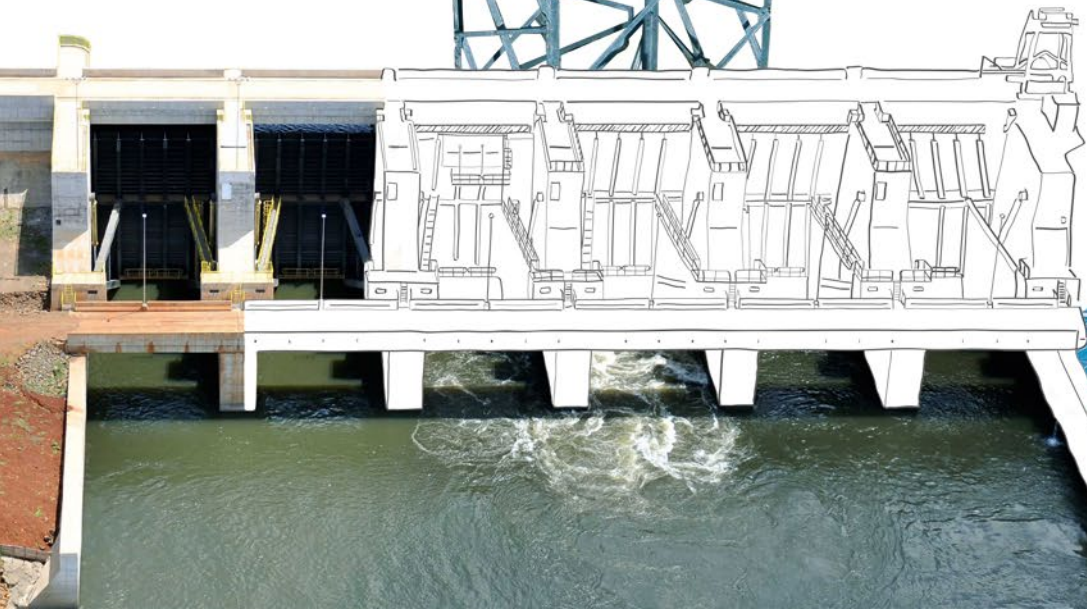
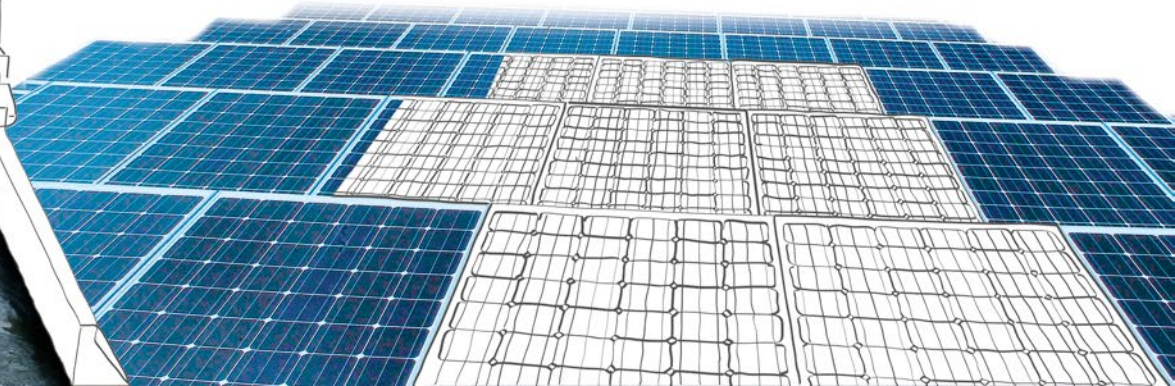




ANNUAL REPORT 2019

Eletrobras
Eletrosul

CONTENTS

① INTRODUCTION

ABOUT THIS PUBLICATION

GRI 102-46, 102-50, 102-51, 102-52, 102-54

This is the 11th consecutive issue of our report, referred to as the Sustainability Report up to the 2018 base year version and renamed as the Annual Report for the 2019 base year, following the pattern of Eletrobras companies. For the first time, the reports of all companies follow the same visual and editorial pattern, in addition to the same reporting practices and materiality matrix. In this way, we guarantee a coherent and transversal communication, offering stakeholders an integrated overview of our business. GRI 102-49

The document is published to present all of our stakeholders with our strategy, performance and commitment to sustainable development. The report shows our performance between January 1 and December 31, 2019.

The information shown covers all of Eletrosul's own activities, including our operations as a concessionaire for public transmission services and an independent producer of electricity generation. Our share in Special Purpose Entities (SPEs) are not addressed throughout the document, except when mentioned in the text.

This publication was prepared based on the best global corporate sustainability management and reporting practices:

- Global Reporting Initiative (GRI) - Standards 2016, with the exception of the Water material theme disclosures, which already follow the review published at the end of 2018 (essential adhesion option);
- Principles of the United Nations (UN) Global Compact;
- Sustainable Development Goals (SDG);
- Management Report of the Federal Court of Accounts (TCU)

Also meet the accountability requirements of the Federal Controller's Office (CGU).

Useful reading tools

In addition to the linear fluency of this publication, at the end of the report you will find two possibilities for reading, guided by:

GRI Content Index (page 90)

A remissive index that describes each disclosure GRI, advising the reasons for omission, when applicable, additional information and listing the page on which it is reported.

Learn more on the GRI website.

SDG Map (page 103)

A map that indicates the SDGs related to the topics covered throughout the report and whose contents support the SDGs, the relationship being established through the indication of the pages.

Learn more about the SDG at United Nations website.

Learn more

GRI 102-53

In our website you will find detailed information about the company's operational and economic performance, shown in the Management Report and in the Financial Statements. Clarifications can also be obtained via sustentabilidade@cgteletrosul.gov.br or +55 (48) 3231-7690.

Reliability of information

GRI-102-32, 102-56

In line with our objective of showing reliable information to our stakeholders, this Report is prepared by a team of technicians from Eletrosul, who provides and validates the information covered throughout the text. The final document is analyzed and formally approved by the Executive Board and the Board of Directors – our highest governance body –, which attest to its integrity and transparency.

Part of the published information was audited by PricewaterhouseCoopers, according to international verification parameters. Learn more in the Assurance Report, disclosed at the Eletrobras Annual Report.

Materiality

GRI 102-46

For our 2019 Annual Report, we executed an integrated materiality process, with the objective of alignment and synergy between Eletrobras companies, enabling a more convergent and transparent communication with our stakeholders. This process – described below – was carried out in order to map the topics with the greatest potential for impact and value creation, as per our business strategy and the impact perception obtained from our stakeholders.

Materiality definition

GRI 102-21

Stage 1 - Assessment of stakeholders: check the opinion and impact perception of stakeholders through an online survey made available on all Eletrobras companies' websites and sent by email to employees, suppliers, customers, unions, partners and the government, among others, and by conducting interviews with several relevant interlocutors: Ministry of Economy (Sest), Ministry of Mines and Energy, Brazilian Business Council for Sustainable Development (CEBDS), Global Compact, DJSI (Dow Jones Sustainability Index), business partners, suppliers, NGOs, academia, among others. The use of two different formats of listening and analysis enables the transversal understanding of the issues that impact the sustainability of the companies' businesses. GRI 102-43

1.006 *people responded the online survey*

Assessment of the degree of impact of **23** themes

Stage 2 – Prioritization and definition of the previous materiality matrix: materiality workshop held in November, with the participation of the sustainability coordinators from the Eletrobras companies and representatives of the Executive Committee for Sustainability Management, an Eletrobras Holding body. Those present built the first version of the Eletrobras companies 'Materiality Matrix, considering the themes with a potential impact on stakeholders and the perception of these themes according to the Eletrobras companies' strategy, using online research, interviews and the Business and Management Master Plan (PDNG).

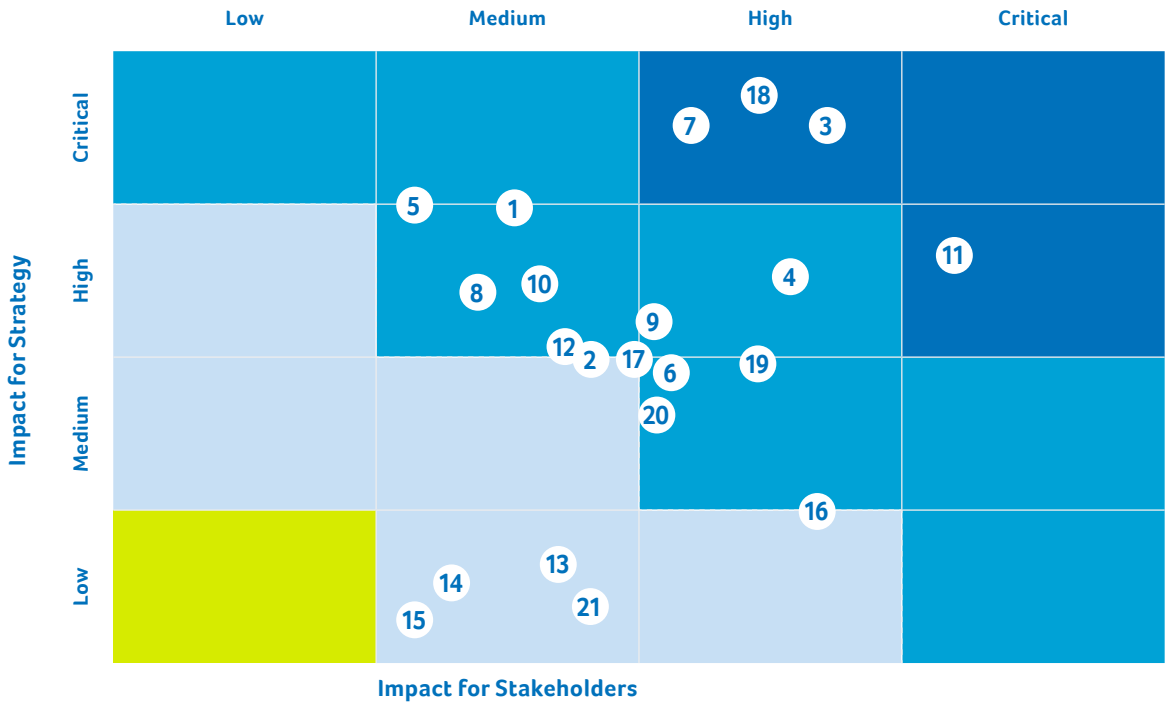
Subsequently, a process of calibrating non-prioritized themes was carried out in order to adjust possible distortions in the previous analysis, which was done by balancing the results of the online survey, interviews, RepRisk (media analysis tool and degree of risk exposure) reputation) and the materiality benchmarking of other market players that represent the external scenario.

