relationship.

View of Marcelino Ramos (Rio Grande do Sul state)



Human Capital

Tractebel Energia has a highly qualified staff of managers and specialists. The Human Resources management practices led the Company to be chosen one of the best companies to work for in Brazil, in its first participation in the research promoted by Época magazine, published by Editora Globo.

Innovation

In order to maintain their leadership in a strategic sector for society, for Tractebel Energia and its controlling shareholder, GDF SUEZ, innovation is entrenched in the corporate culture.

Tractebel Energia strives to promote a participatory work environment, stimulating employee creativity as a focus for the Company's activities, in addition to having a specific program to reward innovative ideas and projects: "Inove".

The Inove Program, in line with the Innovation Trophies competition, run annually by GDF SUEZ, grants awards for the best projects or actions stemming from employees' initiatives, in five categories: Operation and Maintenance, Research and Development, Commercial and Business, Social and Environmental, and Management. All Tractebel Energia employees can participate, except for managers of organizational units and members of the Innovation Committee.

GRI: EU8

Research and Development

As established by Law 9,991/2010, energy generation, transmission and distribution companies must invest 1% of their annual net revenue in R&D projects. Companies must define the objectives of the projects to be developed, submitting them to the National Electric Energy Agency (Aneel).

Thus, Tractebel Energia's R&D program has the following main objectives:

- Training and development of competencies for technological research and innovation in the regions where the Company is present.
- Development of innovative technologies that add value to the Company's products and services.
- Application and diffusion of the results of R&D projects to generate development.
- Reduction of environmental impacts, control and reduction of atmospheric emissions, and biodiversity research.
- Development of new sources of generation of renewable energy.

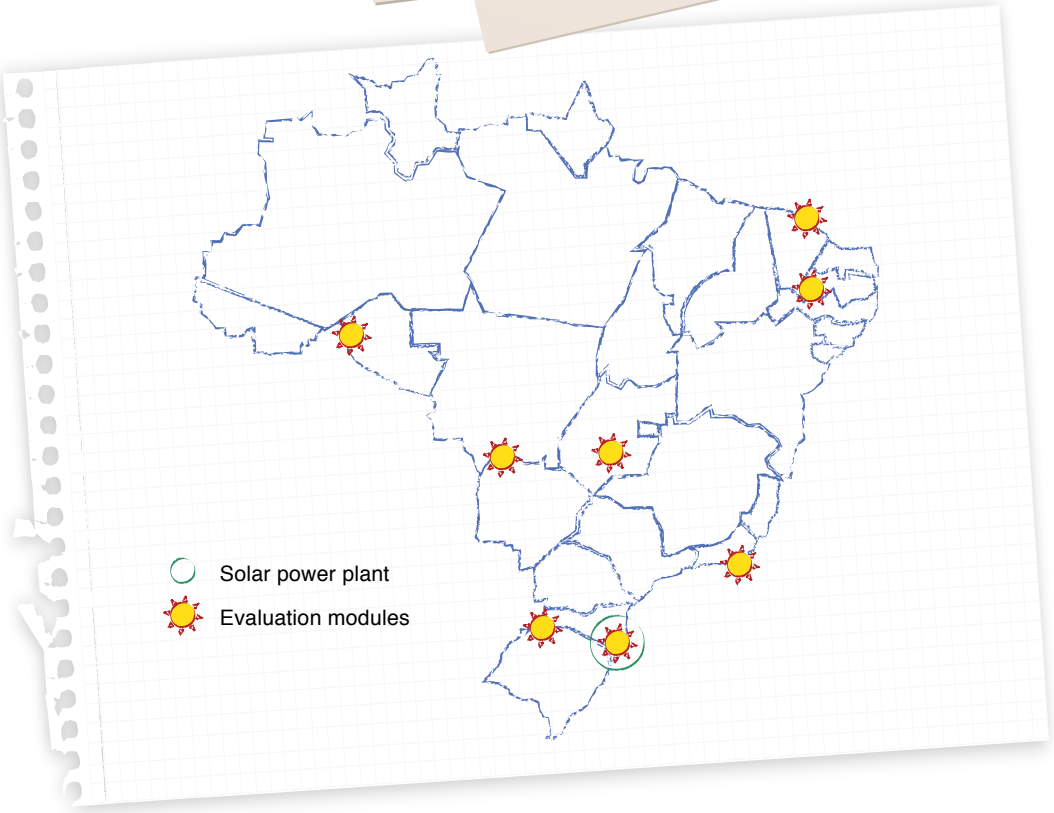


Irineu Isoton
Itá – Aratiba (Rio Grande do Sul state)

Irineu Isoton is the Director of Assistance and Education for Children and Adolescents (Amaeca), in Marcelino Ramos (Rio Grande do Sul state), in the region of the Itá Hydroelectric Power Plant.

"Amaeca houses children and adolescents, offering support through the work of psychologists and social workers. We provide childcare 24 hours a day, so entities' participation is essential to support our activities.

Tractebel Energia is our partner and its participation with the community is of extreme importance, and forms a relationship of mutual development in which all sides win, growing together with much more harmony."



One of the R&D projects developed over the course of 2013 was a solar photovoltaic plant in Capivari de Baixo (Santa Catarina state), the base municipality of the Jorge Lacerda Thermoelectric Complex. Led by Tractebel Energia, the project was developed in partnership with the Photovoltaic Research Group of the Federal University of Santa Catarina (UFSC), plus 12other cooperating companies, with the aim of evaluating the potential for solar generation in Brazil, its complementarity with other energy sources, and the technologies that are most appropriate for the predominant climatic conditions in each region.

The Cidade Azul Photovoltaic Solar Power Plant, a name chosen by the community through a vote, will have installed capacity of 3 megawatts-peak (MWp). At the end of 2013, assembly of the metal structures and the 19 thousand photovoltaic modules were in the final stage. The electrical installations were in the execution phase, and the grid access report was issued by Centrais Elétricas de Santa Catarina (Celesc).

In addition to Cidade Azul, which will be the largest photovoltaic plant in Brazil, the project includes the implementation of Trial Modules (TM), of 70 MWp each, in regions with different climactic conditions:

- TM Coastal South - Capivari de Baixo (Santa Catarina);
- TM Interior South - Aratiba (Rio Grande do Sul);
- TM Center West - Itiquira (Mato Grosso); and
- TM North - Porto Velho (Rondônia).

The total planned investment is R$ 56.3 million.

R&D Projets Started in 2013

Name	Objectives	Executing Entities	Total Invested (R$)	Tractebel Energia's Share of Total Investment	Beginning	Estimated Completion
Development of an automated power filter for electrical optimization of auxiliary services of a coal-fired thermoelectric power plant (OSAT)	Specific variable and automated power filter for OSAT (prototype), customized based on measurements and characteristics of auxiliary services for operation in different load conditions and to mitigate the effects of electromagnetic disturbances, reducing losses.	SATC/ UFRGS/ UFSC	1,792,686.0	100%	07.02.13	07.01.15
Methodology to evaluate damage and recovery treatments of gas and steam turbine blades used in thermoelectric power plants	Methodology for inspecting thermoelectric power plant turbine blades to estimate residual life, the need for recovery treatment and microstructural recovery procedures through thermal treatment of gas turbine blades (superalloys) and improvement of steam turbines (stainless steel).	UFSC	1,900,471.0	100%	05.08.13	05.07.16
Development of the Physiochemical Process Pilot Plant to increase combustion efficiency of vinasse with biomass	Pilot plant for processing/concentration of vinasse using principles of flotation/centrifugation and production of methane to feed a combustion tank for energy production.	Esalq / USP	3,337,693.0	100%	08.12.13	02.11.17
Development of equipment to detect flaws in synchronous generators by means of external magnetic fields	Prototype of equipment for detection and analysis of electrical and mechanical flaws, established or incipient, in synchronous generators, by means of software (included in equipment) to analyze disturbances in magnetic fields outside the machine, measured with non-invasive sensors.	UFSC	1,560,642.0	100%	06.04.13	06.03.15
Field evaluation of output of three-phase induction motors	Prototype of a three-phase induction motor analyzer to measure output in the field, operated in any load range, and detect incipient flaws, via a non-intrusive method based on analysis of electromagnetic fields outside the three-phase induction motor, as well as the current, voltage and velocity.	IFSC/UFSC	2,136,080.0	100%	11.22.13	11.21.15
TECO-MR 550kV – Localization of Optical Current Electronic Transformer with Redundant Measurement Applicable to Voltage Classes up to 550 kV	Optical Current Electronic Transformer applicable to measurement of the current in high-voltage systems, with an insulation class of up to 550 kV and accuracy class 0.2. The Optical Current Electronic Transformer will comprise two independent and redundant measurement systems, with output compatible with the International Electrotechnical Commission (IEC) 61850 standard.	PowerOpticks Tec. Ltda and Reason Tecnologia S.A	4,201,545.0	100%	09.10.13	03.09.16
Development of a real-time optical monitoring system for hydraulic generator rotor poles to detect short-circuit loop defects	System for detecting hydrogenerator short-circuit loop defects based on real-time monitoring of rotor poles by means of optical sensors interconnected by optical fibers to a signal receiving unit.	CPqD	2,011,440.0	30.50%	11.07.13	11.06.15
Relay series for full nationwide protection for small generation plants	Improvement of the prototype developed in a previous project: a nationwide relay for generator protection to meet demand for small hydroelectric, thermal or wind power plants, with differential protection capacity, and control and automation, compliant with IEC 61850.	Reason Tecnologia S.A	1,222,965.2	100%	08.21.13	08.20.14
Development and certification of a domestic 3.3 MW aerogenerator with direct coupling, a permanent magnet synchronous generator and a full power converter	AGW 3.3 horizontal axis and three-blade aerogenerator, with 3.3 MW of power, a direct drive (without a gearbox), a permanent magnet synchronous generator, a full power converter, blade speed control and a nacelle orientation system.	WEG S.A.	71,749,904.0	97%	11.12.13	11.11.17

Label: Beneficent Association of the Coal Industry of Santa Catarina (SATC) / Federal University of Rio Grande do Sul (UFRGS) / Federal University of Santa Catarina (UFSC) / Luiz de Queiroz Superior School of Agriculture (Esalq) / University of São Paulo (USP) / Federal Institute of Santa Catarina (IFSC) / Telecommunications Research and Development Center (CPqD).

R&D Projects Underway in 2013

Name	Objectives	Executing Entities	Total Invested (R$)	Tractebel Energia's Share of Total Investment	Beginning	Estimated Completion
Implementation of a prototype of an onshore wave converter in sea conditions in the Northeast of Brazil	Development and implementation of a sea wave-based electricity converter. The prototype consists of two modules, each composed of a floater, arm and pump, attached to existing breakwater, which will contribute to a single turbine, generator and hyperbaric chamber set to generate 50 kW of electricity.	Coppe/UFRJ	17,097,857.9	100%	03.05.09	03.04.14
Electrical propulsion system for small boats using batteries and solar energy	Study, design and construction of a small boat with an electrical propulsion system, able to capture photovoltaic solar energy. The system is composed basically of batteries, photovoltaic panels, motors and three-phase voltage inverters.	UFSC/Feesc Cebra	1,746,641.8	23.60%	08.09.11	02.09.14
Raising of water pH of cooling systems as a bioincrustation control method in hydroelectric power plants	Development of a technique for controlling incrusting invasive species, raising the water pH of the cooling system of hydroelectric power plants by means of injection of sodium hydroxide (NaOH).	Lactec	1,005,472.8	100%	30.05.11	29.01.15
Development of an instrumented buoy to monitor water quality – Yara buoy	Development of a conceptual prototype of an instrumented buoy to measure water quality parameters in water reservoirs, with telemetry and smart sensor technologies for traceability of measurements, legal support, maintenance and data transmission cost reduction.	Certi	1,206,431.0	31.90%	11.22.11	03.22.14
Development and implementation of smart microgrids – control strategies for systems integration and energy management	Development of a modular system for managing generation and demand in smart microgrids – implantation of a pilot project in a 30 kW plant, and preparation of a technical and commercial dossier for application of the system in new energy supply products/services to be offered on the free market.	Fundação Certi/ UFSC/ Supplier	2,319,190.0	100%	04.16.12	04.15.14
Use of heavy ash from Tractebel's thermoelectric power plants as planting medium for "in vitro" production and production of substrate for development of native forest and ornamental plants	Development of alternative planting medium for "in vitro" production of plants such as orchids, bromelias and other native plants and substrate for ornamental and forest plants based on use of heavy ash from the plants of the Jorge Lacerda Thermoelectric Complex.	Unisul	615,765.9	100%	09.20.11	09.20.14
Development of electric energy generation forecasting technologies for wind farms in operation	The project aims to develop a short-term forecasting model for electric energy generation in wind farms, a model to be calibrated and validated in wind farms operated by Tractebel Energia (Beberibe and Pedra do Sal).	UFSC	3,028,616.2	100%	12.06.11	12.05.14
Influence of addition of water during compacting and content of fines in mechanical behavior of riprap in large triaxial equipment	Main product: methodology for a) maximum content of fines, and b) addition or not of water in compacting of riprap with high content of fines. Secondary products: a) triaxial optimized to allow for different forms of loading, and b) infrastructure for crushing and sifting.	UFSC/ Leme Engenharia	364,029.0	100%	01.27.12	07.26.14
Development of technology for production of ceramic material based on heavy ash derived from burning of biomass for electric energy generation	Production of bricks based on heavy ash derived from burning of biomass.	Udesc	589,350.0	100%	12.15.11	06.14.14

Label: Alberto Luiz Coimbra Institute of Post-Graduation and Engineering Research (Coppe) / Federal University of Rio de Janeiro (UFRJ) / Engineering Education Foundation of Santa Catarina (FEESC) / Cebra Switched-Mode Power Supply Solutions / Institute of Technology for Development (Lactec) / Reference Centers for Innovative Technologies Foundation (Certi) / University of Southern Santa Catarina (Unisul).

R&D Projects Underway in 2013 (continuation)

Name	Objectives	Executing Entities	Total Invested (R$)	Tractebel Energia's Share of Total Investment	Beginning	Estimated Completion
Direct osmosis process for energy generation using a salinity gradient	Development of membranes and permeators, and construction of demonstration equipment, on a laboratory scale, that with the circulation of currents with different salinities produces osmotic flow and energy.	Coppe/UFRJ	1,692,943.0	100%	02.14.12	04.13.14
Development of Local Automated Technology for Lining and Solder-Based Manufacture of Boiler Tubes and Associated Soldering Technologies	Development of an integrated system comprising a robotic manipulator with five degrees of freedom and lining soldering equipment for recovery of boiler tubes (spiraled, with horizontal soldering) deteriorated by corrosion and erosion, as well as for increasing the useful life of new tubes.	UFSC	1,785,648.9	100%	04.25.12	04.24.15
Technology for formation of a germplasm bank and production of native fish for stocking (repopulation) in the Iguaçu River	Technologies for formation of a germplasm bank to allow for artificial production and repopulation of fish in the Iguaçu River. This involves capture of breeders, seminal characterization, conservation/cryopreservation of gametes and embryos, artificial reproduction, creation of youth/adults and stocking.	Unioeste	1,829,800.0	100%	02.28.12	02.27.16
Implementation of a 3MWp photovoltaic solar plant and evaluation of the technical and economic performance of photovoltaic generation in different climactic conditions in the Brazilian electrical matrix	Installation of eight trial modules (TM) with seven photovoltaic technologies and solarimetric stations at eight locations with different climates. Installation of a 3MWp photovoltaic plant with three consolidated photovoltaic technologies. Technical, environmental, economic, regulatory, tax, legal and commercial evaluation, in addition to training of human resources (HR).	UFSC	56,301,400.0	64.30%	07.16.12	07.15.15
Temperature monitoring system in high-power electrical generators using distributed and quasi-distributed optical sensoring techniques	The project consists of use of optical fiber sensoring techniques for development of an electric generator temperature monitoring system to determine thermal balancing, efficiency of the refrigeration system and prevention of failures of galvanic insulation on the surface of stators. Two techniques are used: Bragg (FBG) fiber optic networks – which are isolated sensors with low response time – and DYS, a distributed temperature measure system, ideal for thermal mapping along the extent of the optical fiber.	UTFPR - PB	3,033,701.0	100%	10.29.12	10.28.15

Label: Santa Catarina State University (Udesc) / Western Paraná State University (Unioeste) / Federal Technological University of Paraná, Pato Branco campus (UTFPR – PB)

Image

The construction of Tractebel Energia's corporate image takes place mainly through its attitudes and practices. Operating efficiency, transparency and dialog, as well as sharing and practicing of its values, are key elements to building and maintaining the image of the company as committed to its values, vision and mission. Permanent communication channels with stakeholders, surveys and consultations allow for identifying and evaluating expectations related to the Company's operations as well as the public's perception of its image.

Corporate Risk Management

.05



Harmony

Harmony is an esthetic concept extended to social relations that reflects a collective's capacity to reduce their conflicts to negotiated and peaceful solutions, avoiding confrontation, dissociation and rupture.

The analysis of business risks and opportunities consists of a systematic process in Tractebel Energia, which permeates all its activities, involving employees, managers and officers, including the Company's CEO, in addition to the Risk Management Committee. The result of this process is recorded in the Business Risks and Opportunities Matrix, a document that grounds the conducting of business.

Tractebel Energia
GDF SUEZ



Open air museum at Tractebel Environmental Park

- Analysis of impact on image
- Identification of risks and opportunities
- Risk classification based on:
  - Likelihood of occurrence
  - Significance of financial impact
  - Degree of control
- Action plans for each risk
- Definition of business objectives
- Achievement of goals, with effect on variable compensation

The analysis of business risks comprises identifying risks and classifying their likelihood of occurrence, significance in terms of financial impact and impact on image, and degree of control. Based on this analysis, action plans are developed for each risk, and any associated opportunities are identified.

Thus, risk analysis goes beyond meeting the demands of the controlling shareholder or the market, being an effective strategic planning tool. Various business objectives, monitored over the course of the year, are born from the action plans resulting from this analysis. After being approved by the Executive Board, these objectives give rise to targets for managerial career employees, linking their variable compensation to the degree of achievement of these targets.

The risks and opportunities identified are characterized by possible variations in relation to the Company's Medium-Term Financial Planning. Negative variations in relation to this planning determine the risks, along with the positive variations, the opportunities.

Risk analysis is an effective strategic planning tool



Maiara Goulart is the Operational Coordinator for Industrial Waste Management at the Jorge Lacerda Thermoelectric Complex.

Maiara Goulart
Tubarão (Santa Catarina state)

"On my 16th birthday I started to work in the Company's program aimed to integrate needy minors. What I experienced in this work until I was 18 led inspired me to choose a technical my profession: chemical engineering. And all this also helped form my personality.

For me, Tractebel Energia makes all the difference in the region, and the Environmental Park is an example. This makes the company closer and closer to the community, and thus everyone can win in this local sustainable development."

Among Tractebel Energia's main business risks, the following stand out:

Market risk: the behavior of electric energy supply and demand may be different from forecasts, impacting energy volumes and prices.

Regulatory risk: adverse evolution of electric sector regulation.

Tax risk: adverse evolution of tax legislation and the actions of collection bodies.

Economic risk factors: change in economic variables such as interest, foreign exchange, commodity prices, economic growth and inflation, with an impact on the Company's business.

Breach of contract risk: non-fulfillment of the provisions of energy sale and purchase contracts signed by the Company and trading rules of the Electric Energy Trading Chamber (CCEE).

Social and environmental risk of plants in operation: adverse evolution of environmental regulation and activity of organized social movements in relation to the plants' operation.

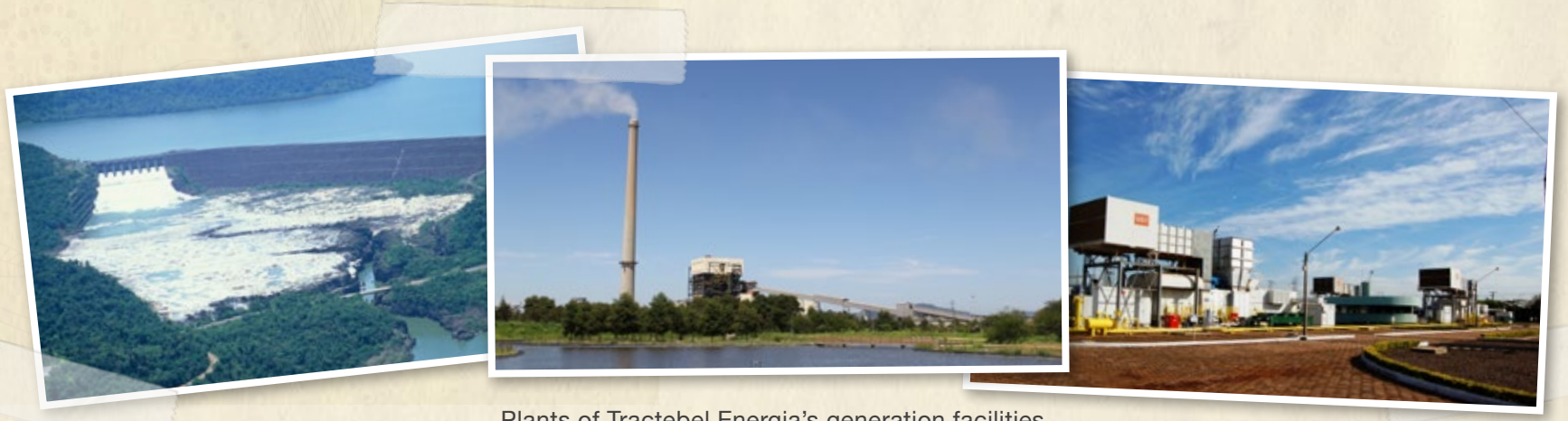
Risk in development and implementation of new projects: occurrence of events in development and implementation of projects that cause a delay in the construction schedule or additional costs in implementation or operation of the plant.

Risk of unavailability of energy: unavailability of physical guarantees of the Company's own plants and purchased energy.

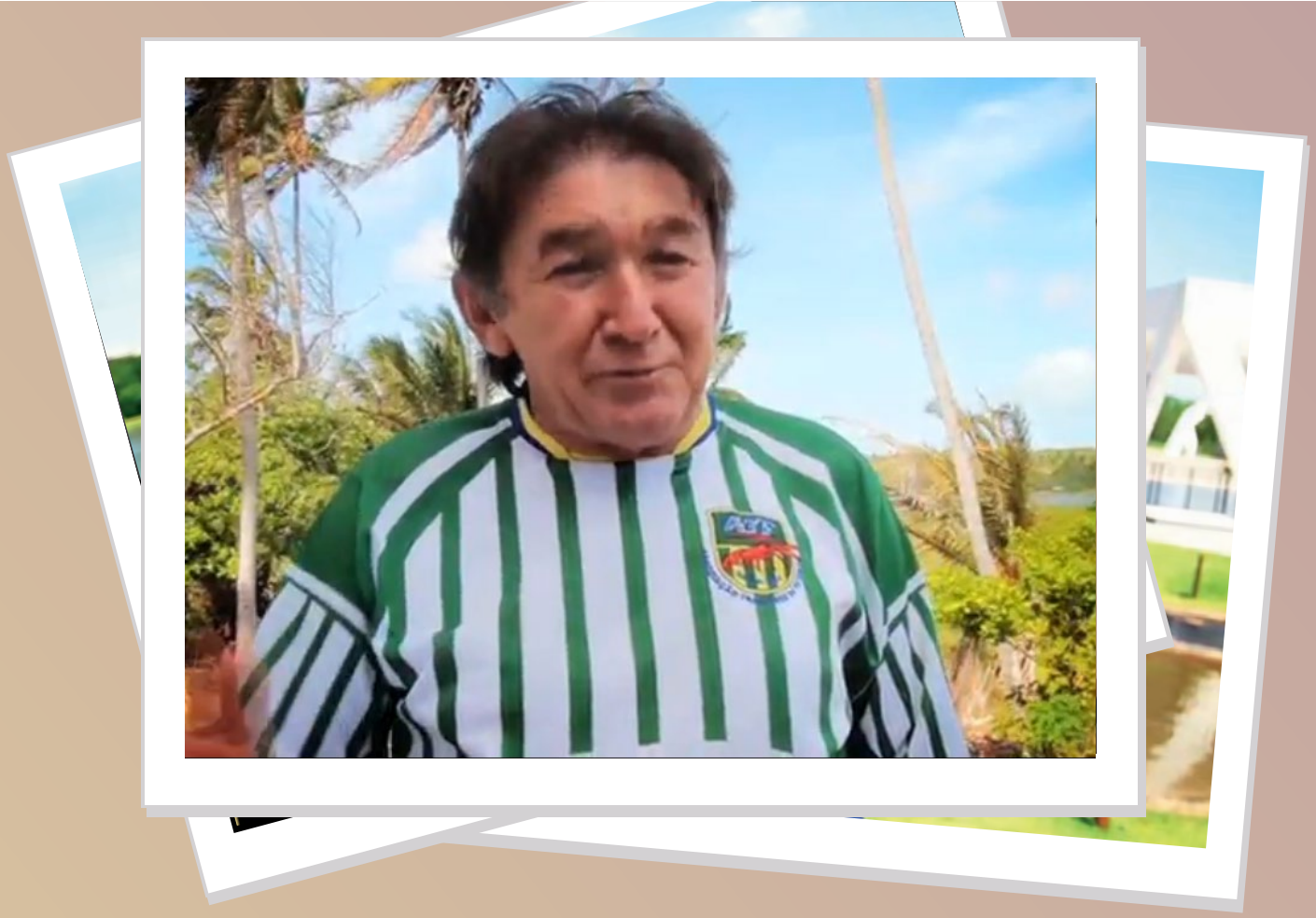
Risk of loss of large proportions: accidents and disasters of large proportions due to natural and human causes, involving the implementation of projects, operation of plants and management of the Company.

Human resources risks: unavailability of personnel, due to lack of hiring and timely training to handle expansion of the Company and replacement of personnel; increase in costs due to competition for human resources due to economic growth; and on-the-job accidents.

Information technology risk: unavailability and lack of security of information technology resources may negatively impact the Company's operations and image.



Plants of Tractebel Energia's generation facilities



Balance

Balance happens when there is contribution to stable and sound internal relations of the collective, by means of thoughtfulness, prudence and a sense of justice.

Economic Management .06

Macroeconomic and Sector Scenario

Macroeconomic

In 2013, the global economy's pace of recovery remained moderate, with growth being leveraged by advanced economies, especially the United States and some Eurozone countries, as well as China.

Emerging economies, such as the Brazilian economy, showed high volatility stemming from the uncertainties associated with the soundness of these economies and their dependence on external factors, such as the beginning of reduction of monetary stimulus by the US Federal Reserve.

Fear that greater appreciation of the dollar would have a negative influence on the trade balance and that a hike in US interest rates would attract investments to the US which until then were directed to emerging economies contributed to a decrease in the rates of growth in developing countries.

The Brazilian trade balance ended the year with a US$ 2.6 billion surplus, while the real depreciated 14.6% in relation to the dollar.

Upward pressure on prices persisted throughout the year, and the National Consumer Price Index (INPC) remained near the upper end of the range targeted by the government (2.5% to 6.5%), at 5.6%. To control inflation, the benchmark interest rate (Selic) was raised from 7.25% p.a. to 10% p.a. over the course of 2013.

In this scenario and on the eve of an election year, growth in gross domestic product (GDP) in 2013, according to the Brazilian Institute of Geography and Statistics (IBGE), was 2.3%, greater than the 0.9% posted for 2012.



Cláudio Rôla is a retired teacher and a resident of Trairi (Ceará state), in the region of the Trairi Wind Complex.

"During the implementation of the wind farms, we noted in the Company's representatives an attitude that stood out. They did not come to exploit our region, but to partner with us in solving problems.

The first benefit was to bring the expectation of development, providing people with opportunities. They easily noticed that our people - despite being intelligent, eager, and willing to work - needed what is fundamental: opportunity."

Cláudio Rôla
Trairi (Ceará state)

Sector

Electric Energy Consumption

According to a report published by the Energy Research Bureau (EPE), domestic consumption of electric energy increased by 3.5% in 2013 compared with the previous year, reaching 463.7 thousand GWh. Residential consumption was the main factor responsible for the increase, climbing 6.1% and accounting for 26.9% of total consumption, at 124.8 thousand GWh. By the end of 2013 there were 63.9 million residential consumers in the country, an increase of 3.5%, with average consumption being 163 kWh/month per consumer.