The topics that obtained high relevance in the calibration were analyzed as to their adherence to the strategy of Eletrobras Companies based on the SWOT Matrix technique and were inserted in the Materiality Matrix.

Stage 3 – Validation with the Leadership: in line with the methodology of the Global Reporting Initiative (GRI) and the International Integrated Report Council (IIRC), the Materiality Matrix of the Eletrobras companies was submitted for validation by the Executive Board and the Administrative Council at the Holding and all controlled companies. In addition to the themes already proposed in the previous stages, Eletrobras' Board of Directors decided to include the Corporate Governance aspect as material for all companies.

Eletrobras 2020 materiality matrix

GRI 102-47



Below follow the list of material themes, highlighted in blue.

13 Material themes

1. Research and Development + Innovation
2. Relationship with suppliers
3. Water
4. Social and environmental aspects in decision-making
5. Cybersecurity and digital transformation
6. Human rights
7. Risk and crisis management
8. People management and development
9. Climate changes
10. Energy transition
11. Corruption and ethics management
12. Corporate governance
13. Relationship with communities
14. Biodiversity
15. Waste
16. Legal and regulatory compliance
17. Energy supply
18. Financial result
19. Energy efficiency
20. Health, safety and well-being
21. Communication and transparency

Material themes and their limits

GRI 102-44, 102-47

The table below is the result of the materiality determination process reported on page 6. The limits determine where or in which audiences the impacts occur, and capital is based on the concept proposed by the framework of the IIRC (International Integrated Reporting Council) for the grouping of the different types of input or resources used by Eletrobras companies to generate value.

COMPANY

All Eletrosul

STAKEHOLDERS

1 Customers | 2 Employees | 3 Communities | 4 Suppliers
5 Government | 6 Investors | 7 Society | 8 All

CAPITALS

INTELLECTUAL | FINANCIAL | NATURAL | HUMAN | SOCIAL AND RELATIONSHIP | MANUFACTURED

Material theme[1] GRI 102-44	Company	Stakeholders	Specific GRI disclosures	Capitals	SDG
Research and Development + Innovation	●	1 4 5 6 7	EU8	Intellectual	7 8 9
Water	●	3 5 7	303-1 a 303-5	Natural	6 12 14 15
Socio-environmental aspects in decision-making[2]	●	3 4 5 6 7	102-29 e 102-31	Not associated with capital, but to the corporate governance of the company, which permeates and guides the value creation activities	7 8 9 13 16
Digital transformation	●	1 2 4	There are no specific disclosures for this topic	Intellectual, Manufactured	9

Material theme[1] GRI 102-44	Company	Stakeholders	Specific GRI disclosures	Capitals	SDG
Cybersecurity	●	8	418-1		
Risk and crisis management[2]	●	8	102-15, 102-30, EU21		
People development management	●	2 6	401-1, 404-1 a 404-3 e EU14		
Human rights	●	3 4 5 7	405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 412-2 e 412-3		
Climate changes	●	1 3 4 5 6 7	201-2, 305-1 a 305-7		
Energy transition	●	5 6 7	EU10		
Corruption and ethics management[2]	●	8	102-17, 102-25, 205-1 a 205-3 e 415-1		
Corporate governance[2]	●	8	102-19, 102-20 e 102-21 a 102-39	Not associated with capital, but to the corporate governance of the company, which permeates and guides the value creation activities	
Energy supply	●	1 5 6 7	EU6, EU11, EU12 e EU30	One of the activities through which the company transforms inputs into values	
Financial result	●	2 4 5 6	201-1		

Notes: 1. For each material topic, it is mandatory, according to the methodology of the Global Reporting Initiative, to report the disclosures of management form 103-1, 103-2 and 103-3.

2. These are themes for which standard-general disclosures that have been added (which must be reported in the composition of the profile, corporate governance and organizational strategy) are not mandatory for GRI reports, under the "Essential" option. The objective is to present comprehensive information on Eletrosul's performance on these topics, which are not covered by specific disclosures.

HIGHLIGHTS

Management

SAP

In 2019, we started using the SAP system, which integrates the management of all Eletrobras companies on a single platform. This is an important step for our digital transformation (page 33).

Corporate Governance

GOVERNANCE INDICATOR LEVEL 1 CERTIFICATION (IG-SEST)

WE HAVE ACHIEVED, FOR THE SECOND CONSECUTIVE TIME, this important recognition by the Federal Government (page 45).

Financial Capital

FINANCIAL RESULT

In 2019, we obtained a net profit of **R$ 168 MILLION, 34,3%** higher than in 2018, with an EBITDA of **R$ 776 MILLION (60,3% HIGHER THAN IN 2018)** and Personnel, Material and Services indicator **1,9% LOWER** than in 2018, totaling **R$ 504 MILLION** (page 55 and 56).

Manufactured Capital

TRANSMISSION INVESTMENTS

In 2019, we invested **R$ 27,8 MILLION** in the expansion and infrastructure of the transmission system in the South Region and the state of Mato Grosso do Sul, in addition to **R$ 12,6 MILLION** in reinforcements and improvements (page 57).

Intellectual capital

INVESTMENT IN R&D+I

Eletrosul invested more than **R$ 5 MILLION IN RESEARCH**, development and innovation in 2019 (page 63).

Social and relationship capital

SOCIAL RESPONSIBILITY AND CULTURE

Eletrosul supports the Estação do Mar Museum (Mema), opened on October 25, in Florianópolis (SC) (page 69).

2019 SOCIAL AND CULTURAL INITIATIVES

involved visits to musical events (page 69).

Natural Capital

ENVIRONMENTAL POLICY

In 2019, the Executive Board approved a new version of the policy. With a clearer and more concise wording, the current edition incorporates guidelines for relations with indigenous peoples. The policy guides our actions on climate change and water preservation, which are material issues for Eletrosul (page 71).

PARTICIPATION IN A PIONEERING PROJECT ON CLIMATE CHANGES

It joined a pioneering project entitled “Expansion of Climate Services for Infrastructure Investments” (CSI), whose objective is to expand the provision of services that foster the consideration of climate changes in infrastructure and user management (page 78).

Human Capital

PEOPLE MANAGEMENT

To optimize people management, a new regulation came into force in 2019 (page 82).

MANAGEMENT MESSAGE

GRI 102-14

In 2019, the process of unification of the Eletrosul operations and Companhia de Geração Térmica de Energia Eletrica (CGTEE) significantly advanced. This corporate restructuring process was provided for in the Eletrobras Companies Business and Management Master Plan and aimed at obtaining operational, economic-financial and tax synergy for the companies involved, providing efficiency gains and optimization of results.

The senior management of Eletrosul and CGTEE acted strongly to overcome many challenges arising from the restructuring, as this operation would have to be approved by governmental and regulatory bodies involved, as well as creditors and other stakeholders.

In order to promote this operation, considered strategic, the Holding approved the capitalization of CGTEE's debt, in the amount of R$ 4.7 billion. In addition to the company's financial reorganization, the corporate restructuring also included the extensive renovation and modernization of the Candiota III Thermoelectric Plant (UTE), in Rio Grande do Sul, in an action named Overhaul. The UTE, which has an installed capacity of 350 MW, returned to record an excellent performance at the end of the year.

We can also highlight in 2019, the commitment of top management to negotiate the assets and environmental studies related to the Lot A projects – which were not concluded due to unfeasible partnerships –, which caused the recovery of almost 80% of the amount previously invested with the new dealers. Negotiations are expected to continue, aiming to recover almost all resources.

With regard to digital transformation, SAP brought an essential improvement to the management processes of Eletrobras companies, with the standardization and automation of activities and information, the integration of areas and resources, in addition to the possibility of greater management of the subsidiaries by the Holding.

We wish to keep growing, but without taking sustainability out of focus.

The senior management of Eletrosul and CGTEE acted strongly to overcome many challenges arising from the restructuring, as this operation would have to be approved by governmental and regulatory bodies involved, as well as creditors and other stakeholders.

GRI 102-14

Economically, our results in 2019 are R$ 168 million. Additionally, we can emphasize that our expectations for 2020, with the restructuring, are having a considerable increase in our revenue and, thus, we will have a better capacity for new investments in the coming years.

Environmentally, we will have the challenge of diversifying the energy matrix, considering the inclusion of thermoelectric generation in the company's portfolio resulting from the unification process of Eletrosul and CGTEE operations. Projects such as the UTE Candiota III are essential to the Brazilian energy model, and our commitment will be to systematically monitor and reduce greenhouse gas emissions, minimizing their effects. With the installation of a processing plant, we will improve the quality of the coal used in the plant, aiming at an even more efficient production.

Socially, we have implemented programs aimed at regional development and valuing the communities present in the areas in which our company operates, with results from social transformation with a focus on education and culture. We also strictly comply with the conditions set out in the licenses issued for Eletrosul's various projects.

Lastly, sustainability is in our purpose: being recognized for excellence in actions and management, and for the sustainability culture.

That is why we continue to publish reports of our actions in this regard. Every initiative of our Company, in addition to being planned and well executed, must be evaluated for course correction. The reports assist in this analysis, exposing not only our achievements, but also setbacks and impacts, in a transparent manner and in line with the best market practices and corporate governance.

In 2020, may we reach our expectations and disclose good results again.

Executive Board
Administrative Council

UHE Passo São João. Credit: Aloísio Antes.

COVID-19 PANDEMIC

Eletrobras and its companies have been monitoring, since January 2020, the evolution and possible impacts caused by the coronavirus pandemic, Covid-19, and following the recommendations of the Ministry of Health and the governments of the states and cities where its operations are located. Eletrobras companies prioritized the preservation of their employees and collaborators, avoiding the spread of the disease, and maintaining the generation and transmission of electric energy in the country. To coordinate and monitor all actions related to the pandemic, on March 17, 2020, the Eletrobras Companies Crisis Monitoring and Management Committee was created, formed by the holding's Executive Board, the Presidents of its controlled companies and the Chief Executive Officer of Cepel.

Due to the need to preserve its essential activities, the company, as far as possible, took several actions:

- ANTICIPATED VACATIONS;
- APPROVED HOURS BANK COMPENSATION;
- AUTHORIZED TELEWORKING;
- RESTRICTED NATIONAL TRAVEL;
- LIMITED THE NUMBER OF PEOPLE AT IN-PERSON MEETINGS;
- SUSPENDED TRAVEL AND PLACED EMPLOYEES WHO HAD SYMPTOMS IN QUARANTINE; AND
- ALSO ASKED THEIR SERVICE PROVIDERS TO EQUALLY OBSERVE ALL THE GUIDELINES OF THE MINISTRY OF HEALTH.

With regard to the operation, the company has been adopting all measures to maintain normality, given the strategic sector in which it operates, and, mainly, for being the largest Brazilian electric power company, with more than 50 thousand MW of power installed, accounting for 30% of the country's generation and 45% of transmission lines with voltage equal to or above 230kV. Among the measures, a contingency action plan was created with the objective of mapping, monitoring and guiding employees on the actions required in generation and transmission operations.

The financial impacts of the pandemic, which will affect nations and various sectors worldwide, may also affect the results of Eletrobras companies, mainly due to the possible stagnation of the Gross Domestic Product (GDP) and the consequent reduction in the consumption of electricity in the industrial and commercial sectors. Notwithstanding the creation of the COVID account, regulated by Aneel through normative Resolution 885, there is a risk of an increase in the incidence of default with distribution companies and in bilateral contracts in the free contracting environment, with a potential increase in requests for renegotiation of contracts. However, it is worth noting the high degree of uncertainty regarding the possible reduction in electricity consumption in the country, as well as its duration.

News from European countries indicate a reduction in the flattening stage of the Covid -19 pandemic, as in some Asian countries. In Brazil, where increased social distance is still a reality, around 70% of the qualified workforce of Eletrobras companies has started to work in telework. Our employees have expended efforts to maintain corporate activities, support for the permanence of the operation of generation and transmission assets and for the functioning of our management and governance structures, maintaining the necessary resources so that our managers continue to make decisions in favor of the sustainability of our companies.

The company has already started the testing of part of its workforce and has strengthened preventive measures to prevent the spread and contamination by coronavirus. In parallel, under the guidance of the Crisis Committee, it works on the elaboration of a protocol for the gradual resumption of face-to-face work in all its units, safeguarding the health and safety of its workforce, with socio-environmental responsibility, transparency and prudence, preparing everyone for the new normal ahead.

In addition, aware of its important social role, the company negotiated alternative measures with its supply chain in order to preserve jobs and maintain the health and safety of outsourced employees. It also established corporate guidelines for donations and support to surrounding communities and society in general.

In this very unusual moment for all, Eletrobras has demonstrated high resilience, a high degree of commitment and a clear purpose for all its managers and employees to generate and transmit the energy that Brazil needs to fight the pandemic, preserve lives and maintain economic activities.

SECTOR CONTEXT

OBrazilian Gross Domestic Product (GDP) grew 1.1% compared to 2018 – a performance that demonstrates the slow recovery of the economy, associated, in part, with low families consumption. Inflation, as measured by the IPCA variation, reached 4.31% per year, against 3.75% in 2018. This level was above the target set by the National Monetary Council (CMN) for inflation – 4.25% per year – but within the margin of tolerance of 1.5 percentage points. According to the IBGE, the IPCA was pressured in 2019, mainly by the increase in meat and fuel prices, followed by health agreements .

According to the Energy Research Company (EPE), the electricity sector's consumption reached 482,084 GWh until December, an increase of 2.08% compared to 2018. The climate and billing cycle caused consumption by the residential and commercial classes to grow 1.2% and 3.77% respectively, while industrial consumption decreased 1.3%. All regions recorded an increase in consumption in 2019, and the Northeast region was the most expressive one, at 2.98%.

The increase in competitiveness and the reduction in the number of professionals, especially in the areas of operation and maintenance, seem to be challenges to be overcome. The search for optimization and improvement of processes and interventions techniques are essential to improve productivity.

Fotovoltaica UFSC.

② CORPORATE PROFILE

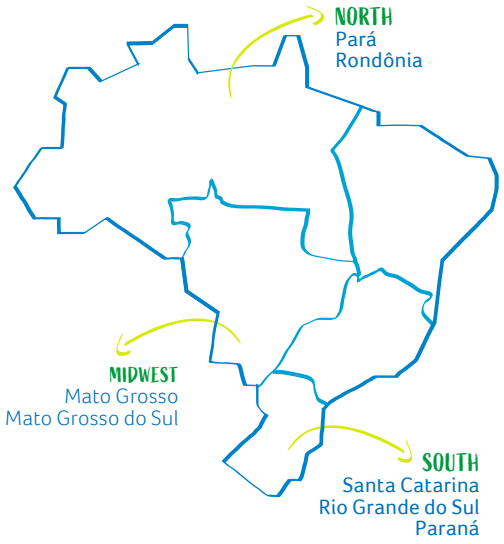
ELETROSUL

GRI 102-2, 102-4, 102-5, 102-6, 102-7

Eletrosul Centrais Elétricas S.A. is a privately held joint-stock company controlled by Centrais Elétricas Brasileiras S.A. (Eletrobras). It acts as a concessionaire of public transmission services and an independent producer of hydroelectric, wind and solar energy . Founded in 1968, the Company is headquartered in Florianópolis (SC), and also operates in other cities in the state and in the South Region (Rio Grande do Sul and Paraná), Midwest (Mato Grosso do Sul and Mato Grosso) and North (Pará and Rondônia), through its own and joint ventures.

Users of transmission and generation services include distributors, free consumers, generators and transmitters, and the National System Operator (ONS). Eletrosul's marketing clients include distributors, energy traders, and, in a reduced number, end consumers.

ELETROSUL OPERATES IN THREE REGIONS AND SEVEN STATES



We invest in research and development, fostering the use of alternative sources of energy, providing telecommunication, maintenance and operation services and practicing other trade activities arising from these activities.

1,695 MW

100% of the generation capacity arise from clean energy sources[2]

90.6 % hydro source

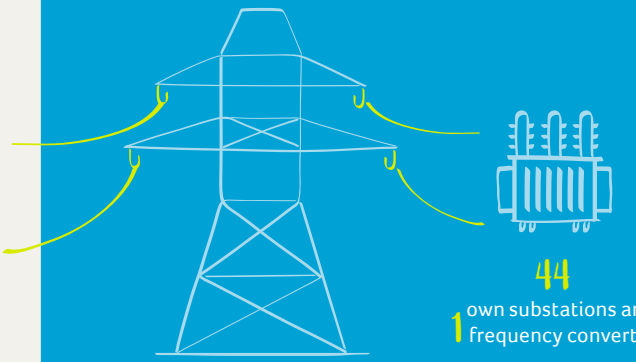
9.3% wind source

0.1% solar source

AND HOW IS ALL THAT ENERGY TRANSMITTED?