In the commerce and services segment, consumption expanded 5.7%, posting the year's second-largest growth. This rise is largely due to an increase in employment in the tertiary sector and an expansion of retail commerce. Industrial consumption experienced a quite modest growth rate over the year, at 0.6%, totaling 184.6 thousand GWh. This result reflected weak activity in electricity-intensive sectors, such as mineral extraction and some metallurgy segments (in the states of Minas Gerais, Maranhão and Pará). The Southern region made the largest contribution to the increase in Brazilian industrial consumption as a result of heightened oil refining and production of automotive vehicles, and machinery and equipment for the agricultural sector.

The remaining consumption, in the "others" segment, which covers mainly the rural and public sectors, experienced a 4.2% increase in consumption, totaling 70.5 thousand GWh.

All regions of the country experienced an increase in consumption in 2013, as against 2012, with the Southeast increasing consumption by 2.0%, the Northeast by 5.6%, the North by 3.8%, the South by 4.3%, and the Central-West by 7.0% (the largest increase).



Communities of Trairí (Ceará state)

Sustainability of Electric Sector

Analyses by Specialists

An article published by the Acende Brasil Institute in the O Estado de São Paulo newspaper on November 20, 2013, written by Claudio J. D. Sales and Alexandre Uhlig, seeks to demonstrate that the Brazilian electric sector is wrongly the target of criticism about its emissions of greenhouse gases (GHGs). According to the article:

"Although there are no mandatory targets for reducing GHG emissions, Brazil has assumed a leading role and committed to lowering its emissions by between 36.1% and 38.9% by 2020. In 2012, the country not only met its target, but surpassed it, and since 2005 it has already reduced 53.6% of the emissions expected for 2020.

The finding that Brazil has surpassed its target was only possible because of the launching, by Observatório do Clima, of a tool that allows for tracking Brazil's annual emissions of GHGs. The tool is useful because it allow for monitoring emissions, projecting trends and covering corrections of sectors before the conclusion of official inventories, which, although essential, are launched with outdated data because they take years to be prepared. All we have to do to demonstrate this is note that the latest official data are from 2005.

The tool indicated that, in 2012, the three sectors that issued the most GHG in Brazil were: deforesting (32.1% of total emissions), agriculture and livestock raising (29.7%) and energy (29.4%). However, it is crucial to note that the term 'energy' does not refer to the electric energy generation section. Under the heading 'energy', in addition to the electricity sector, emissions from transportation (13.8%), manufacturers (6.1%), refineries (1.8%), homes (1.3%) and others are taken into account. The electricity sector accounted for just 3.3% of total Brazilian emissions."

At the end of the article, its authors assert, "In the Brazilian electricity section, the analysis of the situation is even more complex because the increase in emissions in recent years is due to more intense and frequent operation of thermoelectric power plants, due to less favorable hydrological regimes in the last two years, which adversely affected dispatch of hydroelectric power plants.

Supply security would have been compromised if these thermoelectric power plants had not been dispatched. That said, it does not make sense at all to demand reduction of GHG emissions from a sector responsible for just 3.3% of emissions and that just reached this level to be able to ensure energy for the country."



Communities of Trairí (Ceará state)

In addition, on December 13, an article published in the Diário Comércio Indústria & Serviços (DCI) newspaper, written by Thais Carrança, affirmed, “Pass-through in the billions of reais to electric energy distribution concessionaires, to cover costs from thermoelectric dispatch and the companies’ exposure to the spot market this year, should reach consumers in the next five years, starting in 2014. The impact will be 2% per year, according to an estimate by the Brazilian Association of Electric Energy Distribution Companies (Abradee)”.

The article contained considerations by Abradee’s president that “To maintain the concessionaires’ investment plans and avoid delinquency in the chain, the temporary transfer of CDE [Energy Development Account] funds to distribution companies was established.”

Also according to the same article, “By November, this transfer totaled R$ 12.3 billion – and by November the National Treasury had passed through R$ 7.85 billion in public funds to the Energy Development Account (CDE).” Further, “The full amount will have to be returned by distribution companies in five years, beginning in 2014, by means of pass-throughs to consumers.”

Commentary by Tractebel Energia

While, on the one hand, even in an emergency regime thermoelectric energy generation contributes very little to GHG emissions, concrete data have been demonstrating that government measures that are not previously discussed with society, especially with agents of the electricity sector, may not yield the desired effects – in this case, reduction of tariffs for consumers.

As it has generation facilities based on diversified energy sources, with 83% coming from renewable sources and installed capacity of 1,185 MW from non-renewables for operation when demanded by the National Electric System Operator (ONS), in 2013 Tractebel Energia posted record generation by its six conventional thermoelectric power plants. This reached 718 average MW, meeting the government’s policy of increasing this type of generation to reduce risks of supply shortage.

At the same time, the Company reaffirms its intention to continue investing in its matrix prioritizing renewable sources.



Communities of Trairí (Ceará state)

Tractebel Energia's Performance

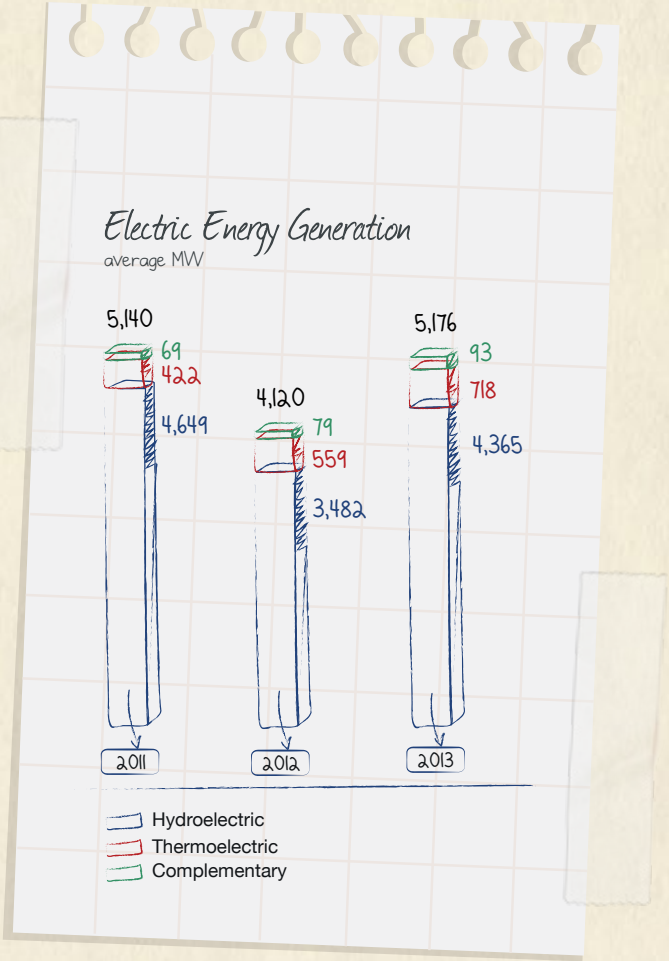
Operating Performance

Uptime

In 2013, the annual uptime achieved by the plants operated by Tractebel Energia was 97.4%, disregarding scheduled stoppages. Uptime was 98.9% in hydroelectric generation, 88.0% in thermoelectric generation, and 96.3% in complementary plants. Taking all stoppages into account, overall uptime in 2013 was 92.3%, which breaks down into 94.3% for hydroelectric plants, 79.6% for thermoelectric plants, and 90.4% for complementary plants.

Production

In full-year 2013, total electric energy production at the plants operated by Tractebel Energia reached 45, 344 GWh (5, 176 average MW), up 25.3% from 2012, representing a new annual record for generation by the Company, surpassing the 45, 023 GWh (5, 140 average MW) obtained in 2011. Of the total generated, hydroelectric power plants accounted for 38, 239 GWh (4, 365 average MW), up 25.0%; thermoelectric plants accounted for 6, 294 GWh (718 average MW), up 28.0%; and complementary plants accounted for 811 GWh (93 average MW), up 16.9%. These figures were calculated in GWh because average MW is less comparable as a result of the fact that 2012 was a leap year.



These increases are mainly the result of improvements in hydrological conditions in relation to the previous year, as well as an increased use of thermoelectric plants, which remains above average due to the strategy of increasing the energy guarantee for the entire National Interconnected System (SIN).

Other factors that contributed to the increase in generation were the operation of the Estreito Hydroelectric Power Plant, which reached its full installed capacity in March 2013, and the commencement of commercial operations at the Trairi and Guajiru Wind Farms, which increased the Company's installed capacity by 55.4 MW.

It is worth pointing out that the increase in the Company's hydroelectric generation does not necessary result in an improvement in its economic and financial performance. Likewise, a decrease in this type of generation does not necessary result in a deterioration in economic and financial performance. This is due to the adoption of the Energy Reallocation Mechanism (MRE), which shares the risks of hydroelectric generation across its participants.

Regarding the Company's thermoelectric generation, an increase in this kind of generation reduces the Company's exposure to the Difference Settlement Price (PLD), and the inverse is also true, all other variables remaining the same.

Customers

For full-year 2013, the presence of free customers (or free consumers) in the portfolio grew, reaching 41.4% of physical sales and 38.0% of net revenue from sales.

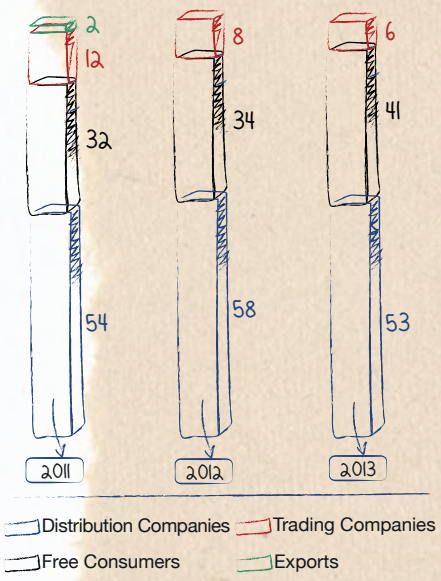
These indices represent increases of 7.2 pp and 7.6 pp, respectively, in relation to 2012.

As in previous years, Tractebel Energia kept its position as the country's main private-sector generation company. The Brazilian electric energy sector is characterized by a strong presence of companies with state control, especially in electric energy generation.

The Company's main competitors are Eletrobrás, CESP, Cemig, Petrobras, Copel, AES Tietê, CPFL Energia, Duke Energy Geração Paranapanema, Grupo Neoenergia and Energias do Brasil.

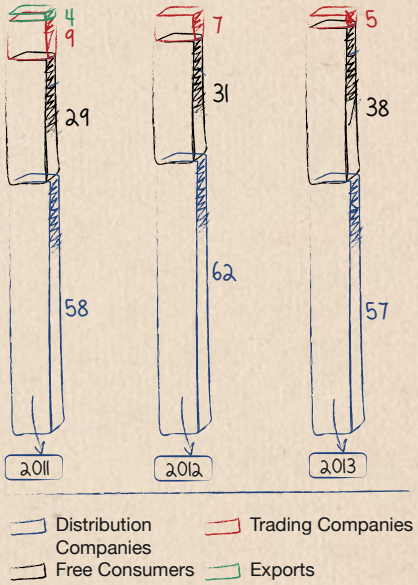
Customers' Share of Physical Sales

%



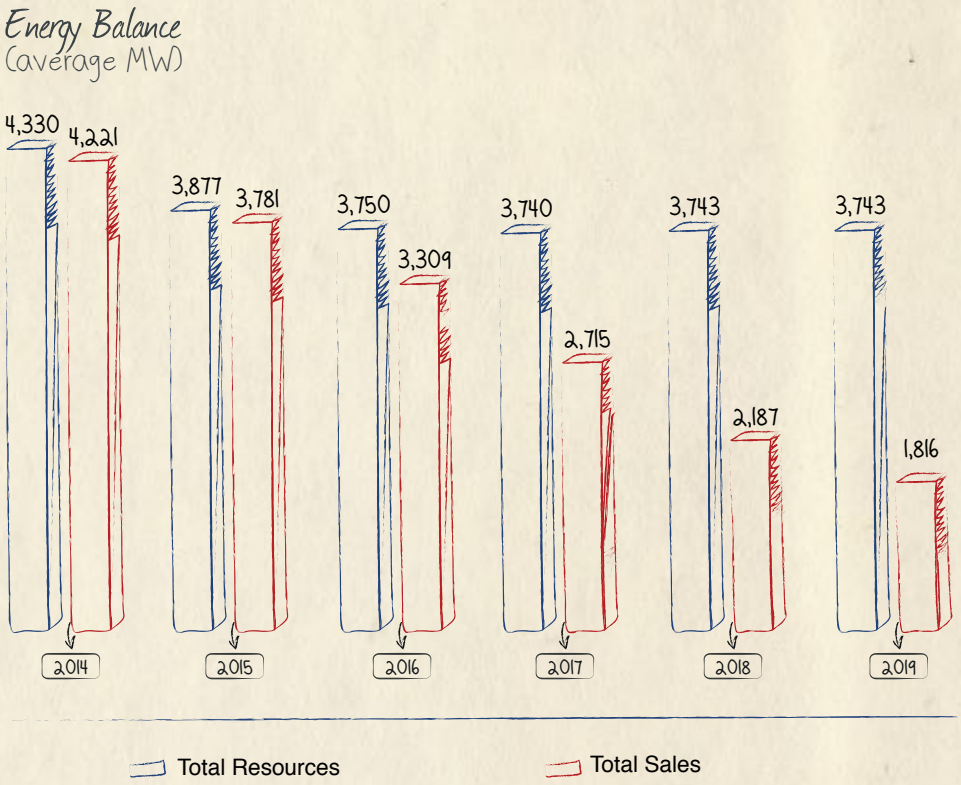
Customers' Share of Contracted Sales Making Up Net Sales Revenue

%



Energy Balance

According to data for the Company's own commercial capacity and purchase contracts in effect as at December 31, 2013, the Company's energy availability, including purchases from third parties, is almost entirely contracted up to 2015.



The Company trades its energy in two different markets. The first one is the Regulated Contracting Environment (ACR), in the case of sales to distribution companies in public auctions, and through the Incentive Program for Alternative Sources of Electric Energy (Proinfa). The second one is the Free Contracting Environment (ACL), in the case of direct sale to generation companies, trading companies and free consumers.

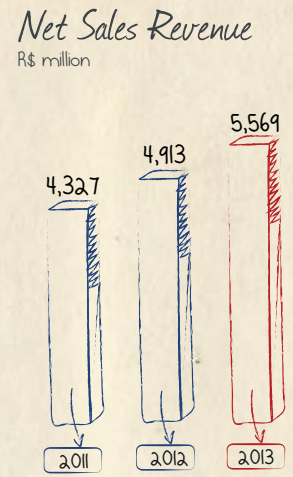


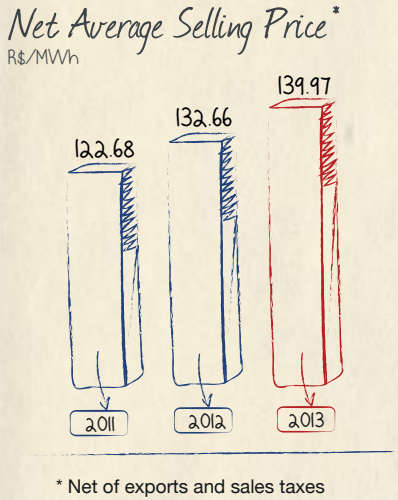
Aerogenerators of Trairi Wind Complex

Economic and Financial Performance

Net Revenue from Sales

In 2013, net revenue from sales increased by R$ 656.2 million, or 13.4%, increasing from R$ 4,912.5 million in 2012 to R$ 5,568.7 million in 2013. This growth stemmed essentially from a combination of: (i) R$ 290.0 million – increase in net average selling price; (ii) R$ 268.1 million – increase in revenue from transactions in the spot market, including those conducted through the Electric Energy Trading Chamber (CCEE); (iii) R$ 90.1 million – increase in amount of energy sold; (iv) R$ 14.7 million – growth in sales of carbon credits and ash; and (v) R$ 8.0 million – decrease in energy exports.





* Net of exports and sales taxes

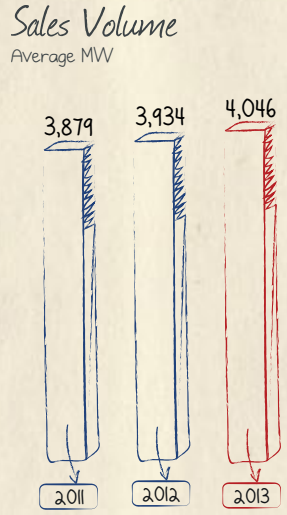
Net Average Selling Price

The net average selling price of energy, net of taxes on revenue, reached R$ 139.97/MWh, up 5.5% from 2012, when it was R$ 132.66/MWh. The price rise was essentially due to monetary restatement of existing contracts.

Sales Volume

The amount of energy sold in 2013 was 35, 445 GWh (4, 046 average MW), compared to 34, 559 GWh (3, 934 average MW) in 2012, a growth of 886 GWh (112 average MW), or 2.6% in GWh. The change in average MW is slightly different due to the fact that 2012 was a leap year.

The increase in the amount of energy sold resulted from a combination of the following elements: (i) growth of 2, 864 GWh (330 average MW) in supply of energy to free consumers; (ii) decrease of 1, 213 GWh (131 average MW) in supply of energy to distribution companies; (iii) decrease of 739 GWh (84 average MW) in sale of energy to trading companies; and (iv) export of energy only in 2012, in the amount of 26 GWh (3 average MW).



Comments on Changes in Net Revenue from Sales, by Nature of Account

Revenue from Electric Energy Wholesales

Revenue from sales to distribution and trading companies in 2013 reached R$ 3, 074.3 million, down 3.4%, or R$ 108.5 million, in relation to 2012, when it had amounted to R$ 3,182.8 million. This drop is attributable to the following elements: (i) R$ 179.1 million – decrease of 1, 213 GWh (131 average MW), or 6.1% decrease in GWh, in volume sold to distribution companies; (ii) R$ 141.2 million – growth of 5.1% in average net selling price for distribution companies; (iii) R$ 85.0 million – decrease of 739 GWh (84 average MW), or 25.8% decrease in GWh, in the amount of energy sold to trading companies; and (iv) R$ 14.4 million – 5.1% increase in price of energy sold to trading companies.

Revenue from Electric Energy Retail Sales

Revenue from sales to free consumers increased R$ 488.6 million, or 34.9% in 2013, increasing from R$ 1, 398.4 million in 2012 to R$ 1, 887.0 million in 2013. This increase is related to an increase of 2, 864 GWh (330 average MW), or a 24.3% increase in GWh, equivalent to R$ 354.2 million, in the amount of energy sales, as well as 8.6% growth in the average net price of energy sold, or R$ 134.4 million.

Transactions in the Spot Market

In full-year 2013, there was an increase of R$ 268.1 million in revenue earned in the spot market, including transactions conducted through the CCEE, increasing from R$ 298.3 million in 2012 to R$ 566.4 million in 2013. Further explanations for these transactions and variations can be found below, in the item “Details on transactions in the spot market, including those conducted through the CCEE”.

Costs of Energy Sold and Services Provided

Costs of energy sold and services provided increased by R$ 781.0 million, or 36.7% in 2013, increasing from R$ 2,130.9 million in 2012 to R$ 2,911.9 million in 2013. This growth is essentially due to the effect of the main components described below:

Tractebel Energia
GDF SUEZ

a) Electric energy purchased for resale: increase of R$ 111.9 million in 2013 in relation to 2012, reflecting adjustments of existing long-term contracts and prices of contracts that went into effect in 2013.

b) Transactions in the spot market, including those conducted through the CCEE: costs of these transactions increased by R$ 584.2 million between the years 2013 and 2012. Further details are described below, in a specific item.

c) Charges for the use of and connection to the electricity grid: decreased by R$ 22.4 million in 2013, in large part due to the effects of measures imposed by the federal government that resulted in a reduction in sector charges on transmission tariffs in 2013.

d) Fuel for electric energy production: increase of R$ 30.4 million in 2013, reflecting the expansion of thermoelectric energy generation, which resulted in increases of R$ 15.3 million in natural gas consumption at the William Arjona Thermoelectric Power Plant (UTWA), and R$ 15.1 million in net consumption of biomass, coal and diesel fuel.

e) Financial compensation for use of water resources (royalties): increase of R$ 36.3 million in 2013, basically due to the increase in generation at the Company's hydroelectric units.

f) Personnel: increase of R$ 18.8 million in 2013, largely attributable to the annual adjustment of employees' compensation and benefits.

g) Depreciation and amortization: increase of R$ 24.4 million in 2013, mainly as a result of the start-up of new generation units of the Estreito Hydroelectric Power Plant and the new wind farms, located in the state of Ceará.

Details on Transactions in the Spot Market, Including Those Conducted Through the CCEE

Transactions in the spot market are defined as the purchase and sale of energy with a delivery term of no more than six months, and whose main purpose is managing Tractebel Energia's exposure on the Electric Energy Trading Chamber (CCEE). Thus, the price of energy in these transactions is linked to the Differences Settlement Price (PLD). This item also encompasses transactions conducted through the CCEE, given the volatile and seasonal – and therefore short-term – nature of the results arising from the accounting at the CCEE. Furthermore, positive or negative exposures are settled at the PLD, in the same way as the transactions in the spot market described above.

Regarding the transactions conducted through the CCEE, the various credit or debit entries made monthly in the account of a CCEE agent are summarized in a single bill, receivable or payable, thus requiring their recording in revenue or expense. It is worth pointing out that, due to adjustments in the Company's portfolio management strategy, the profile of these bills has changed in recent years. This change makes it difficult to make a direct comparison of the elements making up each bill in 2012 and 2013, being the reason for creating this topic. Thus, it allows us to analyze the oscillations of the main elements, whether they have been allocated to revenue or expense, according to the credit or debit nature of the bill to which they are linked.

In general terms, these elements are revenues or expenses arising, for example from: (i) application of the MRE; (ii) the so-called "submarket risk"; (iii) dispatch caused by the Risk Aversion Curve (CAR); (iv) the application of System Service Charges (ESS), which result from dispatch not following economic order of merit of thermoelectric power plants; and (v) exposure (short or long energy position in the monthly accounting), which, in turn, will be settled at PLD.

For full-year 2013, the net result of transactions in the spot market, including those conducted through the CCEE, was negative R$ 71.3 million, compared to the positive result of R$ 244.8 million obtained in 2012, that is, there was a decrease of R$ 316.1 million.

This decrease is largely due to a combination of the following elements: (i) purchase of spot market energy, beginning in the second quarter of 2013, to reduce the debt position on the CCEE, and as a consequence, mitigate the effects of Resolution 03/2013 of the National Energy Policy Council (CNPE 03); (ii) a net negative effect resulting from the difference between (ii.i) the expense incurred in 2013, due to insufficient hydroelectric generation in the SIN in relation to the allocation of energy at the CCEE by the agents, especially in the months of January and February, and (ii.ii) the gain in 2012 due to excess hydroelectric generation in the SIN, predominantly in the first two quarters of the year; (iii) expansion of the credit position at the CCEE as a result of the Company's energy allocation strategy; (iv) decrease in thermoelectric exposure due to the increase in dispatch of these plants following economic order of merit; (v) positive result in the MRE for the year 2013 due to increased hydroelectric generation, essentially in the second half of the year, compared to the negative effect in 2012; and (vi) recognition of estimated costs related to generation companies' sharing of System Service Charges (ESS), established by CNPE 03, in spite of the fact that an injunction has been obtained by the association which represents the Company, the Brazilian Association of Independent Electric Energy Producers (Apine), which suspended the effects of this resolution.

Should the court decision with regard to CNPE 03 overturn the effects of the resolution, the additional cost of R$ 54.5 million recognized in 2013 will be reversed by the Company.

It is worth taking into account that the significant increase in the average annual PLD for the South and Southeast/Central-West submarkets, which increased from R$ 166.77/MWh in 2012 to R$ 258.19/MWh in 2013, made a significant contribution to the positive effect on the results arising from the expansion of the credit balance at the CCEE and secondary energy, and negatively, for costs related to thermoelectric exposure.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by 4.5%, or R$ 8.5 million in 2013, increasing from R$ 188.6 million in 2012 to R$ 197.1 million in 2013.
This change is substantially related to the annual adjustment of employee compensation and benefits.

Provision for Impairment

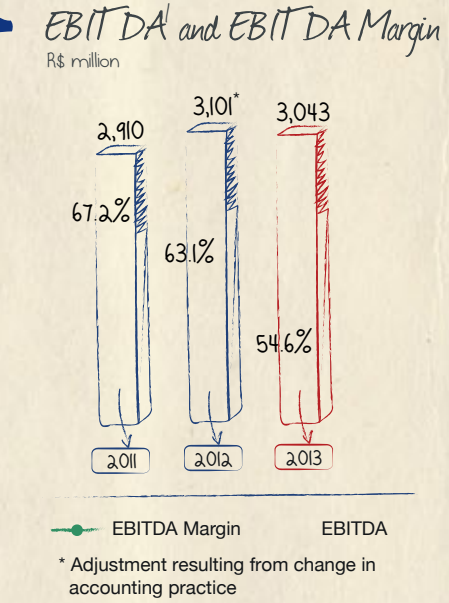
In 2013 the Company recognized a provision for impairment of assets, especially in respect of the Charqueadas Thermoelectric Power Plant, in the amount of R$ 66.9 million, due to the rules recently enacted by Aneel which will reduce the reimbursement for coal consumption with effect from January 2016, and which will not allow for recovery of additional investments that are necessary to attain the new efficiency factors required by the regulator with regard to the plant.

Recognitions and Reversals of Operating Provisions, Net

In 2013, the Company recorded net revenue resulting from the reversal of operating provisions in the amount of R$ 0.8 million, whereas in the previous year it recognized a net expense related to the recognition of provisions in the amount of R$ 37.0 million, resulting in a positive impact of R$ 37.8 million in 2013. The main provisions recorded in 2012 refer to civil and tax provisions in the amount of R$ 24.5 million and a provision for a non-recurring loss of R$ 15.7 million resulting from the effects of absorbing assets.

EBITDA and EBITDA Margin

In full-year 2013, EBITDA decreased by R$ 57.9 million, or 1.9%, decreasing from R$ 3, 100.5 million in 2012 to R$ 3, 042.6 million in 2013. The EBITDA margin reached 54.6% in 2013, representing a drop of 8.5 pp in comparison to 2012. These decreases were mainly due to a reduction in transactions in the spot market, including those conducted through the CCEE, between the analyzed years, in the amount of R$ 316.1 million, which includes the effects of CNPE 03, including the R$ 54.5 million provision resulting from the resolution.



1. EBITDA represents: net income + income tax and social contribution + financial expenses, net + depreciation and amortization + impairment provision.

The following table compares the Company's EBITDA and operating results in the years 2011-2013

(Amounts in R$ thousand)	2011	2012	2013	Change 2013/2012
Net income	1,448,106	1,490,880*	1,436,747	-3.6%
(+) Income tax and social contribution	586,682	595,417*	564,962	-5.1%
(+) Financial expenses, net	373,810	452,990*	385,521	-14.9%
(+) Depreciation and amortization	501,099	561,174	582,486	3.8%
EBITDA	2,909,697	3,100,461	2,969,716	-4.2%
(+) Provision for *impairment*	–	–	72,837	–
Adjusted EBITDA	2,909,697	3,100,461	3,042,553	-1.9%

* Adjustment arising from change in accounting practice.

Financial Results

Financial income: financial income increased by R$ 94.5 million in 2013, from R$ 88.2 million in 2012 to R$ 182.7 million in 2013. This increase is essentially attributable to the following factors: (i) gain of R$ 49.1 million on the early settlement at market value of the debt with the National Treasury (STN) and deposit of this gain in escrow; (ii) non-recurring gain of R$ 29.2 million on a lawsuit relating to the amount of interest and monetary variation on sales of energy received late in previous years; (iii) increase of R$ 22.2 million in income from financial investments; and (iv) decrease of R$ 6.2 million in interest on accounts receivable.

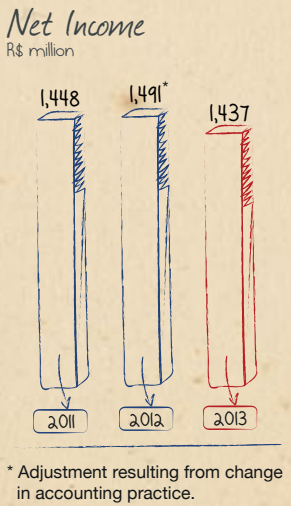
Financial expenses: on a year-on-year basis, financial expenses grew from R$ 541.2 million in 2012 to R$ 568.2 million 2013, that is, by R$ 27.0 million. This was the result of a combination of the following changes: (i) R$ 17.5 million increase from foreign exchange variation on debt; (ii) R$ 10.9 million decrease in interest and monetary variation on debt; (iii) R$ 10.5 million increase in interest and monetary variation on concessions payable; (iv) R$ 8.7 million increase in financial adjustment of provisions; and (v) R$ 4.6 million increase in interest on actuarial liabilities.

Income Tax (IR) and Social Contributions (CSLL)

Income tax and social contribution expenses decreased from R$ 595.4 million in 2012 to R$ 565.0 million in 2013, a decrease of R$ 30.4 million. This decrease was primarily due to the reduction in pre-tax earnings and in the credit for interest on capital. The effective income tax rates in 2013 and 2012 were 28.2% and 28.5%, respectively.

Net Income for the Year

Net income decreased from R$ 1, 490.9 million in 2012 to R$ 1, 436.7 million in 2013, a decrease of R$ 54.2 million, or 3.6%. This decrease was essentially the result of a combination of those factors mentioned previously: (i) negative variation in the net result of transactions in the spot market, including those conducted through the CCEE, in the amount of R$ 208.6 million, which takes into account the effects of CNPE 03, including the R$ 36.0 million provision resulting from that resolution; (ii) increase in income related to the Company's other operations in the amount of R$ 159.8 million; (iii) recording of impairment of thermoelectric generation assets in the amount of R$ 49.4 million; and (iv) recognition of R$ 51.7 million in non-recurring gains stemming from early settlement of debt and a court decision in favor of the Company related to interest and monetary variation on energy sales.

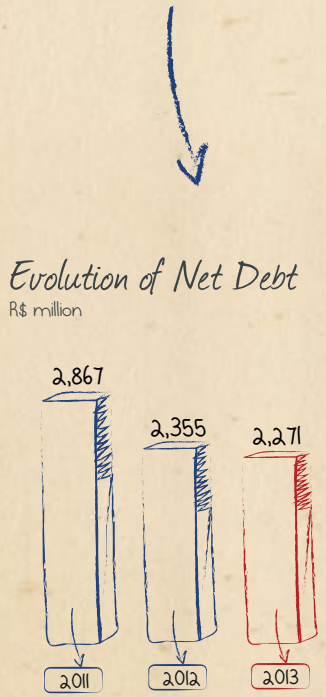


* Adjustment resulting from change in accounting practice.

Of the net income for the year, the Company has proposed to its shareholders the payment of R$ 1,474.2 million in the form of dividends and interest on capital, equivalent to R$ 2.2584046518 per share, or 100% of adjusted distributable net income.

Debt

As at December 31, 2013, the Company's net debt (total debt less cash and cash equivalents) was R$ 2, 271.2 million, down 3.5% from R$ 2,354.6 million at the end of 2012.

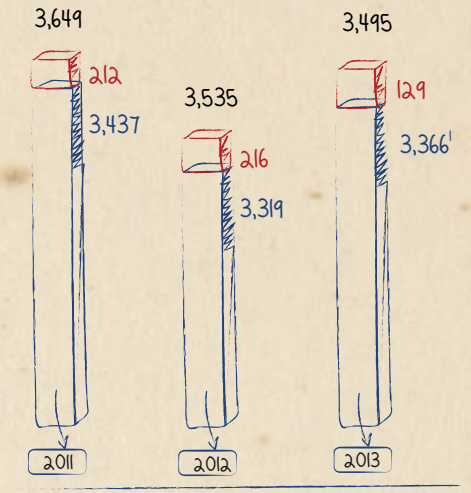


Total consolidated gross debt, comprising mainly loans, financing and debentures, totaled R$ 3, 495.4 million at the end of 2013, down 1.1% from the position as at December 31, 2012. Of the total debt at the end of the period, 9.7% was denominated in foreign currency (6.1% at the end of 2012). However, taking into account the swap transactions contracted in 2013, the effective exposure to foreign currencies was 3.7% of total gross debt, at the end of 2013.

The decrease in the Company's indebtedness is mainly a result of the following factors that occurred between 2012 and 2013: (i) withdrawals from National Bank for Economic and Social Development (BNDES) and its financial agents in the total accumulated amount of R$ 170.8 million, to support investments in the Estreito Hydroelectric Power Plant and the Trairi Wind Complex; (ii) contracting of a loan from the Nordic Investment Bank (NIB), in the amount of R$ 141.8 million (equivalent to US$ 70 million); (iii) contracting of a loan from HSBC Bank USA in the amount of US$ 90.0 million (equivalent to R$ 207.3 million), subject to a swap transaction to protect the full amount of future cash flows against appreciation of the U.S. dollar; (iv) R$ 303.9 million in charges incurred to be paid, plus monetary and foreign exchange variation; (v) amortization of debentures in the amount of R$ 184.8 million; (vi) R$ 629.0 million in amortization of loans and financing; and (vii) R$ 49.1 million gain from the early settlement at market value of the debt with the STN, as mentioned previously in the item "Financial Income".

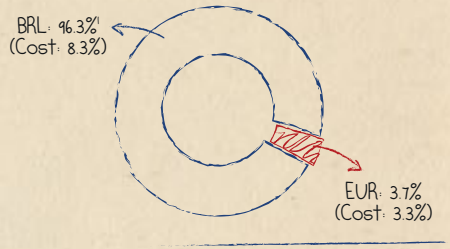
Composition of Gross Debt

R$ million



¹ Includes US$ 90.0 million debt with full swap to Interbank Deposit (CDI).

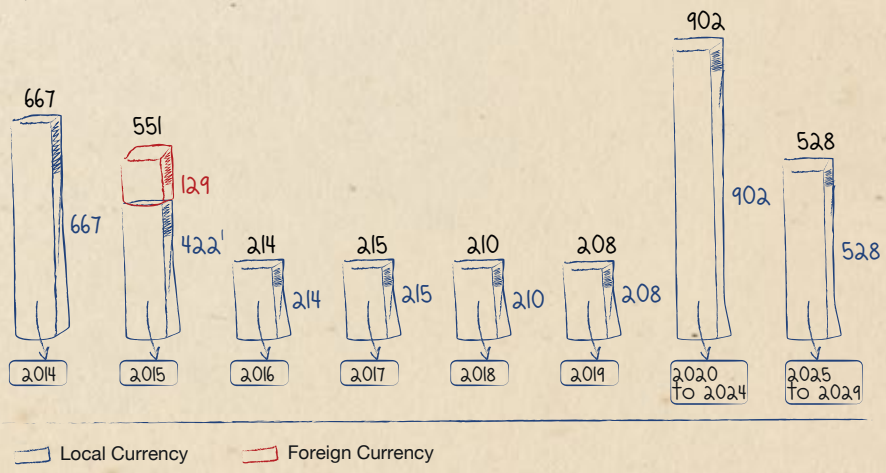
Cost of Debt



¹ Includes US$ 90.0 million debt with full swap to CDI.

Amortization Schedule

R$ million



¹ Includes US$ 90.0 million debt with full swap to CDI.

Cost of Capital

The usual formation of the capital invested by Tractebel Energia in expanding its business is one third equity – for this, the Company retains part of the earnings generated, when necessary – and two thirds debt. In respect of the debt portion, the Company has obtained financing by means of sector-specific lines of credit, preferentially from the BNDES, with below-market interest rates. A majority of these resources are linked to the TJLP rate (73.8% of total debt in local currency as at December 31, 2013). The remainder of the resources is from other loans with variable rates in the market. In the year ended December 31, 2013, the Company's total cost of debt was approximately 8.1%, taking into account local currency (cost of 8.3%) and foreign currencies (cost of 3.3%).

The cost of equity is presumably greater than the cost of debt and, in the Company's case, takes into account the risk-free rate, the Brazil risk rate and the market risk premium, as well as the unlevered beta, which varies according to the market, the historical series for the share price and stock market liquidity. Considering the requirement of an adequate rate of return, the Company seeks to satisfactorily remunerate investments made with equity.

Investments

Maintenance, Refurbishment and Expansion of Generation Facilities

In 2013 Tractebel Energia made R$ 443.3 million of investments to carry out its growth plan, including investment in the construction of the Estreito Hydroelectric Power Plant and the Trairi, Campo Largo and Santa Mônica Wind Farm Complexes. Moreover, to maintain a high degree of uptime at its plants, R$ 241.2 million was invested in maintenance and upkeep projects. Thus, in 2013 investments totaled R$ 684.5 million.

Research and Development

Since 1999, Tractebel Energia has implemented a Research and Development (R&D) program with the aim of seeking sustainable solutions to add value to its operations and interact with local education and research intuitions and foundations, providing training, technological innovation and professional development in the regions in which it operates.

The program complies with prevailing legislation and Aneel resolutions related to R&D, which stipulates a minimum investment of 1% of the Company's annual net operating revenue. Investment in the R&D program's projects provide ongoing improvements in Tractebel Energia's generation facilities and the services offered by the Company, as well as seeking to make viable the use of new renewable energy sources, enhance environmental management, minimize impacts, and promote sustainable development.

In 2013, in conformity with prevailing legislation, the Company invested R$ 38.7 million in its R&D program. This went towards the following:

- R$ 19.7 million was invested in projects proposed by the Company.
- R$ 6.2 million was transferred to the Ministry of Mines and Energy to fund the Energy Research Bureau (EPE).
- R$ 12.8 million went to the National Fund for Scientific and Technological Development (FNDCT)

Capital Markets

BM&F Bovespa's main index ended 2013 with the worst performance among the world's main stock indices. For the year, the Ibovespa's loss totaled 15.5%, compared to a 7.4% gain in 2012, while the US' Dow Jones index posted a gain of 26.5% for the year.

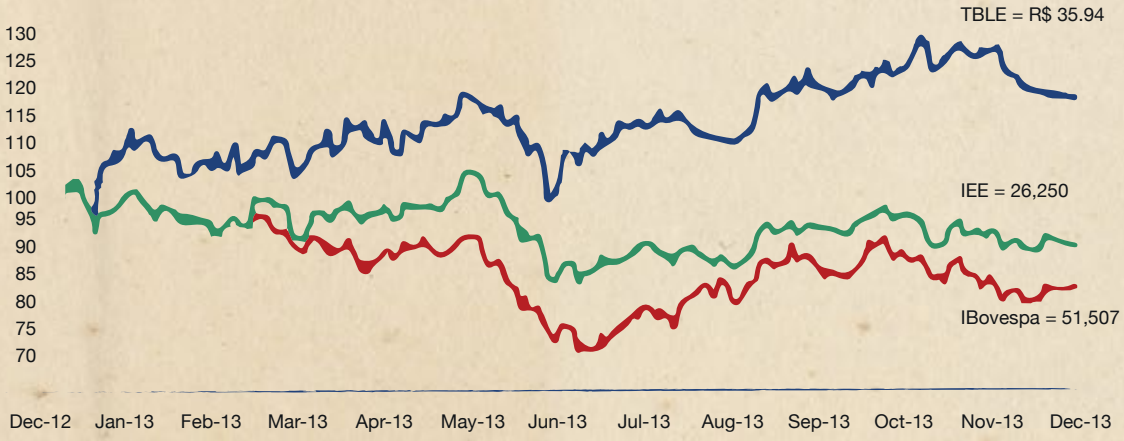
In dollars, the Ibovespa fell nearly 26% in 2013. Over the year, Tractebel Energia's shares gained 15.5%, a positive result compared to the losses posted for 2013 by the Ibovespa and the Electric Utilities Index (IEE), whose ticker is IEEX, of 15.5% and 8.8%, respectively.

Estreiro Hydroelectric Power Plant Reservoir



TBLE vs. IBOVESPA vs. IEEX

(Base 100 - 12-31-2012)



This result ensured that the Company concluded yet another year with the Brazilian electric energy sector's highest market capitalization, at R$ 23.5 billion.

For full-year 2013, average volume reached R$ 22.8 million, down 1.4% from 2012.

Operation Management



Participation

Participation is the act of being present, belonging, being a part of something. It is an attitude of sharing sadness and joy, problems and solutions, setbacks and success.

.07

Sustainable Management

Social and Environmental Responsibility

The management of Tractebel Energia is guided by a search for operational excellence, aligned with sustainable development. The formation of a culture of social and environmental responsibility linked with economic development is a constant concern for the Company, and the reason for the joint action of the Sustainability Committee and the operational areas. The focus of this work is not restricted to internal stakeholders, being extended to all other stakeholders of Tractebel Energia.

Policy

Launched in 2010 and available on the website, the Tractebel Energia Sustainable Management Policy encompasses the dimensions of Quality, Environment, Occupational Health and Safety (OHS) and Social Responsibility. All 24 plants operated by the Company follow this policy, which is part of the Integrated Management System. The Integrated Management System is a tool for operational management and continuous improvement, which includes Quality-Plan – software to control documentation, which encompasses manuals, procedures, processes, records, forms, work instructions, legal requirements, timelines, audit programs, communications with stakeholders, etc. Quality-Plan can be accessed by any employee by means of the corporate computer environment.



GRI: 15

Certifications and Legal Compliance

All the plants of Tractebel Energia's generation facilities have the environmental authorizations and licenses required by the responsible bodies, and, in addition to the Integrated Management System, 15 plants are certified in accordance with the requirements of NBR ISO 9001:2000 (Quality Management Systems), NBR ISO 14001:2004 (Environmental Management Systems) and OHSAS 18001 (Occupational Health and Safety Systems). The percentage of certification based on the Company's own installed and operated capacity is shown in the table below.

Certification Percentage in 2013

Total Own Installed Capacity – MW	6,964.7
Own Installed Capacity in Certified Plants – MW	6,337.1
Total Energy Generation – GWh	45,344
Energy Generation in Certified Plants – MWh	39,562
Certification Percentage (Installed Capacity) - %	91.0
Certification Percentage (Energy Generation) - %	87.2

1. Plants in the implementation phase are not considered in this calculation.

See the Complementary Information section of this report, which presents details on the plants operated by the Company, including the identification of those that are certified under these standards.



Train's soccer team (Ceará state)

In November 2013, Bureau Veritas Certification recertified, with validity for another three years, in accordance with the NBR-ISO 9001:2000, NBR-ISO 14001:2004 and OHSAS 18001 standards for quality, environmental and Occupational Health and Safety (OHS) management, the six thermoelectric power plants and eight of the nine hydroelectric power plants operated by Tractebel Energia, in addition to the Lages Cogeneration Unit.

The Estreito Hydroelectric Power Plant, with 1,087 MW, is being prepared so that it may also be certified under the same standards.

Also in 2013, and for the second consecutive year, in its second time participating, Tractebel Energia won the Sustainable Energy seal from Instituto Acende Brasil. The seal applied to the same 22 plants that had won this recognition in 2012.

Quality Management

Guidelines

Reliability, availability and security of the electrical system operated by Tractebel Energia are fundamental requisites for quality management. These parameters are measured by means of plants' internal availability indicators, and in the case of hydroelectric power plants, they are complemented by failure rates. The calculation of availability is based on the installations' reliability and security regarding the supply of energy, taking into account hours of untimely and urgent unavailability of the generation units.

Indicators

As established in the quality management guidelines, the main indicators are:

- annual internal availability of all plants; and
- degree of satisfaction of the National Electric System Operator (ONS), by means of consultation with the body.

Targets

The targets established for 2013 regarding quality management and the corporate results obtained are presented below.

Quality Management – Targets and Results in 2013

Indicator	Target	Result	Evaluation
Internal annual availability (all plants)	>= 98.1%	97.4%(*)	Target partially achieved
Degree of satisfaction of ONS	>=90.0%	91.8%	Target achieved

(*) Figure corresponding to 99.3% of the target stipulated. The context of the drop in availability is described in the Message from Management and in the Operating Performance subchapter.

2013 Highlights

- Total production reached 45,344 GWh (5,176 average MW), a new annual record for generation by the Company.
- On November 12, a new record for instantaneous generation was also broken: 7,824.5 MW, equivalent to 90.1% of the total capacity operated by Tractebel Energia.
- All-time greatest generation by thermoelectric power plants: 718.5 average MW, 10.1% more than the previous record, reached in 2000.
- All-time greatest annual generation by complementary plants: 92.6 average MW, up 16.9% from the previous year.
- Annual record for generation by plants: Estreito Hydroelectric Power Plant, Jorge Lacerda Thermoelectric Complex A and C, Lages Cogeneration Unit , José Gelazio da Rocha Small Hydroelectric Power Plant, Rondonópolis Small Hydroelectric Power Plant and Ibitiúva Bioenergética Thermoelectric Power Plant.
- Consolidation of the Industrial Control Systems Safety Committee, created in 2012, contributing to high rates of availability of plants.

Environmental Management

Guidelines

Legal Compliance

All plants operated by Tractebel Energia have the environmental authorizations and licenses required by prevailing legislation. The Company continually monitors the evolution of laws, standards and resolutions regulating environmental management and, to meet legal requirements and the voluntary additional commitments it assumes, it evaluates and adjusts operations and procedures whenever applicable.

Balance

Seeking balance between its activities and conservation of the environment, by means of mitigation of environmental impacts and promotion of rational use of natural resources, is a continual effort that is an integral part of Tractebel Energia's culture.

Main Aspects and Environmental Impacts

Identifying and classifying the significant environmental aspects and impacts of its activities are part of the environmental management conducted by the Company. As a subsequent step, operating controls and management programs are established to mitigate the impacts characterized as negative.

Currently, the Company monitors and promotes management and mitigation of the impact of its activities on consumption of natural resources, emission of greenhouse gases (GHG), waste disposal and biodiversity.

Currently, Tractebel Energia consults its stakeholders regarding the impacts of the Company's activities, asking what they consider most relevant and would like to learn more about, in addition to policies and related performance indicators.

In 2013, these stakeholders identified as relevant themes management of natural resources, water management and Tractebel Energia's main impacts on the environment, all presented in this chapter. The main aspects monitored and disclosed by the Company in its latest reports continue to be presented to the public in the Complementary Information section of this report.

Indicators[3]

Water

The plants of the Jorge Lacerda Thermoelectric Complex and Charqueadas Thermoelectric Power Plant have closed liquid discharge systems, avoiding the dumping of discharge into rivers and allowing for the reuse of water. In the thermoelectric power plants that do not yet have a closed system (Alegrete Thermoelectric Power Plant, Ibitiúva Bioenergética Thermoelectric Power Plant and Lages Cogeneration Unit), discharge undergoes physical-chemical treatment of sedimentation and neutralization prior to being dumped into the river. The William Arjona Thermoelectric Power Plant does not collect water, and therefore does not generate discharge in its industrial process.

All thermoelectric power plants operated by Tractebel Energia have container basins in their fuel reservoirs to avoid water pollution resulting from potential accidents with spills. In hydroelectric power plants, stricter targets are established than those provided for by legislation to reduce concentration of oil and grease in discharge from drainage pools, in order to avoid water contamination. The Passo Fundo, Machadinho, Cana Brava and Itá hydroelectric power plants also have a system to separate water from oil in discharge produced in machinery rooms, allowing for better control of discharge from drainage pools.

See the Complementary Information section of this publication, which presents details on the reservoirs of the hydroelectric power plants operated by Tractebel Energia.

Reservoir Management

The area of the reservoirs of the hydroelectric power plants that Tractebel Energia operates and their surroundings related to Permanent Preservation Areas are the legal responsibility of the Company, which maintains contracts with companies specialized in environmental and social heritage oversight. In addition, Tractebel Energia signs and maintains cooperation agreements with the Environmental Police for inspection work. The multiple use of these areas by communities is encouraged by the Company, by means of partnerships with government bodies and other institutions, thus allowing for activities such as irrigation, creation of artificial beaches, fishing reserve areas, powerboating and others.

Affected Water Sources

The main water sources affected by the Company's activities are the Jacuí (Charqueadas Thermoelectric Power Plant – Rio Grande do Sul State), Ibicuí (Alegrete Thermoelectric Power Plant - Rio Grande do Sul State), Caveiras (Lages Cogeneration Unit – Santa Catarina State) and Tubarão rivers (Jorge Lacerda Thermoelectric Complex – Santa Catarina State).

3. Defined by means of a consultation with stakeholders conducted in 2013.
4. The Alegrete Thermoelectric Power Plant has not operated since February 15, 2013, and thus, since then, there has been no collection of water and consequently no generation of discharge.

The main impacts of the collection of water and dumping of discharge in these water bodies are presented below, as well as the initiatives adopted to mitigate them.

Impact	Mitigation
Consumption of water from water sources	The collection of water is observed and regulated by the inspection bodies responsible for each region and, in cases in which it may represent a risk to the water source, it is suspended. In the case of the Lages Cogeneration Unit, a conditioning factor determines the suspension of collection when the river's flow is less than 689 l/s.
Rise in temperature of water used in the cooling systems – which according to legislation cannot surpass 40ºC to return to the river	To have control of the temperature at which the water is returned to the river, Tractebel Energia conducts online monitoring and has an operational procedure that alerts staff when the temperature reaches 39ºC, for the adoption of preventive measures.
Dumping of discharge	As a form of monitoring discharged water quality indicators, analyses are periodically performed on water quality to avoid any type of pollution or contamination of the water source.

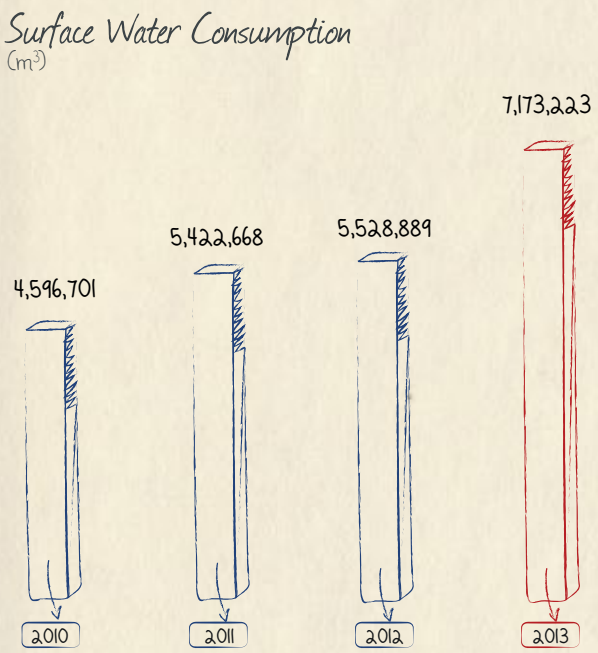


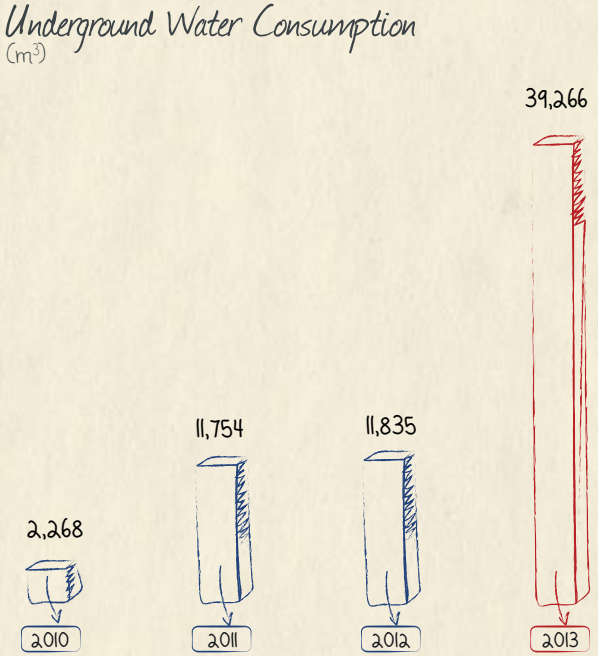
Community of Trairí (Ceará state)

In 2013, 891.2 thousand m^3 of water was reused, and another 23.5 million m^3 was recycled, thus minimizing the Company's consumption.

Consumption

The graphs below show water management indicators: surface and underground water consumption.





The increase in water consumption is due to greater generation at thermoelectric power plants due to unfavorable hydrological conditions for generation at hydroelectric power plants in the year.

Fuels

Over 83% of Tractebel Energia's generation facilities use renewable sources (mainly hydro, in addition to four wind facilities and two biomass plants) . In addition, it conducts analyses, research and studies on energy generation by means of renewable sources, in order to minimize fossil fuel consumption. On the other hand, maintaining generation capacity based on fossil fuels with efficient technology allows the Company to meet demand for thermoelectric energy according to potential or actual scarcity of rainfall capable of providing sufficient volumes in reservoirs for the country's hydroelectric power plants. The generation facilities operated by Tractebel Energia have two coal-fired plants, one natural gas-fired plant, and one fuel oil-fired plant.

Consumption

In 2013, fossil fuel consumption at the thermoelectric power plants operated by the Company was 19.4 thousand GWh (69.9 million GJ). The following table presents fossil fuel consumption in the years 2011 to 2013.

Fossil Fuel Consumption

	2011	2012	2013
Coal (t)	2,348,564	3,325,265	3,607,257
Fuel Oil (t)	3,673	6,664	12,160
Diesel (m^3)	2,685	4,543	4,707
Natural Gas (m^3)	415,02	21,103,319	102,457,853

The increase in natural gas consumption is due to greater use of the William Arjona Thermoelectric Power Plant in the year, due to low volume in reservoirs for the country's hydroelectric power plants over the course of 2013.

It is important to point out that, as stated in the Tractebel Energia Policy on Climate Change, the Company adopts additional measures to reduce fossil fuel consumption, such as preferential use of biofuel-based automobiles, contracting of collective transportation services at the majority of plants, and holding of conference calls and videoconferences.

1. Data from December 2013.

Targets

Based on the business objectives, which include aspects of environmental management and their continuous improvement, targets are established for the plants with NBR ISO 14001 certification. The deadlines, resources and parties responsible for meeting them are defined according to the complexity of the matters involved and local or regional needs.

GRI: 15

Status of Environmental Targets (December 31, 2013)

	Active Programs 2013	Targets Met	Targets in Progress	Not Met	Performance (%)
Thermoelectric Power Plants*	25	10	10	5	80,0
Hydroelectric Power Plants	63	50	5	8	87,3
Total	88	60	15	13	85,2

* Includes Lages Cogeneration Unit.

See the Complementary Information section of this publication, which presents details on the Company's environmental targets in 2013.

2013 Highlights

• Salto Santiago HPP and Salto Osório HPP: Conclusion of the first stage of "Projeto Água Boa", with protection of 300 springs in the Municipality of Chopinzinho, and the beginning of new environmental education in the Municipality of Rio Bonito do Iguaçu, with the protection of 78 springs by planting saplings around the springs, visits to the City Government's Municipal Nursery and release of 10.000 juvenile fish. In addition, a cooperation agreement was assumed for the development of a similar project in the Municipality of Sulina, all in partnership with "Casas Familiar Rural" of the municipalities.

• Charqueadas TPP and Alegrete TPP: Development of four projects related to conservation of the environment together with the community: Water Week; the Respect, Care and Protection of Different Forms of Life Project; and the "Ademir Scarpatti" Green Insignia Environmental Award, in Charqueadas (Rio Grande do Sul State); and the Blue Deluge Project (Water Week), in Porto Alegre (Rio Grande do Sul State).

• Itá HPP: Protection and vegetative relining of banks downstream from the plant's dam.

• Cana Brava HPP and São Salvador HPP: Development of the Sustainable Step Program, whose objective is the production of handicrafts and arts, based on the use of recyclable waste. The program involves children in the 5th and 6th grades of elementary school, in Minaçu and Colina do Sul (Goias State) and São Salvador and Palmeirópolis (Tocantins State).

• Jorge Lacerda TC: Development of the "Eu Vi um Pau-Brasil" Project in Capivari de Baixo and Tubarão (Santa Catarina State), through which Tractebel Energia planted two Pau-Brasil saplings in each of the 60 participating schools, for students and teachers to get to know the country's typical tree.

In addition to these projects, the Company also holds, at its plants, In-House Environment and Sustainability Weeks (Semas) and In-House Safety and Environment Weeks (Sismas), presented below:

Environment Weeks (Semas and Simas): The purpose of the events is to present themes related to preservation of the environment and sustainability by means of talks and presentations to the Company's internal and external stakeholders. In 2013, Environment Weeks were held at the Lages Cogeneration Unit, Charqueadas Thermoelectric Plant, Alegrete Thermoelectric Plant, Cana Brava Hydroelectric Power Plant, São Salvador Hydroelectric Power Plant, Estreito Hydroelectric Power Plant and Jorge Lacerda Thermoelectric Complex, with a minimum of 697 participants.