12,243.55 km of transmission lines[1], (11,077.16 owned and 1,166.39 SPEs)

TRANSFORMATION CAPACITY OF **28,687 MVA**[1]

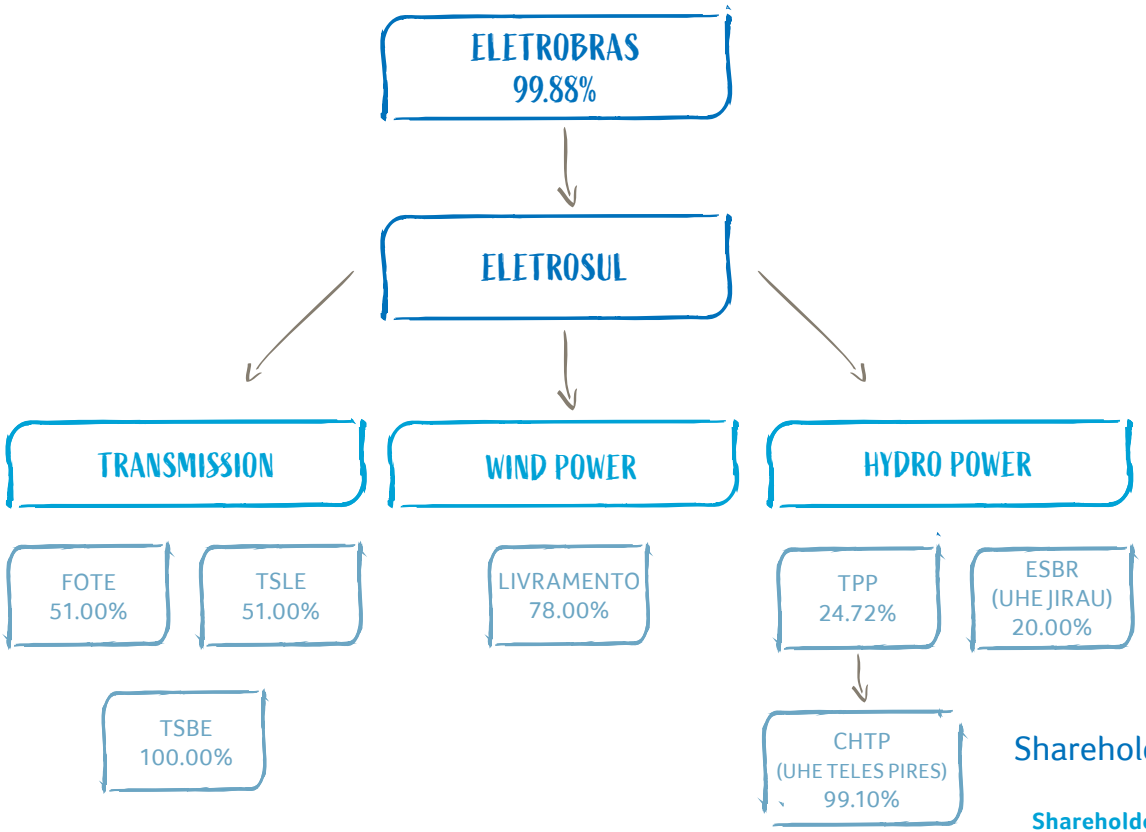


44

1 own substations and frequency converter

[1] It considers its own operations and in Special Purpose Companies.
[2] Data referring to 2019, before the incorporation by Eletrobras CGTEE.

Shareholder Participation



Shareholding structure

Shareholders	Number of shares	Share capital (R$ thousand)	% share
Eletrobras	102,212,728	4,353,915	99.8781
Usiminas	57,901	2,466	0.0566
CEEE	49,519	2,109	0.0484
Copel	14,195	605	0.0139
Celesc	1,544	66	0.0015
CSN	1,194	51	0.0012
Other	320	14	0.0003
Total	**102,337,401**	**4,359,226**	**100.00**

HOW WE GENERATE VALUE

By providing electricity - an essential resource for the functioning of all productive sectors, people's relations and socioeconomic development - Eletrosul generates value for society. Yet, we seek to go further and echo the return we get from business to our stakeholders and to society as a whole. And we do this by identifying the resources, assets and capital that interact with our activity and understanding the impacts – positive and negative ones – of the transformation of this group into electric energy, in order to promote responsible and sustainable management, which deals with these impacts in order to prevent or minimize them, generating more value at the end of the chain.

Transmission lines. Credit: Anísio Borges

This is the basis for the model presented below, jointly built by the Eletrobras companies, which represents a summary of how our activities interact with the external environment (sector, political and macroeconomic context) to provide consistent returns to stakeholders. The way this report was organized is consistent with this representation, bringing greater connectivity between different parties in the business and financial and non-financial (intangible) results, showing clearly and transparently how our activity transforms resources, assets and capital into value.

Eletrosul generates value for society. Yet, we seek to go further and echo the return we get from business to our stakeholders and to society as a whole

VALUE CREATION MODEL

MAIN INPUTS

- HUMAN CAPITAL — Research and knowledge; Workforce
- INTELLECTUAL CAPITAL — Natural resources
- NATURAL CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL — Stakeholders
- MANUFACTURED CAPITAL — Financial resources; Equipment and facilities
- FINANCIAL CAPITAL

Eletrobras Eletrosul

Purpose We put all our energy into the sustainable development of society.

Vision To be an innovative clean energy company, recognized for excellence and sustainability.

Values Respect for people and life
Ethics and transparency
Excellence
Innovation
Collaboration and recognition

VALUE CREATION EXPECTATIONS

- Suppliers Training — SDG 4 5 8 10 12 13 16
- Reliability upon receipt — SDG 7 9
- Conservation of biodiversity — SDG 9 13 15
- Energy conservation — SDG 7 13
- Hiring at a fair (sustainable) price — SDG 7 9
- Contribution to sustainable development — SDG 1a6 7a9 10a12 13 14 15 16 17
- Professional growth / training — SDG 4 8
- Participatory dialogue — SDG 11 16
- Energy availability for everyone, with a lower risk of socio-environmental impacts — SDG 1a3 7 9 10 13 14 15
- Distribution of dividends — SDG 8
- Fostering a more sustainable supply chain — SDG 5 8 10 12 16
- Fostering respect for human rights — SDG 8 9 10 16
- Job and income generation — SDG 1and3 8 9 10 12
- Integrity (ethical, legal and transparent conduct) — SDG 16
- Private social investment — SDG 1 3 4 7a9 13 15
- Improving the country infrastructure — SDG 7 9 11
- Improvement of the living conditions for the affected populations — SDG 1 3 9 11 16
- Low tariffs - affordable energy — SDG 3 7a9
- Partnership in public policy management — SDG 1a3 7a9 12 13 17
- Share in structuring projects — SDG 7 9
- Research, development and innovation — SDG 7a9
- Hiring predictability — SDG 8 12 16
- Promoting culture, sport and events — SDG 3 4 8 9 13
- Promoting diversity — SDG 5 8 10 12 16
- Promoting health and safety — SDG 3 8
- Quality of life — SDG 1a3 7 8
- Ethical, transparent and equitable relationship — SDG 16
- Financial return on invested capital — SDG 8 9 16
- Safety and reliability in the operation — SDG 7 9 11 13
- Valuing the brand and corporate reputation — SDG 12 13 16

In this infographic, we also show how the creation of value by Eletrobras meets the 17 Sustainable Development Goals (SDGs), especially the SDGs prioritized by the company, 7, 8, 9, 13 and 16, highlighted in blue. Learn more at: https://nacoesunidas.org/pos2015/agenda2030/

STAKEHOLDERS

- Partners, sponsors and suppliers
- Press and opinion leaders
- Customers
- Society
- Government/Parliamentarians Regulatory bodies
- Investors, shareholders and market analysts
- Community
- Workforce and family members

Our impacts

The following table was jointly prepared by the Eletrobras companies to present the impacts of our activities. It should be noted that some of the inputs described here are specific to activities that Eletrosul does not carry out, such as mineral coal.

NATURAL CAPITAL

INPUTS	TYPES OF VENTURES	IMPACTS
WATER	HYDROELECTRIC PLANTS.	○ Change in water quality; ○ Macrophyte proliferation; ○ Multiple uses of the reservoir; ○ Alteration of ecosystems/habitat; and ○ Decreased diversity of flora and fauna.
SOIL - (OCCUPATION)	HYDROELECTRIC PLANTS; WIND PLANTS; AND THERMOELECTRIC PLANTS.	○ Loss of vegetation cover; ○ Forest Fragmentation; ○ Erosive processes; and ○ Sedimentation.
NATURAL GAS	THERMOELECTRIC PLANTS.	○ GHG emissions (climate change).
MINERAL COAL	THERMOELECTRIC PLANTS.	○ GHG emissions (climate change); and ○ Change in air quality.
WIND	WIND PLANTS.	○ Interference on migratory routes and collision with birds; and ○ Reduction of migratory bird populations.

SOCIAL AND RELATIONSHIP CAPITAL

INPUTS	IMPACTS
SPONSORSHIPS, SOCIAL NETWORKS AND ADVERTISING CAMPAIGNS	○ Conflict reduction; and ○ Organization Image.
SOCIAL COMMUNICATION, CODE OF ETHICS AND INTEGRITY, CORPORATE POLICIES AND VOLUNTEERING	○ Improving business reputation; ○ Improvement in institutional relations; ○ Improvement in organizational culture; ○ Business alignment; ○ Business Integrity; ○ Positive brand perception; and ○ Reduction of lawsuits.
RELATIONSHIP PROCESSES AND CHANNELS WITH DIFFERENT STAKEHOLDERS AND OMBUDSMAN	○ Transparency; and ○ Access to information.
SOCIAL AND ENVIRONMENTAL PROGRAMS	Greater contribution to public policies; Conflict reduction; Impact mitigation; and Social transformation.

INPUTS	IMPACTS
CORPORATE REPORTS	Transparency; Communication; and Accountability.
INSTITUTIONAL RELATIONS	○ Increase in market value; and ○ Credibility.
REPUTATION RESEARCH	○ Brand value.

FINANCIAL CAPITAL

INPUTS	IMPACTS
EQUITY - CASH REVENUE	Investment capacity.
EQUITY - CAPITALIZATION REVENUE	Liquidity.
THIRD PARTIES - LOANS / FINANCING	Market expansion.
RETURN ON INVESTMENT	Projects feasibility.
SHARES AND DEBENTURES	Direct impact on other capitals.

HUMAN CAPITAL

INPUTS	IMPACTS
OWN EMPLOYEES	Job and income generation.
CONTRACTED COMPANIES	
TRAINING, CAPACITY BUILDING AND MOTIVATIONAL PROCESSES, PROGRAMS AND PROCEDURES	Intellectual Capital Development.
KNOWLEDGE MANAGEMENT	

INTELLECTUAL CAPITAL

INPUTS

P&D + I

IMPACTS

- Patent registrations;
- Sustainability and profitability;
- Increased efficiency of the production process; and
- Technological innovation.

CYBERSECURITY

- Business Integrity; and
- Security of company and customer data.

PATENTS, INTELLECTUAL PROPERTY; COPYRIGHT

- Guarantee of the invention monopoly;
- Protection against undue exploitation;
- Improvement and new products and services; and
- Preserving an organization's intelligence.

MANUFACTURED CAPITAL

INPUTS

GENERATION = HYDROELECTRIC PLANTS, THERMOELECTRIC PLANTS, WIND GENERATORS, PHOTOVOLTAIC GENERATORS

TRANSMISSION LINES AND SUBSTATIONS

BUILDINGS AND ADMINISTRATIVE FACILITIES AND IT STRUCTURE

IMPACTS

- Revenue generation;
- Job creation; and
- Power availability.

- Technological know-how; and
- Generation of administrative waste.

ACKNOWLEDGMENT

Governance Indicator Level 1 Certification (IG-Sest) – PNG Indicator IGS Sest.

For the second time in a row, we have achieved this important recognition by the Federal Government, which is an instrument for continuous monitoring of the governance of federal state companies with direct and indirect control over the Union, with 61 companies participating in the last edition – the fourth edition already held.

The assessment was created to support and promote compliance with Act No. 13,303/16, known as the State-Owned Law. Every six months, Sest (Secretariat for Coordination and Governance of State-owned Companies) measures progress in governance practices, using the IG-Sest index as an instrument of continuous control. The methodology assesses management, control and auditing; transparency of information; and, finally, councils, committees and directors.

One of the indicators of our Business and Management Plan (PNG) 2019-2023 is the performance at IG-Sest, with a goal of 8.2%. We exceeded this goal by 18.90%, reaching a performance of 9.75%.

WEPs Brasil 2019 Award - Companies Empowering Women, in the Large Companies category (Silver)

We were the only state-owned company among the 12 winners in the category. The award is an initiative by UN Women and the Global Compact, with the support of the European Union and the International Labor Organization, created to encourage and recognize the efforts of companies that promote the culture of gender equity and the empowerment of women in Brazil, based on the Women Empowerment Principles (WEPs), of which Eletrosul has been a signatory since 2010.

José Paschoal Baggio Entrepreneur Award, in the Energy category

We received this award, promoted 21 years ago by the Correio Lageano newspaper to recognize the 55 largest investors in the Serra Catarinense region.

5th place in the “500 Largest in the South” ranking among the largest energy companies

Most important regional ranking of companies in Brazil, promoted by the Amanhã Group, considering equity, revenue and profit. Eletrosul occupies the 22nd overall position, being the 7th largest in Santa Catarina.

Encouraging culture in Florianópolis

The company received recognition from the Cultural Entrepreneurship Sectoral Nucleus of the Commercial and Industrial Association of Florianópolis (Acif), which highlights the performance of organizations that believe in culture as a transformative power of society and promote cultural investments.

③ STRATEGY AND VISION OF THE FUTURE

MISSION AND VISION

GRI 102-16, 102-26 | SDG 7, SDG 8, SDG 9

PURPOSE

We concentrate all our energy into the sustainable development of society

VISION OF THE FUTURE

Being an innovative clean energy company, recognized for excellence and sustainability

STRATEGIC PLANNING

GRI 102-31

Our Business and Management Plan (PNG) brings goals and projects to achieve strategic objectives and projections to support decisions related to the business portfolio, with a five-year insight. This plan includes goals and indicators of economic-financial, operational, management and corporate governance, and socio-environmental performance, including the 13 indicators related to the five SDGs prioritized by Eletrosul (7, 8, 9, 13 and 16). Our performance in this regard is highlighted throughout this report.

Based on our PNG, we agreed, with the Holding, the Business Performance Goals Contract (CMDE). Both documents are approved by the Executive Board and the Board of Directors of Eletrosul, which also has the responsibility to continuously monitor their performance.

The PNG is annually updated based on the Business and Management Master Plan (PDNG) created by the Holding, which is an offshoot of the Strategic Planof the Eletrobras Companies, which brings together the guidelines, objectives and strategies that should guide the Eletrobras companies' operation over a 15-year horizon, based on trends, risks and uncertainties related to their operations. In 2020, Eletrobras will launch its new Strategic Plan, for the 2020-2035 cycle.

Guidelines for Action: Strategic objectives of the Eletrobras Companies Strategic Plan 2015-2030

SUPERIOR FINANCIAL AND ECONOMIC PERFORMANCE	Ensuring adequate return on investments and activities			Ensuring the financial sustainability of the Eletrobras System		
EXPANSION SUSTAINABILITY	Expanding the electricity GT business in a competitive and profitable manner	Selectively expanding international operations in GT. aligned with the business of make up	Intensifying the integrated performance in PDI to measure its contribution to the results of the Eletrobras System	OPERATIONAL EFFICIENCY	Improving the competitive and profitable GTD electricity business in a competitive and profitable manner	Minimizing internal and external institutional ties to ensure performance in competitive conditions
PEOPLE EXCELLENCE AND EXCELLENCE CULTURE	Attracting, developing and retaining talent for the Eletrobras System			Adapting the people management processes to the new business and organizational management model of the Eletrobras System		
READJUSTMENT OF THE BUSINESS MODEL GOVERNANCE AND MANAGEMENT	Implementing a new business and organizational management model that guarantees an integrated, profitable and competitive performance	Improving corporate governance based on best market practices	Improving business management, share and partnerships	Ensuring that ventures are vectors of sustainable development for their surrounding areas	Enhancing the Eletrobras Sys-tem's reputation, credibility and trust with its employees, the market and society	

PNG 2019-2023

In 2019, PNG 2019-2023 fulfilled its strategic ambition and achieved significant results, as described below:

STRATEGIC GUIDELINE	INDICATOR	DIRECTION	RESULT 2018	RESULT 2019	GOAL 2019	STRATEGIC OBJECTIVES	MAIN ACHIEVEMENTS	STAKEHOLDERS INVOLVED
PROFITABLE GROWTH Growing in a sustainable manner, thus guaranteeing the company's profitability and value.	Total GHG/ROL emissions	↓	0.056	0.056	0.070	○ Increasing profitability in the electricity business. ○ Expanding the G&T business in a sustainable manner.	○ In 2019, Eletrosul invested more than R$ 5 million in research and development.; ○ In 2019, we invested R$ 27.8 million in the expansion and infrastructure of the transmission system in the South Region and the state of Mato Grosso do Sul, in addition to R$ 12.6 million in reinforcements and improvements.	○ Government; ○ Employees; ○ Society; ○ Communities; ○ Financiers; ○ Partners; ○ Suppliers; ○ Shareholders / Investors / Financiers; ○ Clients; ○ Regulatory bodies; ○ Sponsored.
SUSTAINABLE PERFORMANCE Being recognized as a socially, environmentally and financially responsible G&T company.	Net Debt/ Adjusted Ebitda	↓	3.20	1.7	3.95	○ Optimizing the level of indebtedness reaching international standards.	○ net debt was reduced by 25%, compared to 2018; ○ value formation of R$ 1,387 million.	○ Government; ○ Employees; ○ Society; ○ Communities; ○ Financiers; ○ Partners; ○ Suppliers; ○ Shareholders / Investors / Financiers; ○ Clients; ○ Regulatory bodies; ○ Sponsored.

STRATEGIC GUIDELINE	INDICATOR	DIRECTION	RESULT 2018	RESULT 2019	GOAL 2019	STRATEGIC OBJECTIVES	MAIN ACHIEVEMENTS	STAKEHOLDERS INVOLVED
PROFESSIONAL EXCELLENCE Seeking operational excellence all over the value chain	DISPOLT	↑	99.94	99.97	99.84	○ Adjusting the operating and corporate costs structure of Eletrobras companies.	○ 1.9% reduction in personnel, materials and services expenses, compared to 2018, mainly due to the Consensual Dismissal Plans (PDC); ○ In 2019, we concluded ProERP, the ERP SAP Implementation Program (integrated business management system) in a Single Instance at Eletrobras companies; ○ CGTEE and Eletrosul Incorporation in January 2020.	○ Government; ○ Employees; ○ Society; ○ Financiers; ○ Partners; ○ Suppliers; ○ Shareholders / Investors / Financiers; ○ Clients; ○ Regulatory bodies; ○ Sponsored.
IMPROVING CORPORATE GOVERNANCE AND INTEGRITY Strengthening internal controls and corporate governance, ensuring business integrity.	IG-Sest performance.	↑	8.21	9.75	8.20	○ Improving internal controls and risk management by promoting transparency and reliability. ○ Strengthening Eletrobras business integrity.	○ Level 1 Certification of the Governance Indicator (IG-Sest); ○ Risk Management Policy and Risk Map; ○ Approval of the new risk management policy and risk map by the Administrative Council; ○ 100% of the members of our corporate governance bodies and employees were informed about the anti-corruption policies and procedures adopted by Eletrosul; ○ 100% of our business partners were made aware of the Eletrobras companies' Compliance Program	○ Government; ○ Society; ○ Financiers; ○ Partners; ○ Suppliers; ○ Shareholders / Investors / Financiers; ○ Clients; ○ Regulatory bodies;
PEOPLE VALUATION Developing and strengthening technical and technological skills, valuing employees and fostering a culture of results.	Frequency of accidents (with leave – own employees)	↓	6.13	1.9	3.70	○ Fostering a culture of high performance, knowledge management and promote recognition. ○ Promoting safety and well-being for employees.	○ Renegotiation of the Collective Labor Agreement (ACT); ○ New People Management Regulation; ○ Reduced accident frequency compared to 2018, having reached the lowest rate in our history.	○ Employees; ○ Society; ○ Financiers; ○ Partners; ○ Suppliers; ○ Shareholders / Investors / Financiers; ○ Sindicatos.