The Company also has programs for visits by students, researchers and tourists to power generation plants. In addition to receiving information on the projects' operations, visitors have the opportunity to learn more about the social and environmental programs developed. In 2013 there were 100,686 visitors, reaching the Company's target of receiving 100 thousand visits in the year. The program is complemented by environmental education actions presented in schools and other community locations.

Environmental Costs and Investments

GRI: EN31

In 2013, the Company invested R$ 55.3 million in environmental monitoring, waste treatment, environmental management programs, Research and Development (R&D), sponsorships and donations to the community.

Another R$ 391.9 thousand was used for civil liability insurance for any event related to the environment as a result of sudden pollution, such as spills. Finally, R$ 26.1 thousand went towards 335 hours of employee environmental training and awareness.

GRI: EU16

Occupational Health and Safety Management

Guidelines

Legal Compliance

As with environmental management, legal compliance is a fundamental requisite in the health and safety management of Tractebel Energia. The Company continually monitors the evolution of laws, rules and resolutions regulating Occupational Health and Safety (OHS) management. To fulfill legal requirements and the voluntary additional commitments it assumes, the Company evaluates and adjusts operations and procedures whenever necessary.

Management System

Tractebel Energia's OHS management system is based on the principle of continuous improvement and has the objective of preventing and preserving the physical integrity, health and quality of life of employees, service providers, suppliers and visitors. Dangers and risks present in processes, equipment and work environments are identified and controlled. All stakeholders subject to these risks and dangers are given guidance about them, including regarding the respective prevention and control measures.



Internal Commission for Accident Prevention (CIPA)

Ten CIPAs, distributed among the administrative head office and the plants, are composed of representatives of Tractebel Energia, as the employer, and employees. CIPAs are present at plants with at least 20 employees, and an Internal Week for the Prevention of Work Accidents (Sipat) is held annually, with the objective of raising employee awareness regarding routines and habits that allow for working more safely and healthily. When the number of employees is less than 20, there is one person responsible for the same legal functions attributed to the CIPA.

The members of the CIPAs and the professionals designated to fulfill safety standards total 86 employees, without counting the 32 professionals in the OHS area between in-house employees and service providers[1]. In 2013, 43% of the Company's employees received health and safety training.

Health Profile

The Company identifies the health profile of its employees and develops programs with the objective of promoting healthy habits, focusing on the following areas:

- **Wellness Management** – A plan to encourage physical activity and sports, healthy eating, stress management, treatment and prevention of substance dependence, and use of the corporate fitness program.

- **Health Management** – Based on an annual check-up, comprising lab and specific exams, health and lifestyle questionnaires, clinical consultation and formulation of an Individual Health Plan – an annual commitment voluntarily made by the employee, with the due medical guidance, regarding how to take care of their health. Thus, Tractebel Energia seeks to surpass the requirement of Regulatory Rule 7 (NR-7) to call all employees for an exam on an annual basis. Its health management program includes a series of complementary exams and specific consultations, to obtain more complete and comprehensive data on the employee's health. Health information for the last five years – lab test results, questionnaires and the Individual Health Plan – are available on the intranet, which allows the employee to track their history. In addition, the Company periodically conducts communication and prevention campaigns on topics such as flu vaccination and cancer prevention, among many others, besides annual training for plant operators, which include first aid techniques and events with speakers from the healthcare area for employees and service providers.

1. Data from December 2013.

Indicators

Based on legal requirements and those agreed to by Tractebel Energia, consolidated OHS management indicators are presented below according to the Brazilian Association of Technical Standards (ABNT).

OHS Indicators

Own Employees	2010	2011	2012 ABNT	2013 ABNT
Number of on-the-job and in-transit accidents with and without leave	9	7	2	10
Number of days missed – on-the-job accidents with leave	91	49	12	34
Rate of occupational illnesses	0	0	0	0
Rate of frequency	1.04	1.5	0	0.98
Rate of severity	0.05	0.025	0	0.017
Fatal accidents	1	0	0	0
Absenteeism (days)	6,874	6,253	5,478	8,640

Employees of Contracted Companies	2010	2011	2012 ABNT	2013 ABNT
Number of hours of exposure to risk	3,893,222	4,148,850	4,230,648	3,202,812
Number of on-the-job accidents with leave	9	13	8	3
Number of on-the-job and in-transit accidents with and without leave	44	42	36	17
Number of days missed – on-the-job accidents with leave	78	339	350	27
Rate of frequency	2.3	3.13	1.89	0.94
Rate of severity	0.02	0.082	0.083	0.008
Fatal accidents	0	1	0	1
Absenteeism*	-	-	-	-

* Control is performed by contracted companies.

Targets

The following table contains the targets and corporate results for OHS management based on previously established indicators, in accordance with the ABNT's methodology.

OHS Management Targets and Results (December 31, 2013)

Indicator	Target	Result	Situation as at December 31, 2013
Frequency Rate (TF) Index	TF < 3.0	TF = 0.98	Target achieved
Severity Rate (TG) Index*	TG < 0.068	TG = 0.017	Target achieved
Fatal Accidents	0	0	-

* Tractebel Energia calculates and reports Severity Rate to GDF Suez by: Lost days x 1.000/worked hours.

2013 Highlights

In 2013, eight Sipats were held at the Company's plants, addressing topics such as prevention of on-the-job accidents and incidents, ergonomics, safe behavior, sexually-transmitted diseases, AIDS, sleep quality and good safety practices.

In the year, a safety awareness campaign was held in commemoration of World OHS Day, celebrated on April 28. The campaign's theme was: "Rules that save lives".

The Second Gathering of Presidents and Vice-Presidents of CIPAs and Occupational Safety Professionals of Tractebel Energia, as well as the Annual Gathering of Healthcare Professionals of Tractebel Energia, brought together the professionals responsible for the theme in the Company. This allowed for exchange of knowledge and alignment of Tractebel Energia's objectives related to promotion of its employees' health and safety.

The safety plans for all the thermoelectric and hydroelectric power plants were revised, including a survey of potential risks, in order to keep OHS management always up to date and based on best practices.

Investments in OHS

To improve management of processes, equipment and the work environment, in 2013, R$ 8.0 million was invested in safety, health and quality of life programs.

Social Management

Guidelines

Legal Compliance

Legal compliance in social management is also a basic requirement for Tractebel Energia, which continually monitors the evolution of laws, rules and resolutions regulating business social responsibility. To fulfill legal requirements and the voluntary additional commitments it assumes, the Company evaluates and adjusts operations and procedures whenever necessary.

Continuous Improvement

Like in corporate governance, guidelines, recommendations and indicators such as from the Global Reporting Initiative (GRI), Instituto Ethos, NBR ISO 26000 and those that guide the Corporate Sustainability Index (ISE) complementthe evolution of legislation to provide the basis for continuous improvement of the Company's social management.



Pedro Mauro is a safety technician for Tractebel Energia, at the Trairi Wind Farm.

"I am from Trairi and when I grew up, I needed to leave the city to study and achieve something better in life. When I came back, it was already to work for Tractebel Energia. I participated in the construction of the wind farm, which completely changed our life.

The first time we saw an aerogenerator working it was wonderful, like a child being born. The wind farm brought growth for the city, strengthening our development, our life. We know that this is the Company's aim: to grow together with the city, helping and being helped. A partnership."

Pedro Mauro
Trairi (CE state)





Trairi Wind Complex

Relationships with Stakeholders

Premises and Criteria

Being present in the five regions of Brazil, with 24 plants in operation and each year seeking expansion by means of acquisitions or the implementation of new projects, relationships with stakeholders are of extreme importance for Tractebel Energia. The Company strives to develop long-term relationships with all its stakeholders.

Reinforcing this viewpoint, for this 2013 Sustainability Report, the Company held in-person consultations, complementing those usually conducted on the internet, at different events. These involved communities, suppliers, service providers, government and non-governmental organizations, customers and shareholders Thus, it developed the Materiality Matrix, with the aspects considered most important in the opinions of the people consulted, which are addressed in this document.

Tractebel Energia establishes and manages communication with its stakeholders by means of specific channels on the Company's website – such as those dedicated to investors, suppliers, job-seekers and the public in general – and the Communication with Stakeholders module of the Quality-Plan system, among others.

During the implementation of new projects, communication programs to engage stakeholders are developed, with three main objectives: provide information on positive and negative aspects and impacts of the project, identify the local community's expectations, and seek to meet the more relevant requests that are compatible with the Company's possibilities and obligations.

For example, in the region of Trairi, in 2013 Tractebel Energia began the development of a cultural center similar to those established in Entre Rios do Sul, Alto Bela Vista and Capivari de Baixo, and those that are scheduled for opening and beginning of construction, respectively, in 2014: in Quedas do Iguaçu[1] and Minaçu.

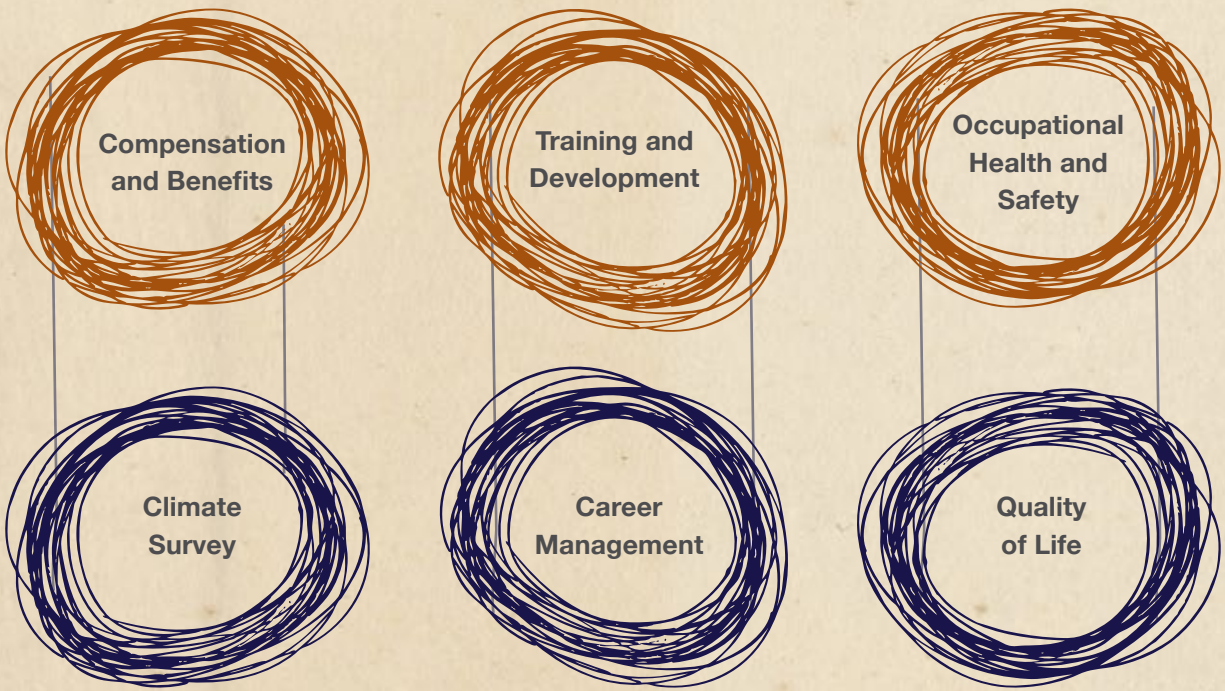
See the Complementary Information section of this publication, which presents the profile of the cultural centers implemented by the Company.

1. The opening of the Quedas do Iguaçu Cultural Center was postponed from 2013 to 2014, in order to allow for more elaborate finishing.

The items below detail the most important aspects of Tractebel Energia's relationship with each of its stakeholders.

Employees and their Representatives

Pillars of Human Resources Management



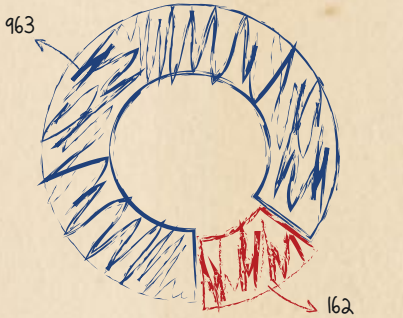
The dialog with employees is ongoing, continually seeking to expand the degree of mutual involvement and commitment, based on trust and respect.

In addition to promoting occupational health and safety, Tractebel Energia provides ways for employees to establish their career and individual development plans. This approach has been recognized year after year. In 2013, in its first year of participating, Tractebel Energia was included in the ranking of the best companies to work for by Época magazine, published by Editora Globo.

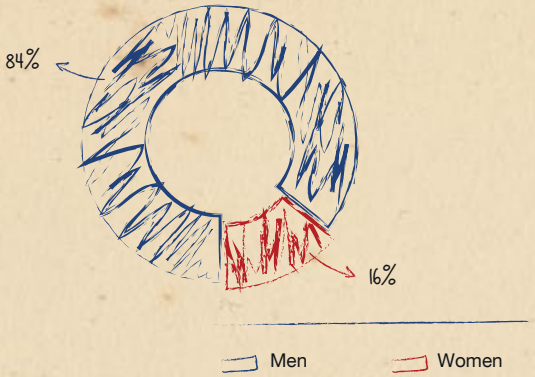
In order to expand employees' understanding of the organizational culture and corporate policies, Tractebel Energia began the ComunicaRH program in 2013. Through this program the Human Resources Department holds gatherings at ten plants, in addition to the head office, to answer questions and listen to suggestions from employees. In all, there were 462 participants (the equivalent to 41% of the headcount). As a result of the program, the HR Department's targets for 2014 were set, calling for the adaptation of processes to different local realities, in addition to the publications, on the intranet, of responses to frequently-asked questions.

Profile of Employees

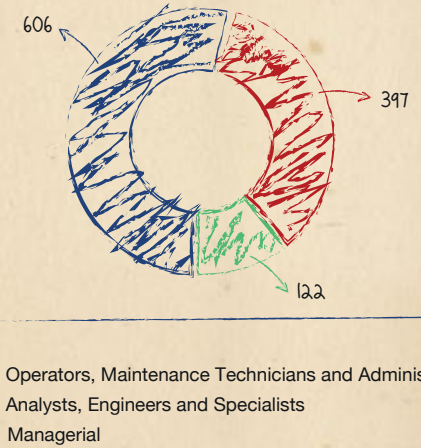
Employees by Gender



Distribution by Gender on Boards and Committees



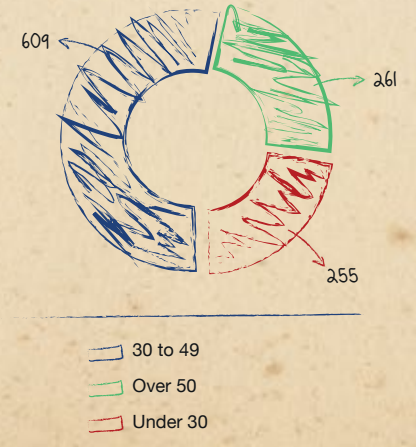
Employees by Job Category



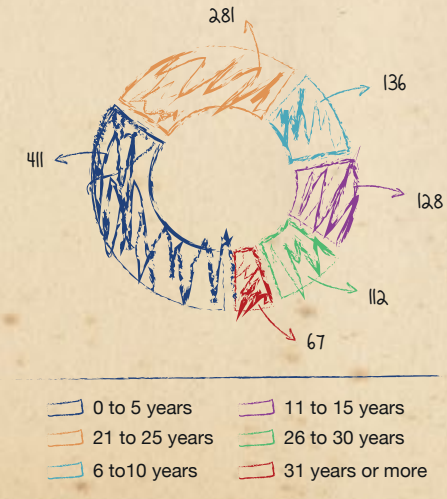
Distribution by Age on Boards and Committees



Employees by Age



Employees by Length of Service*



* Considering years of service at Eletrosul.

At December 31, 2013, 1,125 in-house employees and 869 employees of contracted companies worked for the Company.

In addition to the indicators on these stakeholders presented below, see the Supplementary Information section of this publication, which provides details on the compensation and benefits offered.

Training and Development

Tractebel Energia's training and development plan entails short, medium and long-term strategies. In 2013, R$ 6.4 million was invested in training, courses and speakers with the purpose of developing, updating and training the Company's employees, with an average of 53 hours of training per employee and a total of 59,663 hours. This comprised 29,423 hours in technical courses, 6.565 in OHS, 9,253 in languages and 14,422 in areas such as behavior, leadership and communication.

Aspects related to ethics, such as anti-corruption efforts, and respect for diversity and human rights are part of the Welcome Program (to receive new employees). They are also addressed on occasions such as the release or publication of corporate policies, talks on the Company's Code of Ethics, seminars and other events, which usually include external audiences. eventos, que costumam abranger também o público externo.

Hours of Training per Employee in 2013

Job Category	Average Hours
Managerial	43.1
Administrative	59.2
Technical-operational	63.0

As part of the training and development plan, the Company contributes 50% of tuition in a scholarship program. In 2013, 29 employees received scholarships, four of these for bachelor's degree programs and 12 for post-graduate programs.

Career Management

Tractebel Energia encourages and provides resources for career self-management for all employees, such as evaluations and feedbacks. These resources lead to the Individual Development Plan, in which employees establish development objectives compatible with their needs and expectations.

In addition, other programs are offered for specific groups, such as the Leader Development Program, which focuses on management development for employees indicated as potential successors. In 2013, around 74 employees participated in the three training modules offered and began development of a multidisciplinary project, to be presented at the end of this stage of the program, in 2014. Along these same lines, the New Leaders Program and Middle Management Development take place on an annual basis.

GRI: EU14

Retirement, Voluntary Termination Plan and Filling of Positions

As at December 31, 2013, 80 people were retired through the official social security system and continued to hold their positions in Tractebel Energia. 40.6% were eligible to retire in the next five years, and 5.0% in the next ten following years.

In 2013, Tractebel Energia relaunched the voluntary termination plan, prioritizing employees already retired through the official social security system or eligible to retire by 2016. In all, 123 employees joined the plan in this new stage.

Tractebel Energia has a plan for succession and filling of new positions. In 2013, 86 new professionals joined the Company's personnel, while 43 left; of these, 26 left through the voluntary termination plan, and three joined other companies of the controlling shareholder GDF SUEZ.

Shareholders

The Investors space on Tractebel Energia's website presents Material Event Notices, Notices to Shareholders, Communications to the Market and the Company's quarterly performance, as well as the Sustainability Report. Quarterly earnings conference calls and meetings with investors and investment analysts are held – such as those of the Association of Capital Market Analysts and Investment Professionals (Apimec) – and the Company participates in conferences and seminars of the main investment banks and brokerage companies. Over the course of 2013, Tractebel Energia participated in 41 events, in Brazil and abroad, hosted by capital market agents. It met with 440 investors, counting repetitions and excluding Apimec meetings.

In 2013, the Inside Tractebel program, which holds gatherings between capital market professionals and the IR team and management team of Tractebel Energia, had its first stage at the Company's head office, and a second stage occurred at the Jorge Lacerda Thermoelectric Complex, presenting to visitors the industrial processes and the Tractebel Environmental Park, just before its opening in October. The event was attended by representatives from 44 institutions.

Customers

Mutual trust is the basis for Tractebel Energia's relationships with its customers, both in the regulated environment and the free market – and in the latter, the policy of flexibility and loyalty has allowed for maintaining, renewing and expanding business with advantages for both parties. The Business portal on Tractebel Energia's website, specific for these stakeholders, is used to provide updated information on the energy market, contracted supply and monthly billing – and contractual data are kept strictly confidential between the customer and the Company. Tractebel Energia offers for customers in its portfolio the Energy Efficiency Diagnostic Program, which is based on identifying and proposing improvements in systems and processes to reduce electric energy consumption. It also has a plant visit program dedicated especially to customers.

GRI: 12 | EC9 | HR1

Financial Institutions

Due to its importance, as it is a publicly-traded company with shareholder control exercised by a group with global operations, Tractebel Energia has relationships with local and international financial institutions, both state-owned and private-sector. The commercial relationship with these institutions can materialize through the following operations: contracting of financing and loans (both in local and foreign currency), financial investments, closing of foreign exchange, contracting of bank sureties, contracting of derivative transactions for purposes of hedging and payment service in general, by means of the Brazilian Payment System (SPB).

Suppliers

Tractebel Energia takes on the role of promoting concepts of sustainable development. For this purpose, it has supplier training and performance evaluation, focusing on commitment to and engagement with a focus on commitment to and engagement with human rights, social responsibility, OHS, the environment, and, in the case of small or medium companies for which Tractebel Energia accounts for most of its revenues, the Company provides assistance with marketing management in the broad sense, along with economic and financial management to remove them from exclusive dependence on the Company.

Tractebel Energia has procedures guided by administrative norms, which allow for selecting bids capable of serving the Company's interests with the best cost/benefit ratio and reasonableness for both parties. Tractebel Energia prioritizes local contracting, with part of its strategic focus on sustainability. Thus, in 2013, 100 contracts were held with 83 companies with local labor in each region, accounting for 49% of the total service budget. This is equivalent to R$ 69.9 million of a total of R$ 142.5 million, for local maintenance, environmental management, utilities, surveillance, cleaning, IT and infrastructure services. The employees of partner companies have a benefits program on a permanent basis, comprising health and dental plans, whose amounts are included in the Company's contracts with the contracted parties.

Political Parties

Tractebel Energia's activities regarding support for political parties or candidates for elected positions strictly follow prevailing legislation. Donations are approved by the Ethics Committee and declared on the website of the Superior Electoral Court (TSE), with a link on the Company's website to access this information.

Government

A majority of the relationships with the different spheres of government take the form of legal and institutional commitments. There are also specific-purpose agreements for sustainable development of the communities and regions in which Tractebel Energia is present. Furthermore, whenever possible, the Company actively participates in debates on themes of interest and/or related to the sector in which it operates.

Tractebel Energia has no formal policy for lobbying and/or action in public policies, but the Company exercises dialog with government institutions in a way that is coherent with the social function of a large company, which has nationwide operations and provides an essential service to the population.

GRI: SO6

GRI: 16

Social, Environmental and Sectoral Entities

Tractebel Energia, through its employees and/or officers, participates in responsible forums on relevant aspects or themes for the electrical sector and society, like the ones highlighted below:

- Acende Brasil Institute
- Apuaê-Inhadava Hydrographic Basin
- Association of Information Technology and Telecommunications Users of Santa Catarina (Sucesu)
- Brazilian Association of Electric Energy Generation Companies (Abrage)
- Brazilian Association of Electric Energy Sector Accountants (Abraconee)
- Brazilian Association of Electric Energy Trading Agents (Abraceel)
- Brazilian Association of Independent Electric Energy Producers (Apine)
- Brazilian Coal Association (ABCM)
- Brazilian Investor Relations Institute (IBRI)
- Brazilian Maintenance Association (Abraman)
- Business Management Committee Foundation (Funcoge)
- Brazilian Mercantile and Futures Exchange and São Paulo State Stock Exchange (BM&FBovespa)
- Brazilian Risk Management Association (ABGR)
- Brazilian Securities Commission (CVM)
- Capivari de Baixo Commercial and Industrial Association (Acicap)
- Electric Energy Research Center (Cepel)
- Electric Energy Trading Chamber (CCEE)
- Energy Research Company (EPE)
- Florianópolis Commercial and Industrial Association (ACIF)
- Infrastructure Council (Coinfra)
- Institute of Internal Auditors of Brazil (Audibra)
- International Hydropower Association (IHA)
- Ministry of Development, Industry and Foreign Trade (MDIC)
- National Electric Energy Agency (Aneel)
- National Electric System Operator (ONS)
- Rio Grande do Sul State Federation and Center of Industries (Fiergs/ Ciergs)
- Santa Catarina Group of Leaders (LIDE SC)
- Santa Catarina State Federation of Industries (Fiesc)
- São Paulo Association of Energy Cogeneration (Cogen)
- Tubarão Commercial and Industrial Association (ACIT)
- World Energy Council – Brazilian Committee of the World Energy Council (CBCME)

Sector Companies

In addition to participating in sector associations, where it shares with other companies matters of common interest, the Company operates in consortia for certain projects, such as the Machadinho, Itá and Estreito hydroelectric power plants and the Ibitiúva Bioenergética biomass power plant. Its relationships with other generation, transmission, trading and distribution companies are always guided by Tractebel Energia's Code of Ethics.

Press and Society

The Tractebel Energia Policies and Guidelines, available on the Company's intranet, establish the rules of its relationship with the press. Tractebel Energia's spokesperson is the CEO, who can partially delegate this function to officers and managers. Whenever required, whether for the implementation and operation of a plant, the Company makes announcements in media outlets, requests public comments and holds public hearings to present and discuss the pertinent socioeconomic and environmental aspects. Environmental education programs, social communication and disclosure of matters of public interest in the areas encompassed by the projects are continually conducted by Tractebel Energia, which may use radio stations, newspapers and/or other media with broad access. With society in general, the Company relays, by means of its website and communication vehicles, matters and positions that are pertinent to its activities that are of public interest, such as material event notices, legal publications, and educational campaigns on sustainability, to which it links its brand, as well as advertising and marketing.

Communities

The main focus of the 2013 Sustainability Report, the neighboring communities of Tractebel Energia's head office and plants, are fundamental stakeholders, with which the Company continually seeks to expand dialog and contribute to local sustainable development. To this end, it maintains open dialog, builds partnerships with local agents – such as universities and third-sector organizations – and prioritizes the hiring and development of local professionals and suppliers.

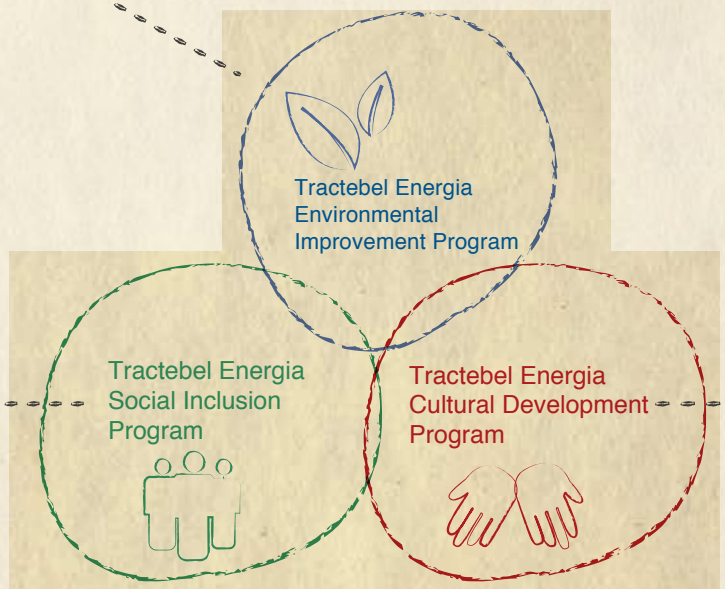
Corporate Social Responsibility (CSR)

The Company has established three CSR programs, described in the diagram below.

Corporate Social Responsibility Programs

Focus on environmental education, recovery of degraded areas, and reforesting

- Reduction of impacts of the Company's activities on the environment.
- Support for preservation of the environment.
- Ecological awareness.
- Rationalization of use of natural resources.
- Improvement of quality of life.



Focus on improving the quality of life of children and adolescents from needy communities

- Education of children
- Social assistance partnerships, to promote health and justice (defense of rights of children and adolescents).
- Support for creation of jobs and generation of income.
- Professional training of youth.
- Raising of communities' awareness for overcoming poverty, and social inclusion of at-risk children.

Focus on cultural development of communities

- Preservation and valuing of the region's characteristic cultural traits.
- Development of local culture.
- Promotion of use of tax incentives to benefit communities.

Culture and Sustainability Centers

Since 2009, Tractebel Energia has been implementing the Culture and Sustainability Centers Project, which has proven effective in contributing to the sustainable development of small municipalities. The project starts with the formation and training of a Public Interest Civil Society Organization (Oscip) with members of local communities who are interested in participating in the initiative over the useful life of the project. This is the basis of the new cultural, social and training space. Subsequently, Tractebel Energia provides sponsorship of the center's building, through its own funds or an income tax deduction in conformity with the Rouanet Law. After the conclusion of the construction of the Culture and Sustainability Centers, the Oscips are trained to manage cultural projects and events and are responsible for their management, being autonomous and independent from the government and the Company.

In 2013, the Alto Bela Vista and Capivari de Baixo Culture and Sustainability Centers (SC) were opened.

See the Complementary Information section of this publication, which presents details on the profile of these centers and the Entre Rios do Sul Cultural Center[1] - the first to be created along these lines, and in operation since July 2011.