PDNG 2020-2024

Knowledge and innovation will be the engines of the economy worldwide, which will, along with society, undergo an extensive digitalization. There will be changes in consumption patterns and a greater role for customers in interactions with companies. Environmentally, climate changes and alterations in rainfall patterns, in addition to the need to reduce impacts on the environment, will lead to the expansion of the low carbon economy. The strong expansion in the need for electricity will be accompanied by a change in the demand profile.

In Brazil, the expansion in demand for electricity will bring an accelerated demographic transition, spatial reconfiguration of economic activity and growth in medium-sized cities. Following these trends, the electricity sector should adjust its model, expand the energy transmission system, speed up technological changes, multiply and reposition players, expand distributed generation, reduce critical input costs and achieve systemic gains with energy efficiency.

In Brazil, the expansion in demand for electricity will bring an accelerated demographic transition, spatial reconfiguration of economic activity and growth in medium-sized cities.

This scenario has guided the guidelines of the 2020-2024 PDNG, which brings a new purpose and vision of the future in relation to the previous cycle, in addition to new indicators and targets for Eletrobras companies.

With the unification of the operations of Eletrosul and Companhia de Geração Térmica de Energia Eletrica (CGTEE) – see Message from the Management on page 12 – PNG 2020-2024 was deployed in projects and goals for the new company resulting from this process, namely CGT Eletrosul.

MANAGEMENT

SDG 9

In 2019, we concluded ProERP, the ERP SAP Implementation Program (integrated business management system) in a Single Instance at Eletrobras companies. With the new system, we obtained gains such as:

- optimization of the Shared Services Center (CSC) operation;
- greater agility in making business decisions through access to reliable information, in real time;
- improvement of control in the physical and financial monitoring of projects;
- guarantee of transparency and traceability for corporate information;
- mitigation of problems and material weaknesses found in SOX audits; and
- access to information, consolidation and comparison of results of Eletrobras companies in a timely and reliable manner.

The Shared Services Center was established as determined by the Eletrobras PDNG with the objective of centralizing the transactional and support activities of its companies, such as finance, accounting, human resources, supplies, information technology, legal, logistics, infrastructure and general services. The Southern Unit of this structure has been operating since May 2018.

Supplier management

GRI 102-9, 408-1, 409-1, 412-3

At the end of 2019, we had 307 suppliers, of which 280 were hired in the year. Of this amount, 17 represented significant investment contracts (asset investment contracts that are approved by the Executive Board), with 100% of them having human rights clauses.

Our supply chain is mainly formed by service providers, manufacturers of electromechanical equipment and electrical materials, telecommunications and information technology, contractors, consultancy, surveillance, cleaning and conservation.

Suppliers' profile

Hired suppliers	280
Amount hired (R$)	293,217,217
Total suppliers (estimated)[1]	307
Purchases made from local suppliers (R$)	202,722,683
Percentage of purchases made with local suppliers	69%

Note: 1. It includes all types of purchases made and contracts signed in 2019.

The selection of suppliers is aligned with the Supply Logistics Policy, that guides business by internationally recognized management practices. The Policy has three guidelines linked to sustainability: promoting sustainable purchases; encouraging the implementation of good practices; and supporting contracts that seek to reduce the generation of waste, the emission of greenhouse gases, the consumption of energy and water and the use of products that are toxic to the environment.

Additionally, since April 2018, all contracts and acquisitions of Eletrobras companies have been formalized based on the new Bids and Contracts Regulation, whose guidelines fit the provisions of Act 13,303/2016 (State-Owned Law). The document also guides the assessment of the supplier's corporate integrity, from the hiring process to contract execution.

For more information on the management contracts signed and how they are integrated into the value generated by Eletrosul, visit the following links:

Notices, purchases, signed contracts and accountability;

List of management contracts that can be referred to every year.

Information technology management

SDG 9

Digital transformation

GRI 103-1, 103-2, 103-3

Digital transformation is a strategic theme, but a new one for Eletrosul, which is structuring a dedicated area, as Eletrobras has done. The duties of the new area encompass defining the digital strategy; adhering to agile practices for managing and developing critical capacities as well as assessing and adopting technologies that enable a better return on investment.

The Eletrobras Digital program for digitalization actions is also being developed. These initiatives will be guided by the Eletrobras Companies Information Security Policy, the General Data Protection Law (LGPD) and the Regulations for the Integrated Management of Information Technology Demands by Eletrobras Companies.

The main actions of 2019 in the digital transformation area were the implementation of SAP ERP in all companies; the implementation of integrated management of information technology demands across Eletrobras; and the specification of a joint purchase of integrated solutions for selling energy, legal solutions, data storage (cloud), corporate mobility for travel and expenses, among others.

Cybersecurity

GRI 103-1, 103-2 | SDG 7, SDG 9, SDG 11 and SDG 13

Information security is the focus of the federal government, which created the National Cybersecurity Strategy (E-Cyber) . In parallel to this movement, the National Electric Energy Agency (Aneel) is creating a Cybersecurity module to regulate the topic in the energy sector, including the minimum management requirements.

Combating the dangers associated with information security is a priority for risk management in Eletrobras companies, which is a process conducted pursuant to the Risk Management Policy (see page 37) and the Information Security Policy. The Company also adopts the NIST Cybersecurity Framework, a material developed by the National Institute of Standards and Technology, in partnership with the private sector, as a management guide.

2. Learn more on the official website of the Information Security Department, of the Institutional Security Office for the Presidency of the Republic.

Despite the fact that these documents satisfactorily guide the current cyber activities of the Eletrobras companies, the Holding is seeking improvement, in order to adapt to the digital transformation it has been undergoing.

According to the 2019 Information Security Plan, the following actions were taken:

- development and formalization of an adequate information security structure, including the clear definition of roles and responsibilities;
- development of vulnerability management policies and procedures, including remediation;
- development, implementation and execution of the incident response plan (IR);
- development of the sensitive information classification program and adoption of appropriate tools;
- inclusion of the information security theme as part of the corporate risk assessment; and
- development of the information security strategy.

Cybersecurity at Eletrosul

GRI 103-2, 103-3

Eletrosul has been contributing, through a representative, to the group created in 2019 by Eletrobras, aiming to define the management model in its companies. As each subsidiary is inserted in different realities and contexts, it is important to share our vision and needs on the subject.

Internally, we are also expanding discussions in this regard. We already have controls for managing the associated risks, but we must meet the standards intended by the Holding and the regulatory body. In parallel, we are investing in information technology, having spent approximately R$ 8 million in 2019 on contract renewals and the acquisition of data center resources (data processing center). These investments had been predicted in our Information Technology and Automation Master Plan (PDTA), with a three-year plan and aimed at being annually revised, with regular monitoring by the Executive Board.

For 2020, we intend to comply with the PDTA, updating our entire technology site and use licenses. We expect to achieve 100% replacement of the firewalls (information traffic blockers, according to security rules) of the corporate network, finish the technological security planning for the operating network and start the process of deviations analysis and treatment.

Cost management

As a mixed-capital company, Eletrosul follows the accounting rules applicable to Brazilian Corporations, established by Act No. 6,404/76 and subsequent amendments, as well as the Accounting Pronouncements and other guidelines, approved by relevant bodies. As a participant in the electricity sector, it also complies with the standards issued by the National Electricity Agency (Aneel).

In accordance with these standards, we have developed internal controls, which are determined by means of accounting records, as well as by means of accounting accounts defined by the Accounting Manual for the Electric Sector, established by Aneel. The records are made for the main purpose of complying with the regulatory body and accounting standards, but are also used for management purposes.

It is noteworthy that our accounting department does not calculate program costs, as is the case with direct administration, but rather calculates the purpose of which is generating and transmitting power. The result is presented in the Financial Statements (DFs), in an Explanatory Note, with the segregation of information by business segment. To learn more about cost management in the Company, please refer to our DFs and our Annual Accounts Process.

Budget management

The methodology for calculating the legal budget is established by the Coordination and Governance Department of State Companies of the Ministry of Planning, Development and Management, and differs, in some aspects, from the rules of Corporate Accounting. In 2019, we made R$ 1,774 million in Current Expenses, R$ 731 million in Capital Expenditure and R$ 2,777 million in Total Resources. The budgetary limits approved in the Global Expenditure Program and in the Investment Budget were complied with.

With regard to the Pluriannual Plan (PPA), programs and actions were carried out in line with the Company's Strategic Plan, which are described in Annex I (page 107). Click here and learn more about the Eletrosul's Corporate Investments, detailed by program and investment action.

UHE Governandor Jayme Canet Junior. Eletrosul Collection.

Risk, crisis and opportunity management

GRI 102-11, 102-15, 103-1, 103-2, 103-3 | SDG 1, SDG 2, SDG 3, SDG 7, SDG 9, SDG 10, SDG 12, SDG 14, SDG 15

Based on the risk management model of the holding company, we periodically review our risk matrix, with 56 risks mapped for 2019, of which 15 were listed as priorities. Only for risk factors with high and critical indexes was it necessary to develop treatment actions to mitigate the possibility of materialization – the risk events referred to as Financial Statements, SPE Business Management and Transaction Operation were not included in this situation. Learn more about risk events and mitigation actions in Annex II (page 108).