Indicators

Social management, in a broader sense, includes various indicators, like those of human resources management, addressed previously in this chapter. In this topic, indicators linked to Corporate Social Responsibility (CSR) are addressed. These indicators are part of the Tractebel Energia Sustainability Targets, which are proposed annually by the Sustainability Committee and approved by the Executive Board. The item below presents the targets established for 2013 and its status at the end of the year.

Targets

Status of Corporate Social Responsibility Targets in 2013

Tractebel Energia Corporate Social Responsibility Program	N° of Target	N° of Actions	Weights	Reach	Result
Cultural Development	1	3	25%	76%	19%
Environmental Improvement	1	2	20%	93%	19%
Social Inclusion	1	3	25%	96%	24%
Education for Sustainability	1	4	30%	100%	30%
Total / Annual Result	**4**	**12**	**100%**		**92%**

1.The name "Cultural Center" or "Culture and Sustainability Center" has been decided upon by the community and local managers. The Centers have an amphitheater, space for exhibits, rooms for professional development and digital inclusion workshops, and libraries, among other specific facilities at each location. Their architectural designs follow concepts of sustainable construction, taking advantage of natural light and ventilation, as well as rainwater, among other things.

2013 Highlights

In 2013, the "I live a better world" campaign was developed in the region of the Jorge Lacerda Thermoelectric Complex and the Salto Santiago and Salto Osório hydroelectric power plants. Information about the campaign appeared on the website www.euvivoummundomelhor.com.br and on local radio stations with the purpose of engaging the region's stakeholders regarding social and environmental topics related to sustainability.

- In March 2013, the Alto Bela Vista Cultural Center (SC) was opened, in a municipality with 2 thousand inhabitants located in the region of influence of the Itá Hydroelectric Power Plant. The space, sponsored by means of incentivized funds (Rouanet Law), hosts rehearsals and presentations of over 40 local dance and music groups, the city's cultural hallmark. The programming also includes theater, cinema, courses, workshops and environmental education actions. The estimated audiences amount to 30 thousand people per year.
- On October 18, the Capivari de Baixo Culture and Sustainability Centers (SC) went into operation, in the city where the Jorge Lacerda Thermoelectric Complex is based. Built with the Company's funds, without the use of tax incentives, the center is one of the attractions of the Tractebel Environmental Park. It offers infrastructure for theater, cinema, art exhibits, concerts, other entertainment and workshops, among other activities.
- The "Good Water Project", developed in the municipality of Chopinzinho (PR), won the Liberty, Equality and Fraternity (LIF) Award from the France-Brazil Chamber of Commerce. Through a partnership between Tractebel Energia and various local entities, the project calls for the protection of 300 water springs in the rural area of the municipality. In addition to protection, families from the community are trained to effectively participate in the process of recovering and maintaining springs, which is reflected in improvement in the communities' health conditions. Since the beginning of the project, activities have been conducted in 17 rural communities, involving around 190 families.
- The Cambona 4 Agroforestry System Project, developed in the region of the Machadinho Hydroelectric Power Plant, was certified by the Banco do Brasil Foundation Social Technology Award, which recognizes products, techniques or methodologies that are replicable, are developed in interaction with the community and represent effective solutions for social transformation. The result of a partnership among the Machadinho Consortium, Tractebel Energia and the Association of Yerba Mate Producers of Machadinho (Apromate), the project consists of genetic improvement of yerba mate, planted together with native species. The generation of a milder product served the consumer market and the new variety helped generate employment and increase the income of family farmers in over 100 municipalities of the South of Brazil.

Investments in CSR

In 2013, R$ 17.7 million was invested in CSR programs.



.08

Consolidated Social Balance Sheet

Evolution

Evolution happens with the movement from one situation to another that, in conjunction and with aligned objectives, is potentialized and seeks to achieve mutual development.

Consolidated Social Balance Sheet

Ibase + NBCT 15
Tractebel Energia Consolidated

1. CALCULATION BASIS	2013 In thousands of Reais	2012 In thousands of Reais
Net Revenue from Sales	5,568,658	4,912,499
Operating Income	2,001,709	2,086,297
Gross Payroll	141,731	131,716
Total Value Added	3,681,266	3,639,219

2. INTERNAL SOCIAL INDICATORS	2013 In thousands of Reais	2013 % of gross payroll	2013 % of net revenue	2013 % of total value added	2012 In thousands of Reais	2012 % of gross payroll	2012 % of net revenue	2012 % of total value added
Meals	13,667	9.64	0.25	0.37	10,420	7.91	0.21	0.29
Compulsory social charges	48,732	34.38	0.88	1.32	44,673	33.92	0.91	1.23
Private pension plan	34,234	24.25	0.61	0.93	40,427	30.69	0.82	1.11
Healthcare	12,440	8.78	0.22	0.34	9,471	6.68	0.17	0.26
Occupational Health and Safety	5,745	4.05	0.10	0.16	5,519	3.89	0.10	0.15
Education	717	0.51	0.01	0.02	481	0.34	0.01	0.01
Culture	-	-	-	-	-	-	-	-
Professional training and development	5,767	4.07	0.10	0.16	7,551	5.33	0.14	0.21
Daycare or daycare allowance	197	0.14	0.00	0.01	161	0.11	0.00	0.00
Sports	-	-	-	-	-	-	-	-
Profit Sharing/bonus	38,943	27.48	0.70	1.06	32,073	22.63	0.58	0.88
Transportation	4,112	2.90	0.07	0.11	3,321	2.34	0.06	0.09
Other benefits	1,650	1.16	0.03	0.04	1,224	0.93	0.02	0.03
TOTAL FOR INTERNAL SOCIAL INDICATORS	166,204	117.32	2.98	4.51	155,321	117.32	3.16	4.27

3. EXTERNAL SOCIAL INDICATORS	2013 In thousands of Reais	2013 % of gross payroll	2013 % of net revenue	2013 % of total value added	2012 In thousands of Reais	2012 % of gross payroll	2012 % of net revenue	2012 % of total value added
Education	2,080	0.10	0.04	0.06	2,320	0.11	0.05	0.06
Culture	13,767	0.69	0.25	0.37	8,797	0.42	0.18	0.24
Health and sanitation	-	-	-	-	-	-	-	-
Sports	360	0.25	0.02	0.01	675	0.51	0.03	0.02
Eradication of hunger and food safety	-	-	-	-	-	-	-	-
Sectorial indicator	-	-	-	-	-	-	-	-
Others	76	0.00	0.00	0.00	5,561	0.27	0.11	0.15
Total contributions to society	16,283	0.81	0.29	0.44	17,353	0.83	0.35	0.48
Taxes (excluding social charges)	1,163,670	58.13	20.20	31.61	1,146,119	54.94	23.33	31.49
TOTAL FOR EXTERNAL SOCIAL INDICATORS	1,179,953	58.95	21.19	32.05	1,163,472	55.77	23.68	31.97

4. ENVIRONMENTAL INDICATORS

4.1 - Investments related to company production/operations

	2013				2012			
	In thousands of Reais	% of gross payroll	% of net revenue	% of total value added	In thousands of Reais	% of gross payroll	% of net revenue	% of total value added
Expropriation of lands	-	-	-	-	-	-	-	-
Environmental liabilities and contingencies	-	-	-	-	-	-	-	-
Technological and industrial development program	-	-	-	-	-	-	-	-
Energy conservation	-	-	-	-	-	-	-	-
Environmental education	-	-	-	-	-	-	-	-
Sectorial indicator	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total investments related to company production/operations	42,093	29.70	0.76	1.14	26,286	19.96	0.54	0.72

4.2 - Investments in external programs and/or projects

Environmental education projects in communities	-	-	-	-	-	-	-	-
Preservation and/or recovery of degraded environments	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Contributions to society and civic consciousness/ Total investments in external programs and/or projects	947	0.67	0.02	0.03	100	0.00	0.00	0.00
Related to ongoing projects	12,211	8.62	0.22	0.33	30,026	22.8	0.61	0.83
TOTAL FOR INVESTMENTS IN THE ENVIRONMENT	55,251	38.98	0.99	1.50	56,412	42.83	1.15	1.55

Breakdown of investments in the environment

Total investments in environmental prevention actions	-	-	-	-	-	-	-	-
Total investments in environmental maintenance actions	-	-	-	-	-	-	-	-
Total investments in environmental offsetting actions	-	-	-	-	-	-	-	-
Number of environmental, administration and court proceedings filed against the entity			48				0	
Sum of fines and indemnities with regard to environmental matters imposed by administration and/or courts			58,240.50				0	
With regard to annual goals to minimize residues, consumption in general in production/operations, to increase efficiency in the use of natural resources, the company	( ) has no goals	( ) complies with 0% to 50%	( ) complies with 51% to 75%	(X) complies with 76% to 100%	( ) has no goals	( ) complies with 0% to 50%	( ) complies with 51% to 75%	(X) complies with 76% to 100%

Tractebel Energia Consolidated	2013	2012
5. EMPLOYEE INDICATOR	In Units	In Units
Nbr of employees at end of period	1,125	1,082
Nbr of hirings during the period	86	61
Nbr of terminations during the period	43	63
Nbr of outsourced employees	869	827
Nbr of interns	78	10
Nbr of employees over the age of 45	432	460
Nbr of employees per age bracket		
Below 18 years of age	0	0
From 18 to 35 years of age	477	436
From 36 to 45 years of age	216	223
From 46 to 60 years of age	421	419
Over 60 years of age	11	4
Nbr of employees per education		
Illiterate	0	0
Basic schooling	7	8
Middle/technical schooling	633	628
Higher education	331	304
Post-graduates	154	142
Nbr of women working for the company	162	150
% of management positions held by women	0.00%	0.00%
Nbr of men working for the company	963	932
% of management positions held by men	100.00%	100.00%
Nbr of blacks working for the company	There is no formal statement by employees as to race to which the belong, making it impossible to provide a response for these indicators.	There is no formal statement by employees as to race to which the belong, making it impossible to provide a response for these indicators.
% of management positions held by blacks	There is no formal statement by employees as to race to which the belong, making it impossible to provide a response for these indicators.	There is no formal statement by employees as to race to which the belong, making it impossible to provide a response for these indicators.
Nbr of people with disabilities or special needs	32	23
Gross compensation broken down by		
Employees	NA	NA
Managers	17,9 million	16,8 million
Ration between lowest salary paid by the company and Minimum Salary	2.6	2.7

6. SIGNIFICANT INFORMATION REGARDING THE EXERCISE OF BUSINESS CIVIC RESPONSIBILITY

	2013			2014 Targets		
Ratio between the highest and lowest compensation in the company			20			NA
Total number of on-the-job accidents			Tractebel Energia: 2 Outsourced companies: 3		0	
Social and environmental projects developed by the company were defined by:	( ) upper management	(x) upper and middle management + Sustainability Committee	( ) all employees	( ) upper management	(x) upper and middle management + Sustainability Committee	( ) all employees
Workplace safety and health standards were determined by:	(x) upper and middle management	( ) all employees	( ) everyone + accident prevention Committee	(x) upper and middle management	( ) all employees	( ) everyone + accident prevention Committee
Regarding right to fee association, collective bargaining rights and internal representation of workers, the company:	( ) does not get involved	(x) follows ILO standards	( ) encourages and follows ILO standards	( ) does not get involved	(x) follows ILO standards	( ) encourages and follows ILO standards
Pension plan covers	( ) upper management	( ) upper and middle management	(x) all employees	( ) upper management	( ) upper and middle management	(x) all employees
Profit sharing includes:	( ) upper management	( ) upper and middle management	(x) all employees	( ) upper management	( ) upper and middle management	(x) all employees
In selecting suppliers, the same standards of ethics and social and environmental responsibility adopted by the company:	( ) are not considered	( ) are recommended	(x) are required	( ) are not considered	( ) are recommended	(x) are required
Regarding employees' participation in voluntary work programs, the company:	( ) does not get involved	((x) supports it	( ) organizes and encourages it	( ) does not get involved	((x) supports it	( ) organizes and encourages it
Total nbr. of complaints and criticisms from consumers	There were none in the company	At consumer defense bureau NA	In court There were none	In the company NA	At consumer defense bureau NA	In court NA
Sum of fines and indemnities to customers ordered by consumer protection and defense bodies or by Law courts		At consumer defense bureau NA	In court There were none		At consumer defense bureau NA	In court NA
Nbr of labor claims						
Filed against the entity		161			NA	
Deemed with grounds		5			NA	
Deemed groundless		22			NA	
Sum of indemnities and fine paid by order of the Law courts:		R$ 1,725,088.10			NA	
Total value added to distribute (in thousands of Reais):		**R$ 3,681,266**			**NA**	
Distribution of value added:	43.95% government 39.03% shareholders	6.61% employees 10.41% third parties	0% retained	NA% government NA% shareholders	NA% employees NA% third parties	NA% retained

Tractebel Energia Consolidated

7 - OTHER INFORMATION	2013	2012
Water consumption	7.173.223 m³	5.528.889 m³
Electric energy consumption	1.087,6 GWh	937,2 GWh
Annual amount of waste produced	1.503.781,1 ton	1.519.488,5 ton
Annual amount of waste recycled	1.502.906,3 ton	1.518.749,4 ton

"Tractebel Energia has been incorporating the NBCT-15. Therefore, the table has been reviewed to include new fields to attend this guideline.
The Social Balance Sheet was ensured by PricewaterhouseCoopers Independent Auditors S.A., and the assurance report is published in the Sustainability Report 2013."



Irmã Vanda is president of the Mundaú Association for Children and Adolescents (Ceará state), in the region of the Trairi Wind Complex.

"We sought Tractebel Energia's support for the association and our need was met. This contact opened doors for a relationship with the Company and it was a hope, a light, for each one of us.

With the arrival of the wind parks, many people were benefitted, accompanied by clean energy, generated by wind, which has not caused any nuisance for the community."

Irmã Vanda
Trairi (Ceará state)

GRI Index

.09



GRI Index

Profile 1. Strategy and Analysis

GRI Indicators		Reference (pg.) / Direct response
1	Statement by the holder of the position with the greatest decision-making power about the relevance of sustainability for the organization	12
2	Description of the main impacts, risks and opportunities	39, 53, 59, 75 to 99
2. Organizational Profile		
3	Name of the organization	Tractebel Energia S.A.
4	Main brands, products and/or services	19
5	Location of the head office	Florianópolis (Santa Catarina state)
6	Number of countries in which the organization operates	Tractebel Energia's operations are located in Brazil
7	Type and legal nature of the property	S.A.
8	Markets served	40
9	Size of the organization	92
10	Profile of labor force	92
11	Percentage of employees covered by collective bargaining	100%
12	Description of the Company's supply chain	95
13	Main changes in the Company's structure during the period covered	22
	Commitments to external initiatives	
14	Explanation of whether and how the organization applies the precautionary principle	53
15	Charters, principles or other initiatives developed externally of an economic, environmental and social nature, signed or endorsed by the organization	76, 83, 89
16	Significant participation in national/international associations and/or organizations in which the organization: has a seat in groups responsible for corporate governance; is part of projects or committees; or contributes resources in an amount greater than the basic dues as an associated organization	96
3. Material Aspects Identified and Limits		
17	List of entities included in the financial statements	Page 49 of Financial Statements, at the Company website
18	Process for defining the content and limit of the report	16
19	List of aspects identified in the process of defining content	16
20	Limit of each material aspect for the organization	16
21	Limit of each material aspect outside the organization	16

3. Material Aspects Identified and Limits

22	Explanation of consequences of any reformulations of information provided in previous reports	When reformulated, the information is accompanied by footnotes, over the course of the report, contextualizing the change and its consequences
23	Significant changes compared to previous years regarding scope, limit of aspects addressed	

4. Engagement of Stakeholders

24	List of stakeholders engaged by the organization	16
25	Basis used for identifying and selecting stakeholders for engagement	16
26	Approach adopted by the Company to engage stakeholders and frequency of engagement	16
27	Main topics raised during engagement of stakeholders and measures adopted by the Company to approach them	16

5. Profile of the Report

28	Period covered by the report	January 1 to December 31, 2013
29	Date of the most recent previous report	2012
30	Cycle of issuing reports	Annual
31	Contact information for questions about the report	121
32	Option for applying guidelines (essential or comprehensive), GRI index and external verification	15
33	Description of policies and practices adopted for external verification of data	120

6. Governance

	Governance Structure and its Composition	
34	Governance structure, including committees	29
35	Process of delegating authority under economic, environmental and social topics by the highest governance body for executives and employees	30
36	Process of designating executive-level positions and functions as responsible for economic, environmental and social topics, and whether these responsible persons report directly to the highest governance body	30
37	Consultation processes used between stakeholders and the highest governance body in relation to economic, environmental and social topics. If the consultation is delegated to other structures, bodies or persons, indication of existing feedback processes for the highest governance body	30
38	Composition of the highest governance body and its committees	29
39	Indication of whether the president of the highest governance body is also an officer	29
40	Selection and appointment processes for the highest governance body and its committees, including factors such as diversity, independence, knowledge and experience, and involvement of stakeholders (including shareholders)	29
41	Processes of the highest governance body to ensure prevention and handling of conflicts of interest	27

	Role of Highest Governance Body in Defining Organization's Purpose, Values and Strategy	
42	Role of the highest governance body and executives in development, approval and update of the purpose, statement of mission, vision and values, and definition of strategies, policies and goals related to economic, environmental and social impacts of the organization	29
	Role of Highest Governance Body in Defining Organization's Competencies and Performance Evaluation	
43	Measures taken to develop and improve the highest governance body's knowledge of economic, environmental and social topics	29
44	Processes for evaluating the performance of the highest governance body regarding economic, environmental and social topics	35
	Role of Highest Governance Body in Risk Management	
45	Role played by the highest governance body in identifying and managing, impacts, risks and opportunities arising from economic, environmental and social issues	29
46	Role played by the highest governance body in analyzing the effectiveness of the organization's risk management processes for economic, environmental and social issues	29
47	Frequency with which the highest governance body analyzes the impacts, risks and opportunities arising from economic, environmental and social issues	29
	Role of Highest Governance Body in Drafting Sustainability Reports	
48	Highest-level body or position that analyzes and formally approves the organization's sustainability report and guarantees that all material aspects have been addressed	30
	Role of Highest Governance Body in Evaluation of Economic, Environmental and Social Performance	
49	Process adopted to communicate critical concerns to the highest governance body	30
50	Nature and total number of critical concerns communicated to the highest governance body and the mechanism(s) adopted to address and resolve them	30
	Compensation and Incentives	
51	Compensation policies applied to the highest governance body and executives	35
52	Process adopted for determining compensation	59
53	Participation by stakeholders in relation to compensation, including results of votes on policies and proposals on compensation, if applicable	35
54	Proportion between the total annual compensation of the highest-paid individual of the organization in each country in which the organization has significant operations and the total annual average compensation of all employees (excluding the highest-paid one) in the same country	The highest annual salary is 5.09 times higher than the average
55	Proportion between the percentage increase in the total annual compensation of the highest-paid individual of the organization in each country in which the organization has significant operations, and the average percentage increase in the total annual compensation of all employees (excluding the highest-paid on) in the same country	The highest annual salary increase is 5.4 times higher than the average

7. Ethics and Integrity

56	The organization's values, principles, standards and norms of behavior, such as codes of conduct and ethics	6, 25
57	Internal and external mechanisms adopted by the organization to request guidance on ethical behavior and in conformity with legislation, such as relationship channels (e.g.: ombudsman)	25
58	Internal and external mechanisms adopted by the organization to communicate concerns about unethical behavior or behavior incompatible with legislation and issues related to organizational integrity, such as submission of concerns through hierarchical means, mechanisms for reporting irregularities or reporting channels	25

Economic Performance — Information on form of economic management

Aspect	**Economic Performance**	
EC1	Direct economic value generated and paid out	9
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	53, 74 to 99
EC3	Coverage of obligations of defined benefit pension plans that the organization offers	152
EC4	Financial assistance received from the government	No financial assistance was received in 2013
Aspect	**Market Presence**	
EC5	Variation in proportion of the lowest salary compared to the local minimum salary in important operating units	152
EC6	Proportion of members of top management hired in the local community in important operating units	The Company does not segregate by position of employees hired locally
Aspect	**Indirect Economic Impacts**	
EC7	Development and impact of investments in infrastructure and services offered	97
EC8	Significant indirect economic impacts, including the extent of impacts	97
Aspect	**Purchasing practices**	
EC9	Proportion of spending on local suppliers in important operating units	95

Environmental — Information on form of environmental management

Aspect	**Materials**	
EN1	Materials used by weight or volume	82
EN2	Percentage of materials used derived from recycling	82
Aspect	**Energy**	
EN3	Energy consumption within the organization	136
EN4	Energy consumption outside the organization	The company's main consumption at plants is energy generated at the facilities themselves; that is, it does not include indirect energy consumption (purchased from external sources)
EN5	Energy intensity	136

EN6	Reduction of energy consumption	In 2010, the Company began the process of surveying its atmospheric emissions, which should include indirect energy consumption and the evolution and reduction of consumption as a result of improvements in conservation and efficiency
EN7	Reductions in energy requirements related to products and services	Not applicable
Aspect	**Water**	
EN8	Total water removed by source	81 and 82
EN9	Significant water sources affected by withdrawal of water	79 and 80
EN10	Percentage and total volume of water recycled and reused	81 and 82
Aspect	**Biodiversity**	
EN11	Location and size of area possessed, leased or administered within protected areas, or adjacent to such areas, and areas with a high degree of biodiversity outside protected areas	131
EN12	Description of significant impacts on biodiversity from activities, products and services in protected areas and areas with a high degree of biodiversity outside of protected areas	140
EN13	Protected or restored habitats	131
EN14	Number of species on the IUCN Red List and on national conservation lists with habitats in areas protected by operations, broken down by degree of risk of extinction	The Company surveys all species in areas around its reservoirs, although there is no consolidated number of hese species on national conservation lists
Aspect	**Emissions**	
EN15	Direct emissions of greenhouse gases (GHGs) (Scope 1)	134
EN16	Indirect emissions of greenhouse gases (GHGs) arising from acquisition of energy (Scope 2)	The Company's main consumption at plants is energy generated at the facilities themselves; that is, it does not include indirect energy consumption (purchased from external sources)
EN17	Indirect emissions of greenhouse gases (GHG) (Scope 3)	The measurements do not include indirect emissions from the business, although the Company intends to monitor them in the medium term and has begun the process of monitoring and surveying for its inventory of greenhouse gas emissions
EN18	Intensity of greenhouse gas (GHG) emissions	134
EN19	Reduction of greenhouse gas (GHG) emissions	134
EN20	Emission of ozone depleting substances (ODS)	134
EN21	NOx, SOx [red text changed to black] and other significant atmospheric emissions	134

Aspect	**Discharge and Waste**	
EN22	Total disposal of water, broken down by quality and destination	81 and 82
EN23	Total weight of waste, broken down by disposal type and method	137
EN24	Total number and volume of significant spills	There were no spills in 2013
EN25	Weight of waste transported, imported, exported or treated considered dangerous in accordance with the Basel Convention, appendices I, II, III and VIII, and percentage of waste transported internationally	137
EN26	Identification, size, protection status and amount of biodiversity of related bodies of water and habitats significantly affected by disposal and drainage of water by the organization	131
Aspect	**Products and Services**	
EN27	Extent of mitigation of environmental impacts of products and services	78
EN28	Percentage of products and their packaging recovered in relation to total products sold, by product category	Not applicable
Aspect	**Compliance**	
EN29	Monetary amount of significant fines and total number of non-monetary sanctions resulting from non-compliance with environmental laws and regulations	There was no fine in 2013
Aspect	**Transportation**	
EN30	Significant environmental impacts of transportation of products and other goods and materials used in the organization's operations, as well as the transportation of employees	82
Aspect	**General**	
EN31	Total investments and expenses for environmental protection, by type	84
Aspect	**Environmental evaluation of suppliers**	
EN32	Percentage of new suppliers selected based on environmental criteria	Not material / not reported
EN33	Significant actual and potential negative environmental impacts in the supply chain and measures taken in relation to them	Not material / not reported
Aspect	**Mechanisms of complaints related to environmental impacts**	
EN34	Number of complaints related to environmental impacts filed, processed and resolved by means of a formal mechanism	Not material / not reported
Social: Labor Practices and Decent Labor	Information on form of social management	
Aspect	**Employment**	
LA1	Total number and rates of new employee hires and turnover by age group, gender and region	92
LA2	Benefits offered to full-time employees that are not offered to temporary or part-time employees, broken down by main operations	152
LA3	Rates of return to work and retention after maternity/paternity leave, broken down by gender	152
Aspect	**Labor Relations**	
LA4	Minimum notification time about operational changes and whether they are specified in accordance with the collective bargaining agreement	The Company notifies its employees in advance, evaluated on a case-by-case basis, although it does not have a minimum period established

Aspect	**Occupational Health and Safety**	
LA5	Percentage of the labor force represented on formal health and safety committees, comprising employees from different hierarchical levels, who help monitor and advise on occupational health and safety programs	The committees described in the Occupational Health and Safety chapter represent over 75% of employees
LA6	Rate of injuries, occupational illnesses, days missed, absenteeism and work-related deaths, by region and gender	87
LA7	Employees with high rates or high risk of illnesses related to their work	Not reported
LA8	Themes related to health and safety covered by formal agreements with unions	The collective bargaining agreements signed between Tractebel and the unions encompass topics such as safety and health, use of protection equipment, training and education for rescuers and Internal Accident Prevention Committees
Aspect	**Training and Education**	
LA9	Average hours of training per year, per employee, broken down by gender and job category	93
LA10	Competency management and continued education programs that support continuity of employees' employability in preparation for retirement	93
LA11	Percentage of employees who regularly receive performance and career development analyses, broken down by gender and job category	93
Aspect	**Diversity and Equal Opportunity**	
LA12	Composition of groups responsible for corporate governance and breakdown of employees by category, according to gender, age group, minorities and other indicators of diversity	92
Aspect	**Equal Compensation between Women and Men**	
LA13	Mathematical ratio of salary and compensation between women and men, broken down by job category and significant operating units	152
Aspect	**Evaluation of Suppliers' Labor Practices**	
LA14	Percentage of new suppliers selected based on criteria related to labor practices	Not material / not reported
LA15	Significant actual and potential negative impacts of labor practices in the supply chain and measures taken in relation to them	Not material / not reported
Aspect	**Mechanisms for Complaints Related to Labor Practices**	
LA16	Number of complaints related to labor practices filed, processed and resolved by means of a formal mechanism	Not material / not reported



Aspect	Investment Practices and Purchasing Processes	
HR1	Percentage and total number of significant investment contracts that include clauses related to human rights or that were submitted to evaluations related to human rights	95
HR2	Total hours of employee training on policies and procedures related to aspects of human rights relevant to the operations, including the percentage of employees who received training	93
Aspect	**Non-Discrimination**	
HR3	Total number of cases of discrimination and measures taken	There were no cases of discrimination in 2013
Aspect	**Freedom of Association and Collective Bargaining**	
HR4	Operations identified in which the right to exercise freedom of association and collective bargaining could be running significant risk and the measures taken to support this right	Such operations were not identified
Aspect	**Child Labor**	
HR5	Operations identified with significant risk of occurrence of child labor and the measures taken to contribute to abolishing child labor	Such operations were not identified
Aspect	**Forced or Slave-Like Labor**	
HR6	Operations identified as significant risk of occurrence of forced or slave-like labor and the measures taken to contribute to eradicating forced or slave-like labor	Such operations were not identified
Aspect	**Safety Practices**	
HR7	Percentage of safety personnel submitted to training on policies or procedures in the organization regarding aspects of human rights that are relevant to the operations	Not material / not reported
Aspect	**Indigenous Peoples**	
HR8	Total number of cases of violation of rights of indigenous peoples and measures taken in relation to them	Such operations were not identified
Aspect	**Evaluation**	
HR9	Total number and percentage of operations submitted to analyses or evaluations of impacts related to human rights	Not material / not reported
Aspect	**Evaluation of Suppliers in Terms of Human Rights**	
HR10	Percentage of new suppliers selected based on criteria related to human rights	Not material / not reported
HR11	Significant actual and potential negative impacts on human rights in suppliers chain and measures taken about them	Not material / not reported
Aspect	**Mechanisms for Complaints Related to Human Rights**	
HR12	Number of complaints related to human rights filed, processed and resolved through a formal mechanism	Not material / not reported