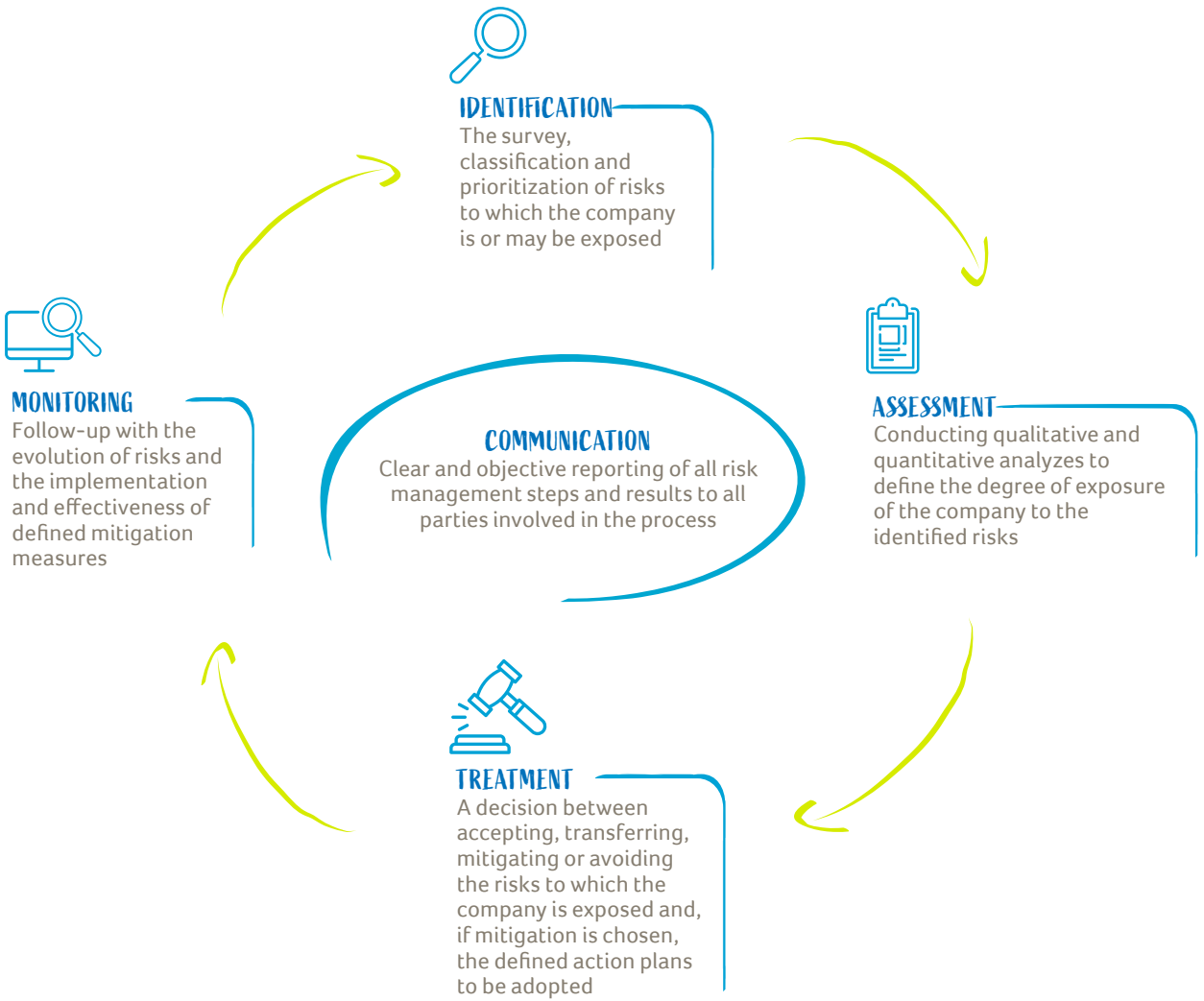
The management of the risk matrix involves assessment, monitoring and analysis integrated with internal controls, including the promotion of actions that foster strategic and operational matters, as well as minimizing the occurrence of events that compromise the achievement of our objectives.

The area responsible for risk management at Eletrosul is that of Compliance, Controls and Risks, linked to the Presidency. Its performance is based on the guidelines described in the Eletrobras Companies Risk Management Policy, whose objective is to guide the processes of identification, assessment, treatment, monitoring and communication of the risks inherent to the activities, forming an overview to support strategic planning and decision-making. The document was developed based on renowned approaches, such as COSO 2013 and ISO 31000:2009. In 2019, it was revised to update materiality and monitor the implementation of the Risk Manager management system, on the SAP platform.

We assess our risk management by analyzing the results of monitoring prioritized risks. Annually, a specific report is submitted to the Executive Board, containing the levels of risk exposure and action plans for mitigation. The results obtained influence strategic decision-making.

Risk management model

GRI 102-29, 102-30, 103-2, 103-3



Main risks

GRI 102-15, 102-29, 102-30

Our risk management process starts from the elaboration of a Risk Matrix, with a survey and description of all events to which the Company is exposed. For those considered critical to the cycle, action plans are defined, which must be carried out by the areas that own each risk. The Matrix is annually revised and approved by the Executive Board and the Administrative Council. The risks considered as priorities are monitored by the Compliance, Controls and Risks area and by the senior management of Eletrosul and Eletrobras.

In 2019, we implemented a new classification methodology, replacing vulnerability versus impact analysis with an assessment that considers impact versus probability. Learn more about risks at the 2019 Management Report.

Summary of the risk matrix

GRI 102-15

COMPLIANCE

- Legislation and Standards
- Report

STRATEGIC

- Business Model
- Governance Corporate
- Market strategy
- Imagem e Reputação

FINANCIAL

- Liquidity
- Investments
- Market
- Credit
- Assets
- Taxes
- Budget

OPERATIONAL

- Generation and Marketing
- Transmission
- Social and environmental
- Supplies
- Legal
- Security Equity
- People management
- Information Technology and Telecommunication (TIC)

Transmission line Barra Grande, Campos Novos. Credit: Felipe Levati Montagnoli.

Dam safety | GRI EU21

All of our projects that have dams – PCH Barra do Rio Chapéu, PCH João Borges, UHE Passo São João and UHE São Domingos – have internal and external contingency plans that address the main risks and include actions in case of environmental accidents or natural disasters. These plans adhere to specific regulatory criteria, stipulated by Aneel, and are made available to the Civil Defense and registered in the National Dam Safety System. Additionally, the Environmental Contingency Policy is being approved for implementation in substations and plants.

Opportunities

The Strategic Plan for Eletrobras Companies 2015-2030 is the basis for our Business and Management Plan and has challenges and opportunities related to our activities. The planning was built based on possible scenarios, elaborated from the analysis of premises focused on six themes: market, competition, regulation, socio-environmental, financial and new technologies.

In addition to building up the scenario with the highest likelihood of occurrence (base scenario), its possible variants were also identified, for which a degree of risk was assigned, classified as high, medium or low, according to the probability of occurrence. To assist in monitoring, the variables that may impact its implementation were also established.

The Administrative Council is responsible for monitoring these impacts, risks and opportunities related to our business, aiming to direct the Company towards competitiveness, integration, efficiency and sustainability.

PCH Barra do Rio Chapéu. Credit: Hermínio Nunes.

Management and sustainability

GRI 103-1, 103-2, 103-3

To expand our potential to contribute to sustainable development, we have aligned our strategy to a series of global social, environmental and economic initiatives. Since 2017, we have included indicators and goals in our Business and Management Plan (PNG) in order to meet the Sustainable Development Goals (SDG), defined by the UN and which have the purpose of promoting national policies and engaging companies from all over the world.

Based on this sustainable management, we also monitor our performance through the indicator of the Corporate Sustainability Index of B3 - Brasil, Bolsa e Balcão (ISE B3), which is inserted in our PNG and we adopted several practices that positively contributed to obtain the following results in 2019:

Indicator	Goal	Result in 2019
Overall performance in ISE (average performance in the dimensions below)	66.50	70.5
ISE –general		81.77
ISE – climate changes		69.15
ISE – environmental		68.30
ISE – social		76.28
ISE – economic		56.80

We take into account social and environmental aspects, from prospecting for new businesses, through implementation, to operation and maintenance – stages that occur in strict compliance with environmental conditions.

Our main guides, in this regard, are the Environmental, Social Responsibility and Sustainability Policy.

Voluntary commitments

We participate voluntarily in a strategic way in organizations focused on promoting sustainability on different topics relevant to the business.

Supported social initiatives

GRI 102-12

- Global Compact;
- Brasil Mulher Project (Women's Project);
- Women's Empowerment Principle;
- National Movement for Citizenship and Solidarity "We Can" – Santa Catarina
- Gender and Ethnicity Pro-Equity Project;
- Santa Catarina's Forum for Ending Violence and Sexual Exploitation of Children and Youth; and
- Memorandum of Understanding between Eletrosul and UNDP (United Nations Development Program).

Supported initiatives of an environmental nature

GRI 102-12

- Position on Carbon Pricing Mechanisms of the IEC (Business Climate Initiative);
- Brazilian Business Commitment on Biodiversity of the Brazilian Business Council for Sustainable Development (CEBDS).

Healthy food project. Eletrosul Collection.