Social: Society	Information on form of social management	
Aspect	**Community**	
SO1	Percentage of operations with local community engagement programs implemented, evaluation of impacts and local development	97
SO2	Operations with significant actual and potential negative impacts on local communities	97
Aspect	**Anti-Corruption Efforts**	
SO3	Percentage and total number of operations submitted to evaluations of risks related to corruption and significant risks identified	The business units have a control system for purchasing processes, which also serves to reduce the risk of corruption. However, there is no evaluation of them regarding risks related to corruption
SO4	Communication and training on anti-corruption policies and procedures	93
SO5	Confirmed cases of corruption and measures taken	No occurrences of this type were recorded
Aspect	**Public Policies**	
SO6	Total amount of financial contributions to political parties and politicians, broken down by country and destination/beneficiary	95
Aspect	**Unfair Competition**	
SO7	Total number of lawsuits for unfair competition, trust and monopoly practices and their outcomes	No occurrences of this type were recorded
Aspect	**Conformity**	
SO8	Monetary amount of significant fines and total number of non-monetary sanctions resulting from non-conformity with laws and regulations	No occurrences of this type were recorded
Aspect	**Evaluation of Suppliers in Terms of Impact on Society**	
SO9	Percentage of new suppliers selected based on criteria related to impacts on society	Not material / not reported
SO10	Significant actual and potential negative impacts of the supply chain on society and measures taken in relation to them	Not material / not reported
Aspect	**Mechanisms for complaints related to impacts on society**	
SO11	Number of complaints related to impacts on society filed, processed and resolved by means of a formal mechanism	Not material / not reported

Social: Responsibility for the Product	Information on form of social management	
Aspect	**Customer Health and Safety**	
PR1	Percentage of significant categories of products and services for which impacts on health and safety are evaluated, seeking improvements	The products and services offered by the Company do not directly impact customers' health and safety
PR2	Total number of cases of non-conformity with voluntary regulations and codes related to impacts caused by products and services on health and safety during the life cycle, broken down by type of result	The products and services offered by the Company do not directly impact customers' health and safety

Aspect	**Labeling of Products and Services**	
PR3	Type of information on products and services required by labeling procedures, and the percentage of products and services subject to such requirements	The products and services offered by the Company are not subject to labeling procedure requirements
PR4	Total number of cases of non-compliance with voluntary regulations and codes related to information and labeling on products and services, broken down by type of result	The products and services offered by the Company are not subject to labeling procedure requirements
PR5	Results of customer satisfaction survey	The survey is biennial and was held at the last edition in 2012. More information is available in the 2012 Sustainability Report of Tractebel Energia
Aspect	**Marketing Communication**	
PR6	Sales of banned or contested products	The Company's products and services are not banned or contested
PR7	Total number of cases of non-compliance with voluntary regulations and codes related to marketing communication, including advertising, promotion and sponsorship, broken down by type of result	The Company has not joined the programs in question during the period covered by the Report
Aspect	**Customer Privacy**	
PR8	Total number of proven complaints related to violations of privacy and loss of customer information	No such complaints were recorded
Aspect	**Conformity**	
PR9	Monetary amount of (significant) fines for non-compliance with laws and regulations related to supply and use of products and services	The supply of electric energy is regulated and overseen by Aneel. In 2013, the Company did not record any penalty

Sector indicators: Electric Energy / Organizational Profile

EU1	Installed capacity by energy source and regulatory regime	21
EU2	Net production of energy according to primary energy source and regulatory regime	61
EU3	Number of residential, industrial and commercial customers	62
EU4	Extent of above-ground and underground transmission and distribution lines by regulatory regime	Tractebel's operations are restricted to energy generation, and do not involve transmission and distribution of energy
EU5	CO_2 emissions trading licenses	135

Economic

EU6	Planning to ensure availability and security in supply of energy	59, 61, 77
EU7	Managerial programs for demand encompassing residential, commercial, institutional and industrial consumers, among others	40
EU8	Research and development activities and investments with the purpose of providing reliable energy and promoting sustainable development	47
EU9	Measures to close nuclear energy plants	Tractebel does not operate nuclear energy plants
EU10	Planned capacity (MW) in relation to projected demand	Not reported - Tractebel does not disclose this information, as it considers it strategic

EU11	Average efficiency in generation at thermoelectric plants	61
EU12	Percentage loss (efficiency) in transmission and distribution in relation to total energy	Tractebel's operations are restricted to energy generation, and do not involve transmission and distribution of energy
Environment		
EU13	Evolution in biodiversity of recovered habitats	140
Social		
EU14	Processes to guarantee retention and renewal of skilled labor	94
EU15	Percentage of employees qualifying for retirement in the next 5 and 10 years by job category and region	The Company does not disclose the breakdown by category and region, as it is strategic and confidential information
EU16	Policies and criteria related to health and safety of in-house and subcontracted employees	85
EU17	Days worked by in-house and subcontracted employees in construction, operation and maintenance of activities	The Company does not disclose the breakdown by category and region, as it is strategic and confidential information
EU18	% of employees and outsourced personnel trained on health and safety	All employees and outsourced personnel are trained on health and safety, in accordance with BS OHSAS 18001 – Occupational Health and Safety Management System
EU19	Participatory process of stakeholders in developing and making decisions, and planning of supply of energy and infrastructure	90
EU20	Management of impacts of involuntary relocation	In 2013, involuntary relocation of communities was not necessary since the Company did not develop the initial phase of implementation of any plant
EU21	Planning and contingency measures in the event of catastrophes/emergencies	77
EU22	Number of people dislocated due to new or expansion projects	In 2013, involuntary relocation of communities was not necessary since the Company did not develop the initial phase of implementation of any plant
EU23	Programs to improve or maintain access to electricity and services	Tractebel's operations are restricted to energy generation, and do not involve the transmission and distribution of energy
EU24	Practices to address barriers related to language, culture and low literacy for obtaining and adequately using electricity services	Tractebel's operations are restricted to energy generation, and do not involve the transmission and distribution of energy

EU25	Number of accidents and deaths of persons from the community, involving the company's assets	In 2013 there were no deaths of persons from the community involving the company's assets
EU26	Percentage of the population not served in urban areas and rural areas	Tractebel's operations are restricted to energy generation, and do not involve the transmission and distribution of energy. Therefore, it is not responsible for serving the population
EU27	Number of residential disconnections for non-payment, divided by duration of disconnection	Tractebel's operations are restricted to energy generation, and do not involve the transmission and distribution of energy. Therefore, it does not have residential customers
EU28	Frequency of interruption of energy	Tractebel's operations are restricted to energy generation, and do not involve the transmission and distribution of energy
EU29	Average duration of interruption of energy	Tractebel's operations are restricted to energy generation, and do not involve in the transmission and distribution of energy
EU30	Average availability of generation	61

The following indicators were verified by an external audit. The Independent Auditor's Report is available at page 120.

2, 12, 13, 18 to 21, 24 to 30, 34 to 40, 42, 43, 45 to 58, EN1 to EN6, EN8 to EN27, EN29 to EN31, LA1 to LA3, LA5, LA6, LA8 to LA13, HR1 to HR8, SO1, SO2, SO4, SO6 to SO8, PR1 to PR7, PR9, EU1, EU2, EU5 to EU9, EU11 to EU14, EU16 to EU19, EU21, EU22, EU25 and EU26.



Rafael and Salete Dal Molin are employees of Lago Azul, a company based in Itá (Santa Catarina state), which develops socio and environmental projects in areas neighboring hydroelectric power plants.

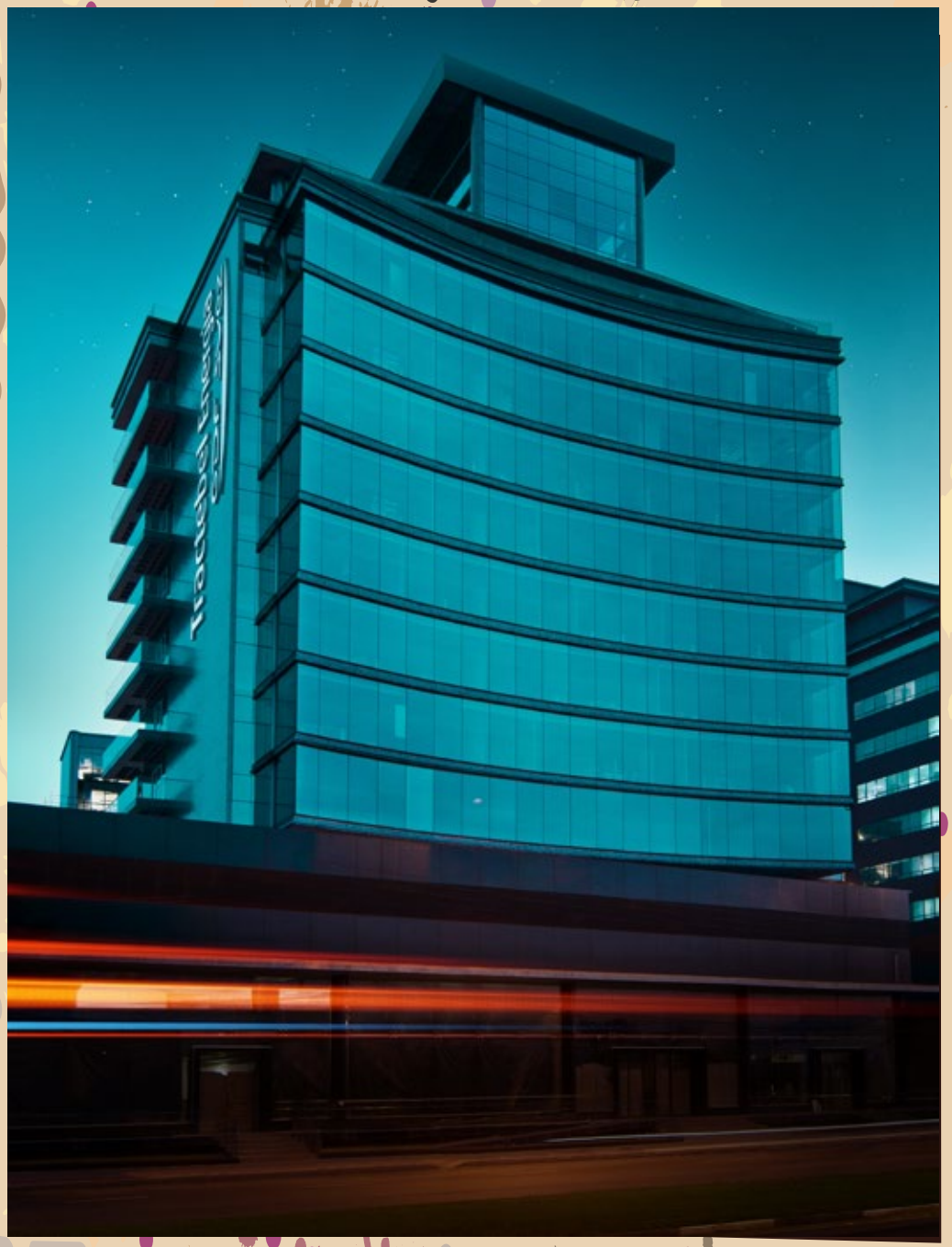
"We lived in an old city, we accompanied the transformation and today we enjoy an even better Itá.

Trust is required to maintain the relationship that was built between the community and Tractebel Energia. And this trust has existed since the time the plant was constructed and remains to this day, thanks to the Company's action to seek common development."

Rafael and Salete
Itá (Santa Catarina state)

Independent Assurance

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Independent Assurance

GRI: 33

Independent auditors' limited assurance report on the sustainability information included in the Sustainability Report for 2013

To the Board of Directors
Tractebel Energia S.A.

Florianópolis- SC

Introduction

We have been engaged by Tractebel Energia S.A. ("Tractebel") to present our limited assurance report on the compilation of the information related to sustainability included in the Sustainability Report for 2013 of Tractebel for the year ended December 31, 2013.

Responsibilities of the management of the Company

The management of Tractebel is responsible for the preparation and fair presentation of the information included in the Sustainability Report for 2013 in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-G4) and for such internal control as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the information related to sustainability included in the Sustainability Report for 2013, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Brazilian Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical requirements, including independence requirements, and perform

our engagement to obtain limited assurance that the information related to sustainability included in the Sustainability Report for 2013, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the entity involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation and presentation of the information related to sustainability included in the Sustainability Report for 2013, other circumstances of the engagement and our analysis of the areas in which significant misstatements might exist. The following procedures were adopted:

(a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the Sustainability Report of Tractebel for 2013;

(b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the information;

(c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the Sustainability Report for 2013; and

(d) obtaining evidence for the most significant GRI - G4 indicators included in the Sustainability Report for 2013 and presented in the “GRI Index”.

The limited assurance engagement also included tests to assess compliance with the guidelines of the GRI-G4 applied in the preparation of the information related to sustainability included in the Sustainability Report for 2013.

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

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less detailed than those applied in a reasonable assurance engagement, the objective of which is the issuance of an opinion on the information related to sustainability included in the Sustainability Report for 2013. Consequently, we are not able to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement, the objective of which is the issue of an opinion. If we had performed an engagement with the objective of issuing an opinion, we might have identified other matters and possible misstatements in the information related to sustainability included in the Sustainability Report for 2013. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior years, nor future projections and goals.

Conclusion

Based on the procedures performed, described herein, no matter has come to our attention that causes us to believe that the information related to sustainability included in the Sustainability Report for 2013 of Tractebel Energia S.A. has not been compiled, in all material respects, in accordance with the guidelines of the Global Reporting Initiative (GRI-G4).

Other matters

Audit of the financial statements as at December 31, 2013

The financial statements of Tractebel for the year ended December 31, 2013 were audited by another firm of independent auditors, whose report, dated February 20, 2014, included an unqualified audit opinion. The social and environmental performance indexes based on accounting information and presented in the sustainability report of Tractebel were extracted from those financial statements, which were not subject to assurance procedures for the purposes of this review.

Florianópolis, April 25, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 “F” SC

Emerson Lima de Macedo
Contador CRC BA022047/O-1 “S” SC

GRI: 31 | 57 | 58

Corporate Information

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Proximity

Proximity leads to knowledge, deep relationships, through coexistence that brings out and respects particularities, objectives and dreams of each part of a collective.

Corporate Information

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Diário Catarinense newspaper

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In the US (American Depositary Receipts):
The Bank of New York Mellon

AUDIT OF FINANCIAL STATEMENTS
KPMG

ASSURANCE OF SUSTAINABILITY REPORT

PricewaterhouseCoopers (PwC)

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Glossary

Corporate Sustainability Index (ISE)
A pioneering initiative in Latin America, the ISE seeks to create an investment environment compatible with the sustainable development demands of contemporary society and stimulate ethical responsibility of corporations. Created in 2005, the ISE is a tool for comparative analysis of the performance of companies listed on BM&FBovespa from the viewpoint of corporate sustainability, based on economic efficiency, environmental balance, social justice and corporate governance. It also expands the understanding of companies and groups committed to sustainability, differentiating them in terms of quality, level of commitment to sustainable development, equal treatment, transparency and rendering of accounts, nature of the products, and business performance in the economic-financial, social, environmental and climate change dimensions.

Further information: http://isebvmf.com.br

Free Customer
Unlike a captive customer, which buys energy from the distribution company that serves its geographical area, a free customer or consumer can choose from which company it will buy electric energy. To be a free customer, it is necessary to have demand equal to or greater than 3 MW. In addition, if the consumer's installation was connected to the grid prior to July 1995, it is necessary for the installation to have a voltage equal to or greater than 69 kV.

Global Reporting Initiative (GRI)
GRI is a Netherlands-based NGO that formed an international collaboration network, made up of thousands of specialists in different aspects of sustainability around the world. GRI produces guidelines for preparing sustainability reports, focusing not only on the final content, but also on the process of preparation, which should be guided by a series of principles related to sustainability, business responsibility and good governance practices. The most recent version of these guidelines, released in 2013, is known as G4.

Further information: www.globalreporting.org

Incentivized Energy
This is energy generated from solar, wind, biomass and qualified cogeneration sources, whose power injected into the grid is less than or equal to 30 MW, or from SHPPs and hydroelectric projects with power equal to or less than 1 MW.

Further information: www.tractebelenergia.com.br/wps/portal/internet/negocios/entenda-o-que-e-o-mercado-livre/energia-incentivada

International Labour Organization (ILO)
The ILO is an agency of the United Nations that has the mission of promoting opportunities for men and women to have access to decent and productive work, in conditions of freedom, equal treatment, safety and dignity.

Further information: www.oitbrasil.org.br/

ISO 26000
ISO 26000:2010 is a guide whose use is voluntary, which presents guidelines for organizations – of all sizes, sectors and locations – to develop their social responsibility management.

The standard establishes that social responsibility is an organization's responsibility for the impacts of its decisions and activities in society and the environment, by means of ethical and transparent behavior that:

- Contributes to sustainable development, including the health and well-being of society;
- Takes stakeholders' expectations into consideration;
- Is in conformity with applicable legislation;
- Is consistent with international norms of behavior; and
- Is integrated throughout the organization and practiced in its relations.

Further information: www.inmetro.gov.br







Municipality of Itá
(Santa Catarina state)

National Electric Energy Agency (Aneel)
Aneel is a self-governing organization under a special regime, linked to the Ministry of Mines and Energy, whose purpose is to regulate and inspect the production, transmission, distribution and trading of electric energy in conformity with the federal government's policies and guidelines.

Further information: www.aneel.gov.br

National Electric System Operator (ONS)
The ONS is a private, not-for-profit entity, responsible for coordinating and controlling the operation of electric energy generation and transmission in the National Interconnected System, under the inspection and regulation of Aneel.

Payout
A payout is the proportion of the company's profits that are distributed to shareholders in the form of cash payments. Generally, the minimum payout is set by companies in their bylaws. Thus, a company that has defined a payout of 50% will distribute to its shareholders half of the profits obtained in a given period.

Public Interest Civil Society Organization (Oscip)
This is an organization with a title granted by the Ministry of Justice of Brazil, with the purpose of facilitating the appearance of partnerships and agreements with government and public bodies at all levels (federal, state and municipal), allowing donations made by companies to be deducted from income tax.

Further information: www.planalto.gov.br/ccivil_03/leis/l9790.htm

Regulatory Rule 7 (NR-7)
NR-7 establishes the mandatory preparation and implementation, by all employers and institutions that hire workers as employees, of an Occupational Health Medical Control Program (PCMSO), with the purpose of promoting and preserving the health of all their workers.

Further information: http://portal.mte.gov.br/legislacao/normas-regulamentadoras-1.htm

Rouanet Law
The Cultural Incentive Law, knows as the Rouanet Law, has a tax incentive policy that allows citizens (individuals) and companies (legal entities) to apply part of their income tax payable to cultural activities. Thus, supporters can provide cultural incentives for activities that do not qualify for programs developed by the Ministry of Culture.

Further information: www.brasil.gov.br/cultura/2009/11/lei-rouanet

Stakeholders
All relevant parties with interests pertinent to the company, or individuals or entities that assume some type of direct or indirect risk in relation to society. Main stakeholders include: shareholders, employees, communities, customers, suppliers, creditors, governments and non-governmental organizations.

Further information: www.inmetro.gov.br/qualidade/responsabilidade_social/iso26000.asp



Estreito Hydroelectric Power Plant

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Aerogenerators of Trairi Wind Complex

Complementary Information

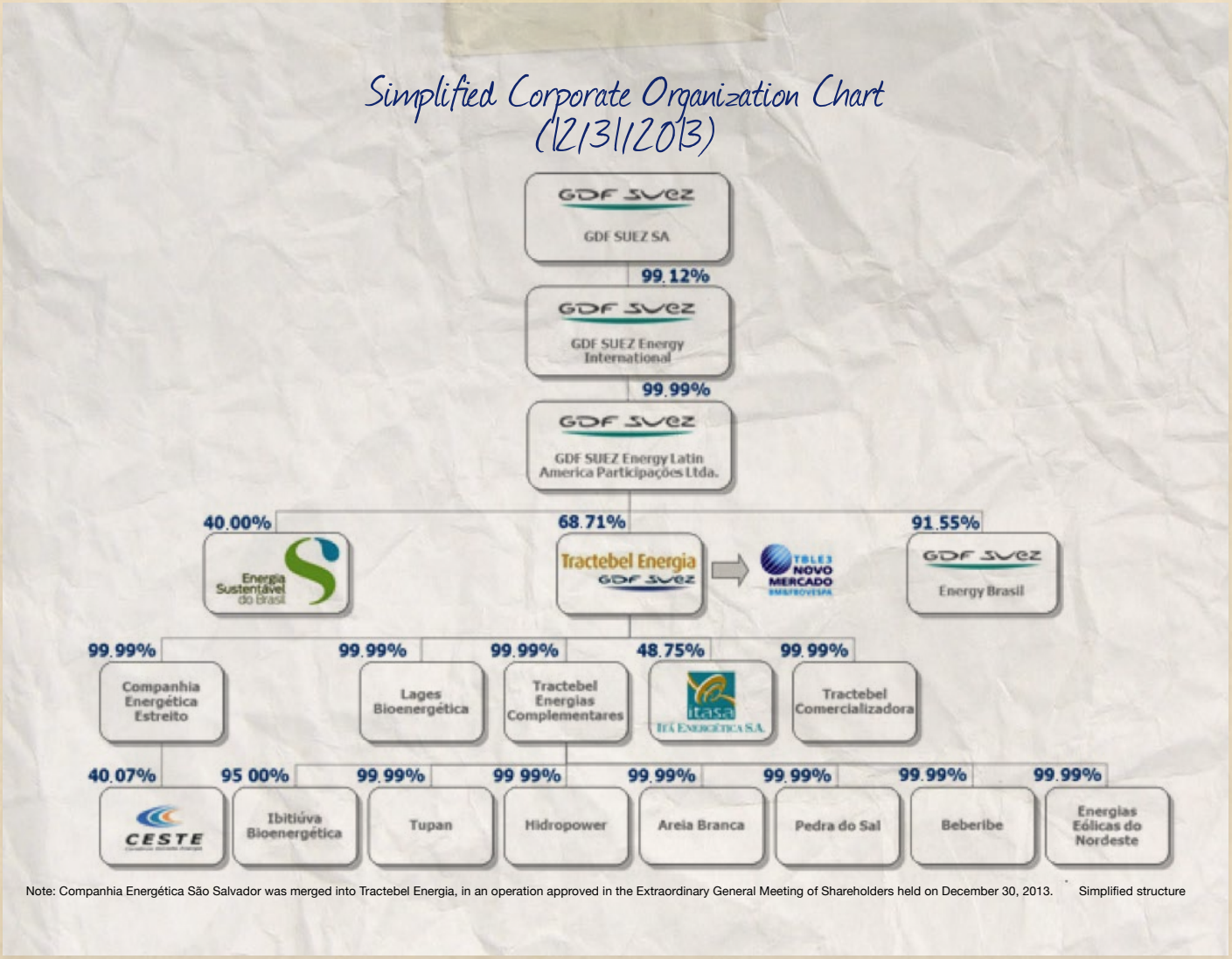
The Company's Structure and Assets

Corporate Structure

Tractebel Energia is the controlling shareholder of the following companies: Companhia Energética Estreito, Lages Bioenergética Ltda., Tractebel Energias Complementares Participações Ltda. and Tractebel Energia Comercializadora Ltda. The latter is responsible, specifically, for the management of purchases, sales, imports and exports of electric energy on the free market.

The Company also has the following stakes in other entities: (i) 19.28% in the Machadinho Consortium, which is responsible for operating the Machadinho Hydroelectric Power Plant; (ii) 40.07% in the Estreito Energia Consortium (Ceste), by means of the stake held by Companhia Energética Estreito, which is responsible for operating the Estreito Hydroelectric Power Plant; and (iii) 72.90% in the Andrade Consortium, which is responsible for operating the Ibitiúva Bioenergética Thermoelectric Power Plant, by means of the indirect subsidiary Ibitiúva Bioenergética S.A., in respect of which Companhias Complementares Participações Ltda. holds 95.00% of the capital.

Simplified Corporate Organization Chart (12/31/2013)



Note: Companhia Energética São Salvador was merged into Tractebel Energia, in an operation approved in the Extraordinary General Meeting of Shareholders held on December 30, 2013. Simplified structure

Generation Facilities

Tractebel Energia also has a 48.75% stake in, and shared control of Itá Energética S.A. (Itasa). Itasa, in turn, has a 60.5% shareholding in the Itá Consortium, which holds the concession for the Itá Hydroelectric Power Plant and in which Tractebel Energia has a direct stake of 39.5%. Adding together its stakes in Itasa and in the Consortium, the Company owns 68.99% of the Itá Hydroelectric Power Plant. Shared control of Itasa is governed by a shareholders' agreement, and decisions of common interest of the Itá Consortium are taken by a management committee, as established in the Consortium's Articles of Association, comprising four members, two of which are representatives of Tractebel Energia.

On February 20, 2013, in Tractebel Energia's twenty-eighth Extraordinary Shareholders' Meeting, the termination of Maesa was approved. The termination took place by means of return of Maesa's assets to its shareholders, in the proportion of their respective stakes, and absorption of its assets by the Company.

In the Extraordinary Shareholders' Meeting held on December 30, 2013, the merger of Companhia Energética São Salvador (CESS) into Tractebel Energia, of which it was the controlling shareholder, was approved. This reduced the Company's organizational structure, lowering costs, rationalizing and optimizing investments (among other benefits), thus creating shareholder value.

Hydroelectric Thermoelectric Complementary In construction



Generation facilities - South Region

1 - Passo Fundo Hydroelectric Power Plant
Start of operations: 1973
Location: Entre Rios do Sul (Rio Grande do Sul State) - Rio Passo Fundo
Installed capacity: 226.0 MW – two 113.0 MW generation units
Commercial capacity: 119.0 average MW
Validity of concession: 2028
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

2 - Alegrete Thermoelectric Power Plant
Start of operations: 1968
Location: Alegrete (Rio Grande do Sul State)
Energy source: heavy fuel oil
Installed capacity: 66.0 MW – two 33.0 MW generation units
Commercial capacity: 21.1* average MW
Validity of authorization: 2028
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

3 - Charqueadas Thermoelectric Power Plant
Start of operations: 1962
Location: Charqueadas (Rio Grande do Sul State)
Energy source: coal
Installed capacity: 72.0 MW – four 18.0 MW generation units
Commercial capacity: 45.7 average MW
Validity of authorization: 2028
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

4 - Itá Hydroelectric Power Plant
Start of operations: 2000
Location: between the municipalities of Itá (Santa Catarina State) and Aratiba (Rio Grande do Sul State) – Uruguay River
Total installed capacity: 1,450.0 MW – five 290.0 MW generation units
Installed capacity - Tractebel Energia: 1,126.9 MW
Commercial capacity - Tractebel Energia: 544.2 average MW
Validity of concession: 2030 – granted to the Itá Consortium, formed by Tractebel Energia (69.0%), Companhia Siderúrgica Nacional (29.5%) and Cimento Itambé (1.5%)
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

5, 6 and 7 – Plants of the Jorge Lacerda Thermoelectric Complex
Start of operations: 1965
Location: Capivari de Baixo (Santa Catarina State)
Energy source: coal
Installed capacity:
- Jorge Lacerda A: two 50.0 MW generation units and two 66.0 MW generation units
- Jorge Lacerda B: two 131.0 MW generation units
- Jorge Lacerda C: one 363.0 MW generation unit

Total installed capacity of the complex: 857.0 MW
Commercial capacity of the complex: 649.9 average MW
Validity of authorization: 2028
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

8 - Lages Cogeneration Unit
Start of operations: 2003
Location: Lages (Santa Catarina State)
Energy source: biomass – wood chips (from wood waste)
Installed capacity: 28.0 MW – one generation unit
Commercial capacity: 25.0 average MW
Authorization for operation: 2032
Certifications: NBR ISO 9001 and 14001; and OHSAS 18001

9 - Machadinho Hydroelectric Power Plant
Start of operations: 2002
Location: between the municipalities of Piratuba (Santa Catarina State) and Maximiliano de Almeida (Rio Grande do Sul State) – Pelotas River
Total installed capacity: 1,140.0 MW – three 380.0 MW generation units
Installed capacity - Tractebel Energia: 403.9 MW
Commercial capacity - Tractebel Energia: 147.2 average MW
Validity of concession: 2032 – granted to the Machadinho Consortium, formed by Machadinho Energética S.A. (80.72%) and Tractebel Energia (19.28%)
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

10 - Salto Osório Hydroelectric Power Plant
Start of operations: 1975
Location: between the municipalities of Quedas do Iguaçu (Paraná State) and São Jorge d'Oeste (Paraná State) – Iguaçu River
Installed capacity: 1,078.0 MW – four 182.0 MW generation units and two 175.0 MW generation units
Commercial capacity: 522.0 average MW
Validity of concession: 2028
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

11 - Salto Santiago Hydroelectric Power Plant
Start of operations: 1980
Location: between the municipalities of Saudade do Iguaçu (Paraná State) and Rio Bonito do Iguaçu (Paraná State) – Iguaçu River
Installed capacity: 1,420.0 MW – four 355.0 MW generation units
Commercial capacity: 723.0 average MW
Validity of concession: 2028
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

12 – Cidade Azul Solar Power Plant
In construction
Location: Tubarão (Santa Catarina State)
Installed capacity: 3.0 MW
Commercial capacity: as it is an R&D plant, the commercial capacity will be defined only after the first year of generation.
Validity of authorization: undetermined term

* Due to the process to return the Power Plant to the Federal Government, the Company does not considers Alegrete TPP commercial capacity in the energy balance.

Generation facilities - Southeast Region

13 - Ibitiúva Bioenergética Thermoelectric Power Plant
Start of operation: 2010
Location: Pitangueiras (São Paulo State)
Energy source: biomass – sugarcane bagasse
Total installed capacity: 33.0 MW – one generation unit
Installed capacity - Tractebel Energia: 18.3 MW
Commercial capacity - Tractebel Energia: 11.1 MW
Validity of authorization: 2030, granted to the Andrade Consortium, in which the Company holds a 69.3% stake

14 - Areia Branca Small Hydroelectric Power Plant
Start of operation: 2010
Location: between the municipalities of Caratinga (Minas Gerais State) and Ipanema (Minas Gerais State) – Manhuaçu River
Installed capacity: 19.8 MW – two 9.9 MW generation units
Commercial capacity: 11.1 average MW
Validity of authorization: 2030

Generation facilities - Center-West Region

15 - William Arjona Thermoelectric Power Plant
Start of operation: 1999
Location: Campo Grande (Mato Grosso do Sul State)
Energy source: natural gas and diesel
Installed capacity: 190.0 MW – three 40.0 MW generation units and two 35.0 MW generation units
Commercial capacity: 136.1 average MW
Validity of authorization: 2029
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

16 - Ponte de Pedra Hydroelectric Power Plant
Start of operation: 2005
Location: between the municipalities of Sonora (Mato Grosso do Sul State) and Itiquira (Mato Grosso State) – Correntes River
Installed capacity: 176.1 MW – three 58.7 MW generation units
Commercial capacity: 131.6 average MW
Validity of concession: 2035
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

17 - Rondonópolis Small Hydroelectric Power Plant
Start of operation: 2007
Location: Rondonópolis (Mato Grosso State) – Ribeirão Ponte de Pedra
Installed capacity: 26.6 MW – three 8.9 MW generation units
Commercial capacity: 14.0 average MW
Validity of authorization: 2032

18 - José Gelazio da Rocha Small Hydroelectric Power Plant
Start of operation: 2007
Location: Rondonópolis (Mato Grosso State) - Ribeirão Ponte de Pedra
Installed capacity: 23.7 MW – three 7.9 MW generation units
Commercial capacity: 11.9 average MW
Validity of authorization: 2032

19 - Cana Brava Hydroelectric Power Plant
Start of operation: 2002
Location: between the municipalities of Cavalcante (Goiás State), Minaçu (Goiás State) and Colinas do Sul (Goiás State) – Tocantins River
Installed capacity: 450.0 MW – three 150.0 MW generation units
Commercial capacity: 273.5 average MW
Validity of concession: 2033
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

Generation facilities - North Region

20 - São Salvador Hydroelectric Power Plant
Start of operation: 2009
Location: between the municipalities of São Salvador (Tocantis State) and Paranã (Tocantis State) – Tocantins River
Installed capacity: 243.2 MW – two 121.6 MW generation units
Commercial capacity: 148.5 average MW
Validity of concession: 2037
Certifications: NBR ISO 9001 and 14001, and OHSAS 18001

Generation facilities - Northeast Region

21 - Estreito Hydroelectric Power Plant
Start of operation: 2011
Location: between the municipalities of Estreito (Maranhão State), Palmeiras do Tocantins (Tocantins State) and Aguiarnópolis (Tocantins State) – Tocantins River
Total installed capacity: 1,087.0 MW – eight 135.9 MW generation units
Installed capacity - Tractebel Energia: 435.6 MW
Commercial capacity - Tractebel Energia: 256.9 average MW
Validity of concession: 2037, for the Estreito Energia Consortium (Ceste), composed of Tractebel Energia (40.1%), Vale (30.0%), Alcoa Alumínio (25.5%) and Camargo Corrêa (4.4%)

22 - Pedra do Sal Wind Farm
Start of operation: 2008
Location: Parnaíba (Piauí State)
Installed capacity: 18.0 MW – 20 aerogenerators of 0.9 MW
Commercial capacity: 7.8 average MW
Validity of concession: 2032

23 – Beberibe Wind Farm
Start of operation: 2008
Location: Beberibe (Ceará State)
Installed capacity: 25.6 MW – 32 aerogenerators of 0.8 MW
Commercial capacity: 9.8 average MW
Validity of concession: 2033

24 - Fleixeiras I Wind Farm
In construction
Location: Trairi (Ceará State)
Installed capacity: 30.0 MW – 13 2.31 MW aerogenerators
Commercial capacity: 15.2 average MW
Validity of concession: 2041

25 – Guajiru Wind Farm
Start of operation: 2013
Location: Trairi (Ceará State)
Installed capacity: 30.0 MW – 13 2.31 MW aerogenerators
Commercial capacity: 16.3 average MW
Validity of concession: 2041

26 – Trairi Wind Farm
Start of operation: 2013
Location: Trairi (Ceará State)
Installed capacity: 25.4 MW – 11 2.31 MW aerogenerators
Commercial capacity: 12.5 average MW
Validity of concession: 2041

27 – Mundaú Wind Farm
In construction
Location: Trairi (Ceará State)
Installed capacity: 30.0 MW – 13 2.31 MW aerogenerators
Commercial capacity: 14.5 average MW
Validity of concession: 2041



Plants of Tractebel Energia's generation facilities

Reservoirs

The area of the reservoirs of the hydroelectric power plants that Tractebel Energia operates and their surroundings related to Permanent Preservation Areas (PPA) are the legal responsibility of the Company, which maintains contracts with companies specialized in environmental and social heritage oversight, in addition to cooperation agreements with the Environmental Police for inspection work.

The Company encourages the multiple uses of these areas by communities, by means of partnerships with government bodies and other institutions, for activities such as irrigation, creation of artificial beaches, fishing reserve areas, powerboating and other forms of leisure.

Profile of Reservoirs

Itá Hydroelectric Power Plant
Location: between the municipalities of Itá (SC) and Aratiba (RS).
Area of the reservoir: 142 km^2.
Permanent Preservation Areas (PPA): 22.56 km^2.
Regional biodiversity: 27 species of mammals, 94 of birds, 31 of reptiles, 11 of amphibians, 40 of fish and 60 of plants (trees).
Conservation Units: Fritz Plaumann State Park (SC), with 7.41 km^2; Teixeira Soares Municipal Park (RS), with 4.61 km^2; and the Severiano de Almeida Environmental Preservation Municipal Park (RS), with 0.15 km^2.

Machadinho Hydroelectric Power Plant
Location: between the municipalities of Piratuba (SC) and Maximiliano de Almeida (RS).
Area of the reservoir: 79 km^2.
Permanent Preservation Areas (PPA): 44.05 km^2 .
Regional biodiversity: 52 species of mammals, 192 of birds, 63 of fish, at least two significant species of reptiles, and 522 of plants.
Conservation Units: Espigão Alto State Forest Park (RS), with 13.33 km^2.

Cana Brava Hydroelectric Power Plant
Location: municipality of Cavalcante (GO).
Area of the reservoir: 139 km^2.
Permanent Preservation Areas (PPA): 3.2 km^2.
Regional biodiversity: 92 species of mammals, 304 of birds, 98 of fish, 41 species of amphibians, 77 of reptiles.
Conservation Units: Avá-canoeiro indigenous land.

Passo Fundo Hydroelectric Power Plant
Location: municipality of Entre Rios do Sul (RS).
Area of the reservoir: 151 km^2.
Permanent Preservation Areas (PPA): 4.11 km^2.
Regional biodiversity: 18 species of mammals, 122 of birds, 14 of reptiles, 10 of amphibians, 44 of fish and 20 of plants.
Conservation Units: Rondinha State Park, with 10 km^2; and Sagrisa Municipal Reserve, with 4 km^2.

Salto Santiago Hydroelectric Power Plant
Location: between the municipalities of Rio Bonito do Iguaçu and Saudade do Iguaçu (PR).
Area of the reservoir: 208 km².
Permanent Preservation Areas (PPA): the legislation at the time of the implementation of the plant did not establish the requirement of acquiring areas to form a PPA.
Regional biodiversity and Conservation Units: 14 species of mammals, 302 species of birds, 14 species of amphibians, 39 species of fish.

Salto Osório Hydroelectric Power Plant
Location: between the municipalities of São Jorge d'Oeste and Quedas do Iguaçu (PR).
Area of the reservoir: 55 km².
Permanent Preservation Areas (PPA): the legislation at the time of the implementation of the plant did not establish the requirement of acquiring areas to form a PPA.
Regional biodiversity and Conservation Units: 13 species of mammals, 303 species of birds, 9 species of amphibians, 39 species of fish.

Ponte de Pedra Hydroelectric Power Plant
Location: between the municipalities of Itiquira (MT) and Sonora (MS).
Area of the reservoir: 14.5 km².
Permanent Preservation Areas (PPA): 7.8 km².
Regional biodiversity: 80 species of mammals, 249 of birds, 58 of reptiles, 17 of amphibians and nine of invertebrates.
Conservation Units: the plant's reservoir is adjacent to the Serra de Sonora State Park, with approximately 79 km².

José Gelazio da Rocha Small Hydroelectric Power Plant
Location: Rondonópolis (MT).
Area of the reservoir: 0.27 km².
Permanent Preservation Areas (PPA): was not established by legislation for the area surrounding the plant's reservoir.
Regional biodiversity: 80 species of mammals, 249 of birds, 58 of reptiles, 17 of amphibians and nine of invertebrates.
Conservation Units: Dom Osório Stoffel State Park, with 64.22 km².

Rondonópolis Small Hydroelectric Power Plant
Location: Rondonópolis (MT).
Area of the reservoir: 0,024 km².
Permanent Preservation Areas (PPA): was not established by legislation for the area surrounding the plant's reservoir.
Regional biodiversity: 80 species of mammals, 249 of birds, 58 of reptiles, 17 of amphibians and nine of invertebrates.
Conservation Units: Dom Osório Stoffel State Park, with 64.22 km².

Areia Branca Small Hydroelectric Power Plant
Location: Caratinga and Ipanema (MG).
Area of the reservoir: 1.36 km².
Permanent Preservation Areas (PPA): 112.71 ha in the plant's reservoir.
Regional biodiversity: 17 species of mammals, 191 of birds, 16 of reptiles and 20 of amphibians.
Conservation Units: there is none in the area directly affected.

São Salvador Hydroelectric Power Plant
Location: between the municipalities of São Salvador do Tocantins and Paranã (TO).
Area of the reservoir: 104 km².
Permanent Preservation Areas (PPA): 47.53 km².
Regional biodiversity: 26 species of mammals, 242 of birds, 38 of reptiles, 29 of amphibians and 209 of fish.
Conservation Units: Lago de São Salvador do Tocantins, Paranã and Palmeirópolis Environmental Protection Area, with 145.25 km².

Estreito Hydroelectric Power Plant
Location: between the municipalities of Estreito (MA), Aguiarnópolis and Palmeiras do Tocantins (TO).
Area of the reservoir: 555.0 km².
Permanent Preservation Areas (PPA): 125.0 km².
Regional biodiversity: two species of aquatic mammals, 164 of birds, 21 of reptiles, 38 of amphibians and 50 of fish.
Conservation Units: the reservoir is adjacent to the Petrified Trees National Monument Conservation Unit, with 356.3 km².

Complementary Performance Indicators

On an annual basis, Tractebel Energia consults its stakeholders regarding the impacts of the Company's activities, asking what they consider most relevant and would like to learn more about, in addition to policies and related performance indicators.

In 2013, these stakeholders identified relevant social and environmental themes, all presented in the 2013 Sustainability Report. The other aspects monitored and disclosed by the Company in its latest reports are presented to the public in the Complementary Information of this report.

Environmental management

Emissions

Management

Management of the Company's emissions follows the Tractebel Energia Policy on Climate Change. Available on the Company's website, this policy establishes and ratifies its commitments regarding the theme – which include the prioritization of renewable sources in the expansion of generation facilities, investment in research and development projects (R&D) dedicated to conservation of the environment, climate change and renewable energy, and its actions to promote sustainable development.

In the operation of its plants, the Company has systems, equipment, techniques and processes to minimize the emission of pollutants and greenhouse gases (GHG), especially at coal, fuel oil and biomass thermoelectric power plants, as in the examples below:

- At the Jorge Lacerda Thermoelectric Complex, electrostatic precipitators retain over 98% of particulate material emissions.
- At the Charqueadas Thermoelectric Power Plant, desulfurizer and sleeve filters reduce emissions of particulate material and sulfur dioxide (SO_2).
- At both the Jorge Lacerda Thermoelectric Complex and the Charqueadas Thermoelectric Power Plant, approximately 100% of the ash from coal combustion goes to the production of cement, thus minimizing the use of limestone and, consequently, reducing CO_2 emissions.
- There is use of 100% ash from biomass (wood and sugarcane bagasse) for silviculture and agriculture, replacing the use of chemical fertilizers and reducing CO_2 emissions.

Also in line with the Policy on Climate Change, Tractebel Energia uses software to estimate CO_2 emissions in air travel and has a national and international videoconferencing system to reduce the number of trips, thus avoiding the corresponding emissions of GHGs. Since 2011, on an annual basis the Company has prepared its GHG Emissions Inventory according to the methodology of the Brazilian GHG Protocol Program, which is submitted for limited assurance by a third party.

Indicators

In 2013, Tractebel Energia's atmospheric emissions of carbon dioxide (CO_2) totaled 6,487,158 tons – an amount corresponding to a 21.4% increase in relation to 2012. In 2013, Tractebel Energia's atmospheric emissions of CO_2 totaled 6,487,158 tons – corresponding to a 21.4% increase in relation to 2012. Despite this increase, determined by the ONS, there was a greater dispatch from of more efficient plants in relative terms.

Emissions – History – TPPs* (t/MWh)

	2011	2012	2013	Change 2012 vs. 2013
NOx	0.00269	0.00284	0.00271	-4.7%
SO_2	0.0264	0.02270	0.02000	-11.9%
MP	0.00042	0.00044	0.00045	1.8%
CO_2	1.02345	1.08702	1.03070	-5.2%

* TPPs – ratio between emissions from combustion of fossil fuels for electric energy generation at thermoelectric power plants and energy generated at these plants.

Emissions – History – TBLE* (t/MWh)

	2011	2012	2013	Change 2012 vs. 2013
NOx	0.00022	0.00039	0.00038	-1.6%
SO_2	0.00170	0.00308	0.00278	-9.7%
MP	0.00003	0.00006	0.00006	0.0%
CO_2	0.08413	0.14764	0.14330	-2.9%

* TBLE – ratio between emissions from combustion of fossil fuels for electric energy generation at thermoelectric power plants and energy generated at all of Tractebel's plants (including HPPs, TPPs, wind farms and SHPPs).

Emissions of gases that affect the ozone layer, known as ozone layer depleting substances (ODS), present mainly in air conditioning units, refrigerators and water fountains, are also monitored by Tractebel Energia.

Other Emissions

	Unit	2011	2012	2013	Change 2012 vs. 2013
Mercury Emissions (TPP Fuel)	Kg	90.0	129.0	142.1	10.2%
Hydrochlorofluorocarbon (HCFC)	tCO_2eq	325.4	306.1	612.9	100.2%
Hydrofluorocarbon (HFC)	tCO_2eq	1.8	-	40.8	-

Issuing of carbon credits

In 2013, the 6th verification of the Certified Emission Reduction units (CERs) of the Clean Development Mechanism (CDM) of the Lages Cogeneration Unit was conducted. In November, 392,174 CERs were issued, referring to the period from June 1, 2011 to December 31, 2012, generated by this project. Also in the year, Tractebel Energia prepared the 3rd Execution Report on the project and submitted it to the World Bank. This report proved the fulfillment of sustainability commitments and the safeguard policy established by the bank for the acquisition of the CERs generated.

The Company also obtained, in 2012, United Nations Framework Convention on Climate Change (UNFCCC) registration of the four CDM projects that make up the Trairi Wind Complex, in Ceará, and the Delta1 Port Project, in Piauí. These projects qualify to generate carbon credits in the amounts of:

Trairi Wind Complex, in Ceará:

- Trairi: 38,310 CERs per year
- Guajiru: 50,695 CERs per year
- Mundaú: 41,086 CERs per year
- Fleixeiras I: 45,876 CERs per year
- Delta Port Project, in Piauí: 53,004 CERs per year

Direct Energy Consumption

Management

The Company continually evaluates possibilities for improving energy efficiency to reduce consumption of electric energy due to its production process. Since 2012, there has been an internal group dedicated to energy consumption management, primarily in the thermoelectric power plants operated by Tractebel Energia, based on the principles of NBR ISO 50.001 (Energy Management Systems – Requirements with Guidance for Use).

The Company offers to its industrial customers the Tractebel Energia Energy Efficiency Diagnostics Program. Begun in 2004 with a focus on sustainable development, the program is part of the customer loyalty policy. It is conducted free of charge and its purpose is to help industrial customers identify possible energy consumption reductions in their production processes, lower costs and increase competiveness, among other benefits. Any energy not consumed as a result of the actions recommended by the energy efficiency diagnosis can be sold by Tractebel Energia to other customers, allowing for expansion of the free customer portfolio of the Company. By December 2013, the Company had invested R$ 10.8 million in developing this program, with an average cost of R$ 316 thousand per diagnosis performed.

GRI: EN3 | EN5

Indicators

In 2013, Tractebel Energia consumed 1,087.6 GWh, corresponding to 3.9 million GJ, in the operation of the plants of its generation facilities, to produce 45,334.3 GWh, corresponding to 163.2 million GJ of electric energy.

The following table presents the total energy consumed and produced by type of plant.

Energy Consumption and Production in 2013

Type of Plant	Energy Consumption		Production	
	GWh	GJ	GWh	GJ
Thermoelectric	625.3	2.3 million	6,294.0	22.7 million
Hydroelectric	419.9	1.5 million	38,239.4	137.7 million
Complementary – SHPPs, wind and biomass thermoelectric	42.4	152.6 thousand	810.9	2.9 million

Waste

Hazardous Waste

Management

Hazardous waste management encompasses its containment, temporary internal storage, transportation and final destination, and follows standards from the United Nations, environmental licensing regulations and other applicable legal requirements. In addition, Tractebel Energia works to prevent spills of this waste by means of chemical product safety forms, containment barriers and proper signaling of vehicles that transport them, and the contracting of companies with proven capability and licenses to transport such waste.

Indicators

Destination of Hazardous Waste in 2013

Disposal Method	Type of Waste	Quantity (t)
Local storage	Waste awaiting feasible volume or in analysis phase for final destination	**62.1**
	Total Sent to Final Destination	
Class I industrial landfill	Water contaminated with oil, oil sludge or shale, oil sludge and paint sludge, gravel contaminated with oil, printer and toner cartridges, industrial batteries, contaminated packaging, residual grease, light bulbs in general, materials contaminated with oils, grease, chemical products and mercury, materials containing fiberglass, insulating oil, batteries, chemical products, kerosene and other contaminated solvents, welding waste, electronic scrap, resins	**144.6**
Autoclaving – c lass II industrial landfill	Medical waste	**0.020**
Incineration	Medical waste – infectious, perforating/cutting and medications	**0**
Treatment / decontamination	Medical waste, light bulbs, sewage sludge	**50.3**

Total Sent to Final Destination for Recovery		
Co-processing	Water contaminated with oil, oil sludge, paint sludge, materials contaminated with oil, grease and chemical products, printer cartridges, residual grease, kerosene and other solvents, welding waste, resins	**249.9**
Recycling	Water contaminated with oil, printer and toner cartridges, industrial batteries, pesticide packaging, light bulbs in general, lubricant and insulating oils, electronic scrap	**31.8**
Reuse	Returnable industrial towels, used lubricant oil, insulating oil	**43.7**
Total (Hazardous Waste Properly Disposed of)[1]		**520.4**

1 All hazardous waste was transported, exclusively within the country, to the location of the final destination.

Non-Hazardous Waste

Management

The reusing or recycling of non-hazardous waste is an established practice at Tractebel Energia. Ash generated from the combustion of coal in the process of generating energy at thermoelectric power plants, which correspond to 99.3% (81% light ash and 19% heavy ash) of the total volume of waste disposed of in 2013, is almost entirely used by the cement industry as an input for pozzolanic cement, replacing sandstone. In Charqueadas (in Rio Grande do Sul state), part of the ash returns to the mine cavern and is applied in environmental recovery of the coal extraction area.

In 2013, 99.96% of the total volume of non-hazardous waste sent to the final destination was recycled or reused in composting, paving of roads and recovery of degraded areas.

Destination of Non-Hazardous Waste in 2013

Disposal Method	Type of Waste	Quantity (t)
Local storage	Waste awaiting feasible volume or in analysis phase for final destination	14.5
	Total Sent to Final Destination	
Controlled landfill	Styrofoam, plastics, common and organic waste	257.6
Class II industrial landfill	Construction scrap, blasting scum, air conditioning filters, Styrofoam, rock wool, water treatment station sludge, wood, common waste, welding waste, non-contaminated solids, electric-electronic scrap, glass	198.3
Sanitary landfill	Construction scrap, air conditioning filters, Styrofoam, rock wool, wood, acoustic insulation lining, plastic, common waste, organic waste, rubber	101.7
Treatment / decontamination	Sewage sludge	45.2
	Total Sent to Final Destination for Recovery	
Composting	Organic waste	43.7
Co-processing	Wood, Styrofoam and rubber waste	8.2
Paving of roads	Construction scrap	3.0
Recycling	Heavy ash, light ash, plaster, booking oil, paper and cardboard, plastics, rubber, metal scrap and glass	1,479,490.5
Recovery of degraded areas	Wood and garden trimmings	414.1
Reuse	Blasting scum, metal scrap, construction scrap	22,517.0
Use as fuel	Wood scrap	104.3
Total		1,503,198.1

Waste disposal campaign

- Tractebel Energia conducts an ongoing employee orientation and recognition campaign for rational use of paper and plastic cups, along with proper disposal of these materials and food scraps.
- In 2013, the Company's head office acquired an organic waste processor, which transforms food scraps into biomass, for use as fertilizer, and clean water for various uses. With the processor, which is compact and whose energy consumption is low, 100% of the organic garbage generated in the break rooms at the head office are recycled, producing an average of 10 kg of fertilizer per day, distributed to its direct and indirect employees. Since the installation of the machine, in September 2013, 910 kg of fertilizer have already been distributed to 80 employees.
- In the region of the Trairi Wind Complex (Ceará State), studies have begun to implement awareness measures in the cities of Trairí (center), Guajirú, Mundaú and Canaã.

Biodiversity

Various plant and animal wildlife conservation programs are developed in the areas surrounding the reservoirs under the responsibility of Tractebel Energia. Along with management initiatives, these programs provide the proper environmental conditions for the conservation and development of species prior to, during and after the implementation of reservoirs. The Company also invests in R&D projects for conservation of threatened species, an environmental education program at power plants, and support for third-sector organizations.

Plants

Monitoring of plant life in the area encompassed by the projects is an integral part of the environmental programs developed by the Company. This activity includes collecting seeds and flowers for studying, cataloging, and production of saplings, in an ongoing effort to ensure continuity of native species, by means of reforesting and recovery of vegetation.

Animals

Care for animal wildlife is essential during the construction and operation of a hydroelectric power plant. In the period prior to de deforestation and formation of the reservoir, animals are rescued, and preservation areas are maintained along the edges, which also contributes to water quality. Species that may cause health issues for the local population, such as venomous animals, insects and disease-transmitting snails, are continually monitored and controlled by means of studies and periodic surveying.

Fish

Tractebel Energia surveys and monitors the dynamic equilibrium established over the course of the formation and maturation of reservoirs. At each power plant, specific management practices are adopted to minimize the impacts on species. Repopulation of rivers, by means of laboratory reproduction of juvenile fish of native species, constitutes one of the main initiatives developed.

GRI: EN12 | EU13

Projects Supported by Tractebel Energia

Environmental parks

1. Tractebel Environmental Park
Location: Capivari de Baixo (SC)
Opened: 2013
Total Area: 35 hectares, including 23 reforested with native plants
Objective: Expand the Company's relationship with the local community, retrieving an area that, in the past, was degraded and returning it to the society as a space for leisure, culture and sustainability.
Infrastructure offered:

- Lake with 14,500 m²
- 4,000 m walking path
- 3,500 m of bike paths
- Auditorium with 370 seats
- Covered area for exhibits, with 730 m²
- Acoustical shell: stage with 96 m² and audience area for up to 30 thousand people
- Snack area with 120 seats
- 310 parking spaces

Managing Entity: Tractebel Energia
Tractebel Energia's Form of Support: Own funds

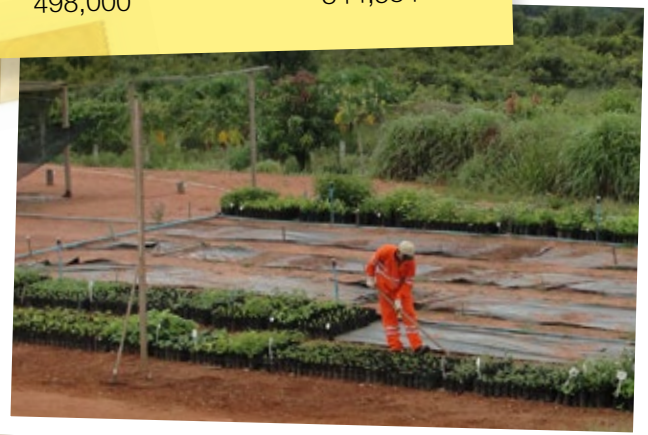
2. Fritz Plaumann State Park.
Location: Concórdia (SC)
Opened: 2007
Total Area: 741 hectares
Objective: Conserve a sample of the deciduous seasonal forest (Uruguay River forest) and mobilize the community to value and conserve the environment, by means of recreational, interpretive and educational activities.
Infrastructure offered: Visitors center with exhibit room and four interpretive trails through the park, in different directions – each one addressing a theme related to environmental conservation, such as rational use of water and the importance of riparian forests. There is a sequence of explanatory signs that aid in presenting the content.
Managing Entity: Co-managing Team of the Fritz Plaumann State Park (Ecopef), formed by youth from the region, trained to manage the park
Tractebel Energia's Form of Support: Own funds

Nurseries

Tractebel Energia maintains nurseries for the production of saplings of native species in the different regions in which it operates. These saplings are used in reforesting activities developed by the power plants, as well as being distributed to the community in environmental education events and actions.

A total of six nurseries are in operation, as presented in the table below:

Power Plant	Annual Production Capacity	Saplings Produced in 2013
Cana Brava Hydroelectric Power Plant	30,000	14,231
Itá Hydroelectric Power Plant	100,000	56,378
Passo Fundo Hydroelectric Power Plant	150,000	87,855
Jorge Lacerda Thermoelectric Complex	108,000	98,070
Salto Osório Hydroelectric Power Plant	80,000	70,000
Ponte de Pedra Hydroelectric Power Plant	30,000	18,000
Total	498,000	344,534



Sapling nursery at the Ponte de Pedra Hydroelectric Power Plant

Environmental Management Targets

Target	Program	Evaluation	Comments / Following years
Jorge Lacerda Thermoelectric Complex			
Keep environmental licenses for the Jorge Lacerda plants and coal yard up to date.	Renewal of Environmental Licenses	In Progress	The licenses are in force, with validity until 2016.
Keep environmental licenses for the Jorge Lacerda plants and coal yard up to date.	Environmental Monitoring	Achieved	Monitoring and conditioning controls are permanent and the activities being carried out normally.
Participate in environmental recovery processes for degraded areas, in partnership with the state environmental body (Fatma).	Recovery of Degraded Areas	In Progress	Inauguration of Tractebel Environmental Park.
Perform tests in 2013.	R&D Project - Rice Straw	Achieved	Tests concluded.
Keep environmental licenses for the Jorge Lacerda plants and coal yard up to date.	Environmental Monitoring - R&D Project Characterization of Particulate Material	Not Achieved	In process of hiring.
Attend to over 11,000 visitors in 2013.	2013 Visitors Program	Not Achieved	2013: 10,122 visitors.
Carry out the publicity campaign planned for 2013.	2013 Publicity Campaign	Achieved	Campaign executed.
Implement the riparian forest recovery project.	Riparian Forest Recovery Project	In Progress	Waiting for meeting with Public Ministry and the municipalities to define the project continuity.
Install the barrier by the end of 2014.	Wind Protection Barrier	In Progress	The executive design has been concluded.
Reduce, by 16%, Jorge Lacerda CO_2 emissions by 2017, considering 2012 as the basis year.	Reduction of CO_2 Emissions through Reduction of Specific Coal Consumption (Energy Efficiency) - Jorge Lacerda A 1	In Progress	Some actions are under analysis and others are already in process of hiring.
Reduce, by 16 %, Jorge Lacerda CO_2 emissions by 2017, considering 2012 as the basis year.	Reduction of CO_2 Emissions through Reduction of Specific Coal Consumption (Energy Efficiency) - Jorge Lacerda A 2	In Progress	
Reduce, by 16%, Jorge Lacerda CO_2 emissions by 2017, considering 2012 as the basis year.	Reduction of CO_2 Emissions through Reduction of Specific Coal Consumption (Energy Efficiency) - Jorge Lacerda B	In Progress	
Reduce, by 16%, Jorge Lacerda CO_2 emissions by 2017, considering 2012 as the basis year.	Reduction of CO_2 Emissions through Reduction of Specific Coal Consumption (Energy Efficiency) - Jorge Lacerda C	In Progress	

Target	Program	Evaluation	Comments / Following years
Lages Cogeneration Unit			
Participate in Hydrographic Basin Committees in the area of influence of Lages Cogeneration Unit.	Participation in Hydrographic Basin Committees	Achieved	Participation in the activities and meetings of the Management Committee of River Canoas Basin.
Reduce consumption of chemicals used in regenerations.	Condensate Recovery and Reuse System at Lages Cogeneration Unit	In Progress	The design for condensate reuse has been concluded. The completion of the program is scheduled for 2014.
Reach 100% of biomass suppliers compliant with prevailing legislation.	Monitoring of Biomass Suppliers	Achieved	Suppliers were visited during the period and are duly licensed.
Reach 600 visitors in the year 2013.	Visitors Program	Achieved	2013: 926 visitors.
Maintain particulate material emissions below 100 mg/Nm³ in the main boiler, and 260 mg/Nm³ for the back-up boiler.	Particulate Material Emissions Control Program	Achieved	Main heater: 65.75 mg/nm³. Back-up heater has not operated in 2013.
Target	**Program**	**Evaluation**	**Comments / Following years**
Cana Brava Hydroelectric Power Plant			
Continually control illegal occupation of land on islands and banks of Cana Brava HPP reservoir.	Environmental and Social Heritage Oversight	Achieved	The planned activities were normally carried out in 2013.
Participate in Hydrographic Basin Committees in the area of influence of Cana Brava HPP.	Participation in Hydrographic Basin Committees	In Progress	The Committee of the upper Tocantins River basin has not yet been established, but the company has been following the subject.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Water Quality	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Ichthyofauna	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Wildlife	Achieved	The final report was submitted to the evaluation of Ibama and the Company is waiting for the definition about the continuity of the program.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Aquatic Macrophytes	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Geological Monitoring of Slopes	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Climatological Monitoring	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Seismological Monitoring	Achieved	The planned activities were normally carried out in 2013.

Recover areas with planting of 10 thousand saplings of native species of the cerrado region by March 2015.	Recovery of Cerrado Areas	Achieved	2013: 16,401 seedlings of native species from Cerrado planted and donated.
Reduce, in 2013, average annual output of waste by 5% (formulated based on 2010, 2011 and 2012 inventories).	Waste Management	Not Achieved	Average (2010 to 2012): 14.06 tons. 2013: 14.36 tons.
Reduce, by Dec. 2013, concentration of oils and greases in discharge by 50% (Drainage and Water and Oil Separator System for Cana Brava HPP Transformers) by 10mg/L (reaching the maximum).	Control of Discharge	Not Achieved	Standard established by legislation: 20 mg/l. Goal: 10 mg/l. 2013: 15.5 mg/l.
Maintain, in 2013, the same annual consumption of treated water (formulated based on the year 2012).	Reduction of Treated Water Consumption	Achieved	2012: 5,175.5 m^3. 2013: 4,675.34 m^3.
Obtain, in the period from 2010 to 2013, an annual increase of 5% in the No. of people served by the Program.	Socioenvironmental Communication and Power Plant Visit Program	Achieved	2012: 4,243 people. 2013: 5,145 people. Increase: 17.5%.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Zoonose Vectors	Achieved	The planned activities were normally carried out in 2013.
Replace, with ethanol, 35% of the gasoline consumed in the company-owned and leased vehicle fleet by January 2016.	Promote Effective Actions Against Advance of Climate Change and Its Effects	Achieved	Goal reached in 2013.

Target	Program	Evaluation	Comments / Following years
Estreito Hydroelectric Power Plant			
Reduce, in 2016, average annual waste output by 5% (formulated based on 2013, 2014 and 2015 inventories).	Waste Management	In Progress	Expected to be achieved in 2016.
Reduce, to 50% of that established in the legal standard, the concentration of oils and grease in discharge (Drainage and Water and Oil Separator System for Estreito HPP Transformers), by January 2015.	Control of Discharge	In Progress	Expected to be achieved in 2015.
Reduce, in 2015, the annual average consumption of treated water by 5% (formulated based on the years 2013 and 2014).	Reduction of Treated Water Consumption	In Progress	Expected to be achieved in 2015.

Target	Program	Evaluation	Comments / Following years
Itá Hydroelectric Power Plant			
Continually control illegal occupation of land on islands and banks of Itá HPP reservoirs.	Environmental and Social Heritage Oversight in the Surroundings of Itá HPP	Achieved	The planned activities were normally carried out in 2013.
Continually participate in the pertinent hydrographic basin committees.	Participation in Hydrographic Basin Committees	Achieved	The company integrates the Management Committee of Hydrographical Basin of Jacutinga and contiguous sub-basin.
Continually maintain environmental oversight actions and programs in the reservoirs and areas of influence of Itá HPP.	Monitoring of Water Quality	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoirs and areas of influence.	Monitoring of Ichthyofauna	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoirs and areas of influence.	Monitoring of Stability of Bank Slopes	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoirs and areas of influence.	Monitoring of Hydrometeorological Conditions	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoirs and areas of influence.	Monitoring of Seismological Conditions	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoirs and areas of influence.	Monitoring of Climatological Conditions	Achieved	The planned activities were normally carried out in 2013.
Receive at least 9,000 visitors by December 2013.	Visitors Program	Achieved	2013: 9,781 visitors.
Maintain concentration of oils and grease in Itá HPP discharge below 50% of the legally-established standard.	Control of Discharge	Not Achieved	

Target	Program	Evaluation	Comments / Following years
Machadinho Hydroelectric Power Plant			
Continually participate in hydrographic basin committees.	Participation in Hydrographic Basin Committees	Achieved	Participation in the activities and meetings of the Management Committee of Apuaê-Inhandava rivers' basin.
Continually oversee the use of water and occupation of land in the reservoir and areas neighboring Machadinho HPP.	Environmental and Social Heritage Oversight of Machadinho HPP	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Water Quality	Achieved	The planned activities were normally carried out in 2013.

Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Seismological Conditions	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Hydrometeorological Monitoring	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Hydrosedimentological Monitoring	Achieved	The planned activities were normally carried out in 2013.
Annual receive 9,000 people from the Environmental Education Program in municipalities neighboring Machadinho HPP.	Environmental Education Program	Achieved	2013: 12,161 people received.
Recover the permanent preservation strip with planting of at least 3,000 saplings of native species in 2013.	Recover Riberian Forest in Machadinho HPP Project	Achieved	2013: 7,100 seedlings of native species planted.
Receive at least 7,000 visitors by December 2013.	Visitors Program	Achieved	2013: 8,014 visitors.
Implement actions defined by the study commission in order to prevent ichthyofauna downstream from the Machinery Room.	Ichthyofauna Prevention Actions	In Progress	Early studies carried out in 2013.

Target	Program	Evaluation	Comments / Following years
Passo Fundo Hydroelectric Power Plant			
Continually control illegal occupation of land on islands and banks of Passo Fundo HPP reservoir.	Environmental and Social Heritage Oversight of Passo Fundo HPP Surroundings	Achieved	The planned activities were normally carried out in 2013.
Continually participate in pertinent hydrographical basin committees.	Participation in Hydrographic Basin Committees	Achieved	Participation in the activities and meetings of the Management Committee of Passo Fundo River basin.
Visit at least 53 learning institutions in neighboring municipalities, and attend to at least 9,000 people by December 2013.	Environmental Education	Not Achieved	2013: 4,554 people attended.

Continually maintain environmental oversight actions and programs in the reservoirs and areas of influence of Passo Fundo HPP.	Monitoring of Water Quality	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoirs and areas of influence.	Monitoring of Ichthyofauna	Achieved	The planned activities were normally carried out in 2013.
Revegetate islands of Passo Fundo HPP reservoir with at least 30,000 saplings of native species by December 2013.	Revegetation of Islands of Passo Fundo HPP Reservoir	Achieved	2013: 31,473 seedlings of native species planted.

Target	Program	Evaluation	Comments / Following years
Ponte de Pedra Hydroelectric Power Plant			
Continually control illegal occupation of banks of Ponte de Pedra HPP reservoir.	Environmental and Social Heritage Oversight	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Water Quality	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Wildlife in Delivery Canal	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring and Control of Erosion Processes	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Sanitary Outflow	Achieved	The planned activities were normally carried out in 2013.
Implement the Serra de Sonora State Park.	Implementation of Serra de Sonora State Park	In Progress	Disbursements relating to environmental compensation for the Park has been carried out, according to the schedule.
Reduce annual generation of waste by 2.5% (formulated based on 2010 inventory).	Waste Management	Not Achieved	2010: 6.17 tons. 2013: 10.33 tons.
Reduce concentration of oils and grease in discharge to 50% of that established in the legal standard (Drainage and Water and Oil Separator System of Ponte de Pedra HPP transformers), by December 2015, with a reduction rate of 10% per year.	Control of Discharge	Not Achieved	2013: results indicate less than 10 mg/l for the drainage system, but got bigger for the SAO of the transformers.
Obtain, in the period from 2012 to 2013, an annual increase of 50% in the No. of people attended to in the Visitors Program, based on the target stipulated for the year 2010.	Ponte de Pedra HPP Socioenvironmental and Visitors Program	Achieved	2011: 240 visitors. 2012: 439 visitors. 2013: 808 visitors.

Target	Program	Evaluation	Comments / Following years
Salto Osório Hydroelectric Power Plant			
Continually control illegal occupation of land on islands and banks of the reservoir.	Environmental and Social Heritage Oversight	Achieved	The planned activities were normally carried out in 2013.
Participate in Hydrographic Basin Committees existing in the areas of influence of Salto Osório HPP.	Participate in Hydrographic Basin Committees	Achieved	Participation in the activities and meetings of the Committee of the Tributaries of the Lower Iguaçu.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Water Quality	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Studies of Ichthyofauna and Development of Technology for Reproduction of Native Fish of Iguaçu River	In Progress	Studies in development.
Receive at least 3,500 visitors in the year 2013, involving schools, associations and/or universities at Salto Osório HPP.	Plant Visits and Socioenvironmental Communication	Not Achieved	2013: 3,468 visitors.
Recover 5% of total waste discharged at the plant in the year 2013.	Waste Management	Achieved	2013: 78% of the waste recovered.
Reduce the discharge of oil from the drainage pool into the receiving body (Iguaçu River) by up to 25% of that permitted in the legal standard.	Control of Discharge	Achieved	Standard established by legislation: 20 mg/L. Goal: 15 mg/L. 2013: = < 6 mg/L.
Establish planting in reservoirs and the donation of 18,000 saplings by December 2014.	Planting and Donation of Saplings	In Progress	The planned activities were normally carried out in 2013 and remain underway to reach the goal.

Target	Program	Evaluation	Comments / Following years
Salto Santiago Hydroelectric Power Plant			
Continually control illegal occupation of land on islands and banks of the reservoir.	Environmental and Social Heritage Oversight	Achieved	The planned activities were normally carried out in 2013.
Participate in Hydrographic Basin Committees existing in the areas of influence of Salto Santiago HPP.	Participation in Hydrographic Basin Committees	Achieved	Participation in the activities and meetings of the Committee of the Tributaries of the lower Iguaçu.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring of Water Quality	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Studies of Ichthyofauna and Development of Technology for Reproduction of Native Fish of Iguaçu River	In Progress	Studies in development.
Receive at least 3,900 visitors in the year 2013, involving schools, associations and/or universities at Salto Santiago HPP.	Plant Visits and Socioenvironmental Communication	Achieved	2013: 4,018 visitors.

Recover 5% of total waste discharged from the plant in the year 2013.	Waste Management	Achieved	2013: 76% of the waste recovered.
Reduce the discharge of oil from the drainage pool into the receiving body (Iguaçu River) by up to 25% of that permitted as the legal standard.	Control of Discharge	Achieved	Standard established by legislation: 20 mg/L. Goal: 15 mg/L. 2013: = < 6 mg/L.
Establish planting and donation of 20,000 saplings by December 2014.	Planting and Donation of Saplings	In Progress	The planned activities were normally carried out in 2013 and remain underway to reach the goal.
Maintain conservation actions of springs in areas of influence of the reservoir of the Salto Santiago HPP.	Conservation of Springs	In Progress	Actions ongoing in partnership with Rural Family House from the municipalities of Chopinzinho, Rio Bonito do Iguaçu and Sulina.

Target	Program	Evaluation	Comments / Following years
	São Salvador Hydroelectric Power Plant (SAHPP)		
Continually control illegal occupation of land on islands and banks of the São Salvador HPP reservoir.	Environmental and Social Heritage Oversight	Achieved	The planned activities were normally carried out in 2013.
Participate in Hydrographic Basin Committees existing in the areas of influence of São Salvador HPP.	Participation in Hydrographic Basin Committees	In Progress	The Committee of the upper Tocantins River basin has not yet been established, but the Company has been following the subject.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Climatological Monitoring	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Hydrosedimentological Monitoring	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Control of Erosion Processes and Monitoring of Water Table	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Limnological and Water Quality Monitoring	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring and Conservation of Ichthyofauna	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Monitoring and Conservation of Fauna	Achieved	The planned activities were normally carried out in 2013.
Continually maintain environmental oversight actions and programs in the reservoir and areas of influence.	Seismological Monitoring	Achieved	The planned activities were normally carried out in 2013.
Obtain, in the period from 2011 to 2013, an annual increase of 5% in the No. of people served by the program.	Socioenvironmental Communication and Plant Visit Program	Achieved	2012: 1,767 people 2013: 2,323 people

Reduce, in 2013, 5% of annual generation of waste (formulated based on 2010, 2011 and 2012 inventories).	Waste Management	Achieved	Reduction of 8% in 2013.
Reduce the concentration of oils and grease from discharge (Drainage System and Oil and Water Separator of Transformers of São Salvador HPP) to 50% of that permitted in the legal standard, by January 2014.	Control of Discharge	Not Achieved	
Replace, with ethanol, 35% of gasoline consumed in the company-owned and leased vehicle fleet by January 2016.	Effective Actions Against Advance of Climate Change and Its Effects	Achieved	Already achieved in 2013.

Target	Program	Evaluation	Comments / Following years
Alegrete Thermoelectric Power Plant			
Participate in Hydrographic Basin Committees existing in the areas of influence of Alegrete TPP.	Participation in Hydrographic Basin Committees	Achieved	
Keep environmental licenses for Alegrete TPP up to date.	Environmental Monitoring	Achieved	
Receive 800 visitors by December 2013.	2013 Visitors Program	Achieved	2013: 950 visitors.
Donate and/or plant at least 1,400 tree saplings in 2013.	Implement Planting Program in the Region of Influence of Alegrete TPP	Achieved	2013: 1,537 seedlings has been donated.
Increase by 10% the percentage of recoverable waste compared to 2012 - in accordance with waste inventory guide of RG-MA-ALTPP-050.	Waste Management	Not Achieved	It has not been possible to complete the process of forwarding the waste for co-processing.

Target	Program	Evaluation	Comments / Following years
Charqueadas Thermoelectric Power Plant			
Participate in Hydrographic Basin Committees existing in the areas of influence of Charqueadas TPP.	Participation in Hydrographic Basin Committees	Achieved	Participation in the activities and meetings of the Management Committee of the lower Jacuí basin.
Maintain specific coal consumption rates below 1.50 tons/MWh.	Revitalization of Units Program	Achieved	Coal analysis equipment were transferred from CTJL to UTCH.
Reduce, by June 2013, consumption of acid and soda by 20% in Kg/m³ in relation to 2010's consumption.	Readequation of EDA	In Progress	Awaiting definition of planning for UTCH after 2015 for definition of investments.
Receive at least 2,000 visitors by December 2013.	Visitors Program 2013	Not Achieved	2013: 790 visitors.
Donate and/or plant at least 6,000 tree saplings in 2013.	Implement Planting Program in the Region of Influence of Charqueadas TPP	Not Achieved	2013: 5,975 donated seedlings.
Increase recoverable waste by 10%.	Waste Management	Achieved	2012: 21 recoverable waste. 2013: 24 recoverable waste. Increase: 14%.
Collect and filter rainwater from Charqueadas TPP yard.	Rainwater Collection	In Progress	

Target	Program	Evaluation	Comments / Following years
William Arjona Thermoelectric Power Plant			
Keep the operating license for William Arjona TPP up to date.	Renewal of Operating License	In Progress	
Maintain the Environmental Monitoring Plan for William Arjona TPP.	Environmental Monitoring	In Progress	
Reduce the amount of waste generated at William Arjona TPP by 40% in relation to 2006 (excluding metal scrap and waste generated in review and long-duration maintenance of units at William Arjona TPP).	Recycling and Waste Generation Reduction Program	Achieved	
Receive at least 208 visitors in 2013.	Visitors Program	Achieved	2013: 209 visitors.



Blades arriving...



...in Trairi (Ceará state)

Social Management

Employees and their Representatives

Collective Bargaining Agreements (CBAs)

The right to free association is guaranteed for all employees of Tractebel Energia. The unions and federations representing the different professions and regions of the Company's employees are affiliated with three entities – Power Industry Worker's Union of Southern Brazil (Intersul), Inter-Union (Intersindical) and Trade Association of Santa Catarina State Secretary Professionals (Sinsesc) - with which a policy of open doors and transparency is practiced.

The CBAs signed by Tractebel Energia with the entities representing its employees are annual, in conformity with guidelines of the International Labour Organization and Brazilian legislation. They cover 100% of employees and include, among others, items such as salary adjustments agreed upon as a result of inflation, pension plans, benefits, health and safety. In addition, changes in the Management Manual or items that are part of the CBAs are previously negotiated with union entities.

Compensation

The compensation includes a fixed portion and a variable one. The variable portion comprises profit sharing and, for managerial career employees, a bonus. The profit sharing and managerial bonus are defined according to the achievement of individual targets and business objectives – previously established by the Executive Board and mutual agreement between the employee and superior, respectively. These are based on criteria negotiated with union entities and established in the CBA. The amount of the managerial bonus is proportional to the impact of the target on the business results and the degree of challenge of the target, while the payment of profit sharing is dependent on the business results, measured by EBITDA and net income.

In 2013, considering exclusively the fixed portion, the lowest salary paid by Tractebel Energia was 2.62 times greater than the prevailing national minimum salary, and R$ 25.7 million was paid to employees as profit sharing for the previous year.

Private pension plan

The contribution of 50% to the Previg Retirement Fund is part of the benefits granted to employees. In 2013, the number of Previg participants reached 1,692 employees and former employees of Tractebel Energia, which in the year 2013 contributed R$ 25.0 million to the fund. The Company is also a sponsor of the private pension plan of the Eletrosul Pension and Social Assistance Foundation (ELOS), as some of the retired former employees are part of this plan. In 2013, Tractebel Energia contributed R$ 23.5 million to ELOS.

Health plan and insurance

All the Company's employees and their dependents have assistance to recover their health, which covers the medical, dental, pharmaceutical, psychological, speech therapy and nutritional areas.

The benefits granted by Tractebel Energia include:

- health plan
- group life insurance
- disability coverage
- maternity and paternity leave
- daycare allowance for female employees
- grocery voucher
- transportation voucher
- private pension plan
- assistance for persons with special needs

The Company voluntarily decided to grant the maternity leave extension to 180 days. In 2013, the rate of return after maternity leave was 100%.

GRI: EC7

Communities

Projects Supported by Tractebel Energia

Culture and Sustainability Centers

The implementation of culture and sustainability centers in small municipalities that are home to projects operated by Tractebel Energia has become one of the Company's main social and environmental responsibility actions, reflecting its commitment to the development of the communities in which it has a presence.

These centers represent a way to present to communities better opportunities for social development, with the guarantee that the investments obtained will be fully used to benefit the collective.

The building of these centers in different regions has been made possible by means of the Company's own funds, as well as (in an innovative way) through incentivized funds. This is because the construction of the centers can qualify under the Rouanet Law , complying with the Ministry of Culture's guidelines; focusing on the recovery, preservation and valuing of local history, customs and traditions; creating jobs and income; and increasing social and digital inclusion. The greatest result of this policy is, therefore, the joining of efforts around a greater and enduring good: access to culture.

Objectives:

- Promote culture in the communities in which Tractebel Energia is present, focusing on valuing local customs and traditions.
- Contribute to sustainable development, social and digital inclusion, creation of jobs and income, and reduction of the rural and urban exodus, especially among youth.
- Concentrate in a single project the most varied spaces of community life, for any and all types of cultural activities, such as performing arts, plastic arts, dance performances, concerts and film viewings.
- Make the culture and sustainability centers economically-sustainable projects, with a structured program for generation of revenue and control of costs.



In operation
Entre Rios do Sul
Alto Bela Vista
Capivari de Baixo
Quedas do Iguaçu

In evaluation by Ministry of Culture
Minaçu
Trairi

In study
Estreito
Itá
Saudade do Iguaçu

In partnership
Concórdia

1. Entre Rios do Sul Cultural Center

Location: Entre Rios do Sul (SC), base municipality of the Passo Fundo Hydroelectric Power Plant

Total Area: 1075 m²

Infrastructure offered: auditorium with 150 seats, rooms for exhibits and community meetings, museum, library and digital inclusion room, and a covered area for trade shows and exhibits.

Activities developed: dance, theater and music workshops; artistic exhibits; circus performances; concerts and presentations, among other artistic-cultural activities representing various regions of Brazil and abroad.

Managing Entity: Community Development Association of Vila Alegre (Adecova)

Tractebel Energia's Form of Support: Sponsorship of implementation, by means of incentivized funds (Rouanet Law) and training of community managers.

2. Alto Bela Vista Cultural Center

Location: Alto Bela Vista (SC), region of influence of the Itá Hydroelectric Power Plant

Built-up Area: 987.90 m²

Infrastructure offered: In addition to the main cinema and theater auditorium with room for 250 seats – including spaces for persons in wheelchairs - the center offers an exhibit room, library and digital inclusion room, and other facilities.

Activities developed: Rehearsals and presentations by more than 40 dance and music groups – the city's cultural hallmark – as well as theater performances, film viewings, and dance, theater and music workshops. The estimated audience is 30 thousand people per year.

Managing Entity: Alto Bela Vista Cultural Center

Tractebel Energia's Form of Support: Sponsorship for implementation by means of incentive funds (Rouanet Law) and training of community managers.

3.Capivari de Baixo Culture and Sustainability Center

Location: Capivari de Baixo (SC), base of the Jorge Lacerda Thermoelectric Complex

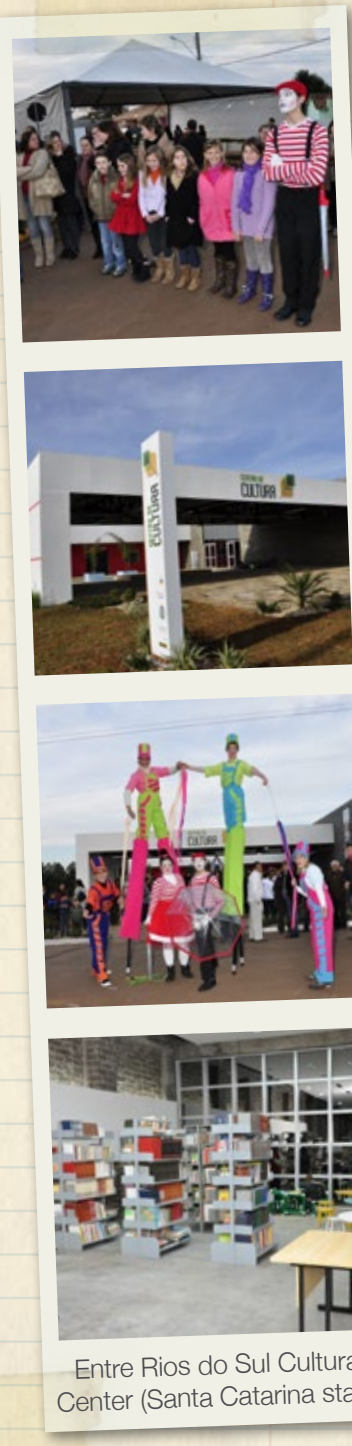
Built-up Area: 730.0 m²

Infrastructure offered: auditorium with 370 seats, exhibit area with 730 m² and acoustic shell with a 96 m² plate and audience area for up to 30 thousand people.

Activities developed: theater performances, film viewings, artistic exhibits, concerts and presentatios.

Managing Entity: Tractebel Energia

Tractebel Energia's Form of Support: Sponsorship for implementation, with own funds.



Entre Rios do Sul Cultural Center (Santa Catarina state)

CSR Targets

Sustainability Targets / 2013 Corporate Social Responsibility - Details

Target	Actions and Indicators	Reach	Weight	Result
1 – Develop actions of the Tractebel Energia Cultural Development Program	Open the Quedas do Iguaçu and Capivari de Baixo Cultural Centers[1]	90%	30%	27%
	Obtain Ministry of Culture approval and begin construction of the Minaçu Cultural Cente[r2]	70%	40%	28%
	Register the Trairi Cultural Center Project with the Ministry of Culturei[3]	70%	30%	21%
	Weight and result of target		**25%**	**76%**
2 – Develop actions of the Tractebel Energia Environmental Improvement Program	"Fulfill timelines for the Rio Iguaçu and Machadinho Regional Spring Conservation Projects	100%	50%	50%
	Meet the Production Director Office's target of donating and planting 300 thousand saplings[4]	86%	50%	43%
	Weight and result of target		**20%**	**93%**
3 – Develop actions of the Tractebel Energia Social Inclusion Project	Develop photovoltaic and mini-wind projects for communities and conclude implementation of ongoing projects[5]	90%	40%	36%
	Support a socio-cultural project in the region of the Estreito HPP	100%	30%	30%
	Develop, with partnerships and the Florianopolis City Government, the study/design of cultural spaces, community sports centers, daycare centers, and gardening along the waterfront of the Estreito neighborhood	100%	30%	**30%**
	Weight and result of target		**25%**	**96%**

Notes:
1) Capivari opened; Quedas do Iguaçu will be opened in April 2014.
2) Protocol number received from the National Cultural Support Program (Pronac); groundwork for construction has begun.
3) Project enrolled in the Salic Web System of the Ministry of Culture.
4) Total of 257,110 saplings donated and planted, without taking the Estreito Hydroelectric Power Plant into consideration, which is under the responsibility of the Estreito Consortium.
5) Technological and commercial solutions surveyed (reach of 100%), and implementation of those in progress with 20% pending items (reach of 80%).

4 – Develop the Tractebel Energia Education for Sustainability Project	Enhance engagement of stakeholders in the regions of plants: (a) conception, and (b) start of implementation	100%	25%	25%
	Hold events with: (a) customers, (b) investors / shareholders, (c) communities, (d) suppliers / partners, and (e) employees, with institutions such as Ethos, Akatu and the "S" System (Sebrae, SESI...)	100%	25%	25%
	Develop initiatives to obtain recognition of the Company's commitment to sustainability	100%	25%	25%
	Develop initiatives to keep the Company on the ISE (Corporate Sustainability Index)	100%	25%	25%
	Weight and result of target		**30%**	**100%**
Total / Final Result			**100%**	**92%**



Aerogenerators of Trairi Wind Complex