Organizations we have adhered to

GRI 102-13

We have also strategically adhered to sectoral entities and areas related to our business, the main ones being cited below:

Association	Participation level
National Electrical System Operator (ONS)	Vacancy in a governance body
Latin America Telecommunications Services Council (Utilities Telecom Council)	
Brazilian Association of Risk Management (ABGR)	Participation in projects and commissions
Electricity Research Center (Cepel)	
National Union of Self-Management Health Care Institutions (UNIDAS Nacional)	
Business Management Committee Foundation (COGE)	
Brazilian Association of Electricity Production Companies (ABRAGE)	
Brazilian Association of Large Electricity Transmission Companies (ABRATE)	
Brazilian National Committee of the Production and Transmission of Electricity (CIGRÉ Brasil)	
Santa Catarina Association of Electricity Producers (APESC)	Associate
Brazilian Association of Wind Energy Production (ABEEólica)	
Brazilian Committee of the Regional Energy Integration Commission (BRACIER)	
Electricity Trading Chamber (CCEE)	
Electricity Memory Center in Brazil	
Ijuí River Basin Committee	Representation

4 CORPORATE GOVERNANCE AND ETHICS

CORPORATE GOVERNANCE

GRI 102-18, 102-22, 103-1, 103-2 | SDG 16

Our corporate governance is reflected in the Code of Best Corporate Governance Practices, of the Brazilian Institute of Corporate Governance (IBGC).

We operate in accordance with Act No. 6,404/76, with our governance structure composed of the General Shareholders' Meeting, the Administrative Council and the Executive Board.

We have a supervisory body for the performance of senior management, which is the Fiscal Council.

The Statutory Audit and Risks Committee also advises the Board of Directors of Eletrobras companies on issues related to accounting practices, risks and internal controls, legal disputes, compliance, independent auditing and processes and disputes with control bodies (Comptroller General of the Union) and Federal Court of Accounts).

There is also the Internal Audit and the General Ombudsman, linked to the Administrative Council.

We also comply with the rules of the State-Owned Companies Law (Act 13,303) with regard to the criteria for choosing members of senior management bodies.

Diversity of the Administrative Council in 2019

GRI 405-1

- 2 → **INDEPENDENT MEMBERS** out of a total of **7** in the Administrative Council
- 29% → **FEMALE PARTICIPATION** in the Council
- 1 → **EMPLOYEE REPRESENTATIVE**, chosen by their peers in a specific electoral process
- 2 → **ELETROBRAS PROFESSIONALS** (Financial and Investor Relations Officer and Governance, Risk and Compliance Officer)
- 1 → representative from the **MINISTRY OF ECONOMY**

Browse the Corporate Governance section at the institutional website to meet the composition of our Management bodies and their roles.
GRI 102-18, 102-22, 102-26, 102-29

Leadership development and selection

Selection

GRI 102-24

Act 13,303 and its regulation and Decree 8.945 brought new requirements for selecting and qualifying candidates for positions as administrators and fiscal councilors of state-owned companies, which is why we have improved our processes for analyzing the compliance and competence of nominees, in addition to fostering initiatives for enhancing approved executives.

In line with the legislation and our Bylaws, any appointment to positions at the Administration Council, Executive Board and Fiscal Council is previously analyzed by Eletrobras' areas of integrity and governance.

Since 2017, the Eletrobras Management, People and Eligibility Committee has also deliberated on the appointment of senior management and Fiscal Council members of all Eletrobras companies, also promoting and monitoring the adoption of good corporate governance practices related to compensation.

Evaluation

GRI 103-3, 102-28

We carry out an annual performance evaluation of the Executive Board and the Administrative Board, following the criteria set forth in our internal regulations, in order to support the shareholder's decision regarding the renewal of management.

The evaluation procedures were maintained in 2019, including structured interviews, self-assessments and personalized assessments for the chairmen of the Administrative Councils and chief executive officers. Three criteria are considered: competencies, results and body attributions.

Development

GRI 102-27

Our Bylaws establish that managers must participate, both in office and annually, in specific training on corporate law, capital markets and other topics related to the Company's activities. Accordingly, in 2019, in partnership with the Corporate University of the Eletrobras System (Unise), the course entitled "Improvement Program for Advisors and Eletrobras Directors" was promoted.

Leadership remuneration

GRI 102-35, 102-36

According to Brazilian law, the wages of Administrative or Fiscal Advisors in public companies and federal mixed-capital companies cannot exceed the average monthly compensation of directors by 10%. The Administrative Advisors do not receive any additional compensation for participating in Advisory Committees or Commissions of the Board.

The monthly compensation of the Executive Board is approved at the General Shareholders' Meeting, following the guidelines of the State Companies Coordination and Governance Department (Sest). Find out more about the Senior Management compensation at the Administration Report.

The 2019 Annual Variable Compensation Program (RVA) of 2019 can add up to 3 fees plus a bonus of 1.5 fees, if the established criteria are met and is structured based on business goals, agreed between the Administrative Council and the Executive Board and, subsequently formalized with Sest.

The 2019 RVA indicators are as follows:

Corporate Level Indicator (Strategic)	**Weight**
Strategic Alignment Index (CMDE)	20%
Adjusted Net Profit (R$ million)	25%
People, Materials, Services and Other Expenses (PMSO) / Adjusted Net Operating Revenue	20%
Realization of PNG Investment	10%
GHG emissions from the use of fossil fuels in the vehicle fleet	5%
Collegiate Level Indicator	**Weight**
Evaluation of the Collegiate Board by the Administrative Council (CGPAR)	5%
Sest Compliance Indicator	5%
Business Indicator (Tactical-Operational)	**Weight**
Project Success Index - Administrative Board	10%
Project Success Index - Engineering Board	
Project Success Index - Financial Board	
Project Success Index - Operations Board	
Project Success Index - Presidency	

Transmission line Ivaiporã - Salto Santiago. Credit: Danilo Deni Alves.

BUSINESS ETHICS AND INTEGRITY

GRI 102-16, 103-1, 103-2 | SDG 16

The values practiced by Eletrobras companies are defined at PDNG 2020-2024:

- Respect for people and life
- Ethics and Transparency
- Excellence
- Innovation
- Collaboration and recognition

We have policies and procedures to mitigate the actual and potential impacts of risks associated with business ethics and integrity. We have a structure of controls applicable to all employees, suppliers, business partners and members of boards and councils and we maintain a Permanent Ethics Committee, which is responsible for applying the guidelines of the Public Ethics Committee, strengthening the commitments provided for in the Code of Ethical Conduct and Integrity, through educational actions, and to investigate, through complaints or letters, infractions in this sense. The general integrity management is in charge of the Compliance, Control and Risk Advisory, linked to the presidency of Eletrosul.

The commitments set out in these various documents include:

- repudiation of direct or indirect fraud and corruption actions;
- using ethical and sound criteria and mechanisms to establish relationships with third parties;
- transparency in relations with control and inspection bodies;
- integrity of books, records and accounting accounts;
- immediate reporting of ethical and integrity deviations;
- investigation of complaints;
- non-retaliation against whistle-blowers;
- communication of integrity policies; and
- training on the topic targeted at related audiences.

We also have a technical and financial cooperation agreement with the National Forum on Ethics Management in State-owned Companies, which promotes initiatives aimed at the development and strengthening of governmental and business principles of ethics management and the improvement of the relationship of state-owned companies with their various audiences and with society in general.

The main ethics and integrity actions in 2019 were:

- approval of the Anticorruption Policy and the Integrity Guides;
- adherence to the Eletrobras Code of Ethical Conduct and Integrity;
- organization of the 15th Seminar on Ethics Management in State-owned Companies;
- establishment of monitoring indicators for the Integrity Program (ver pág. 52);
- training of nominees by the Company to members of the Fiscal Council and Management of Special Purpose Companies (SPEs);
- awareness of suppliers exposed to the risk of fraud and corruption;
- training of contract managers and inspectors;;
- training of sponsors, agreements and SPE management operators;
- periodic communication on ethics and integrity;
- creation of a third-party integrity risk classification procedure;
- application of distance learning course for employees, directors and advisors; and
- approval of the Conflict of Interest Administration Policy.

In 2019, 94 of our suppliers were assessed for risks related to corruption, equivalent to 94.95% of our critical suppliers (99 in all). The main risks identified were of non-compliance with the Integrity Program, in the relationship with the public sector, in donations to third parties, convictions for fraud and corruption, corporate structure not in compliance with Act 13,303/2016, unethical conduct of legal entities and their staff and risk management by third parties. No corruption cases were confirmed at Eletrosul in 2019.

GRI 205-1, 205-3

Anti-corruption communication and training | GRI 205-2

	Corporate governance bodies	Management-level employees	Higher-level employees	Employees in positions without higher education	Business partners (SPE partners)
Total (members / employees / business partners)	14	103	391	564	7
Total to which the anti-corruption policies and procedures adopted by Eletrobras were communicated	14	103	391	564	7
Percentage to which the anti-corruption policies and procedures adopted by Eletrobras were communicated	100%	100%	100%	100%	100%
Total that received anti-corruption training	14	55	240	315	
Percentage that received the anti-corruption training	100%	53.4%	61.4%	55.9%	

Note: Only members of the corporate governance bodies and employees are subject to anti-corruption training by Eletrosul.

Key policies and standards for promoting business integrity

Code of Ethical Conduct and Integrity

Eletrobras Companies Anti-Corruption Program Manual

Eletrobras Companies Anticorruption Policy

Related Party Transactions Policy

Conflict of Interest Administration Policy

Seminar on Ethics Management in State-Owned Companies

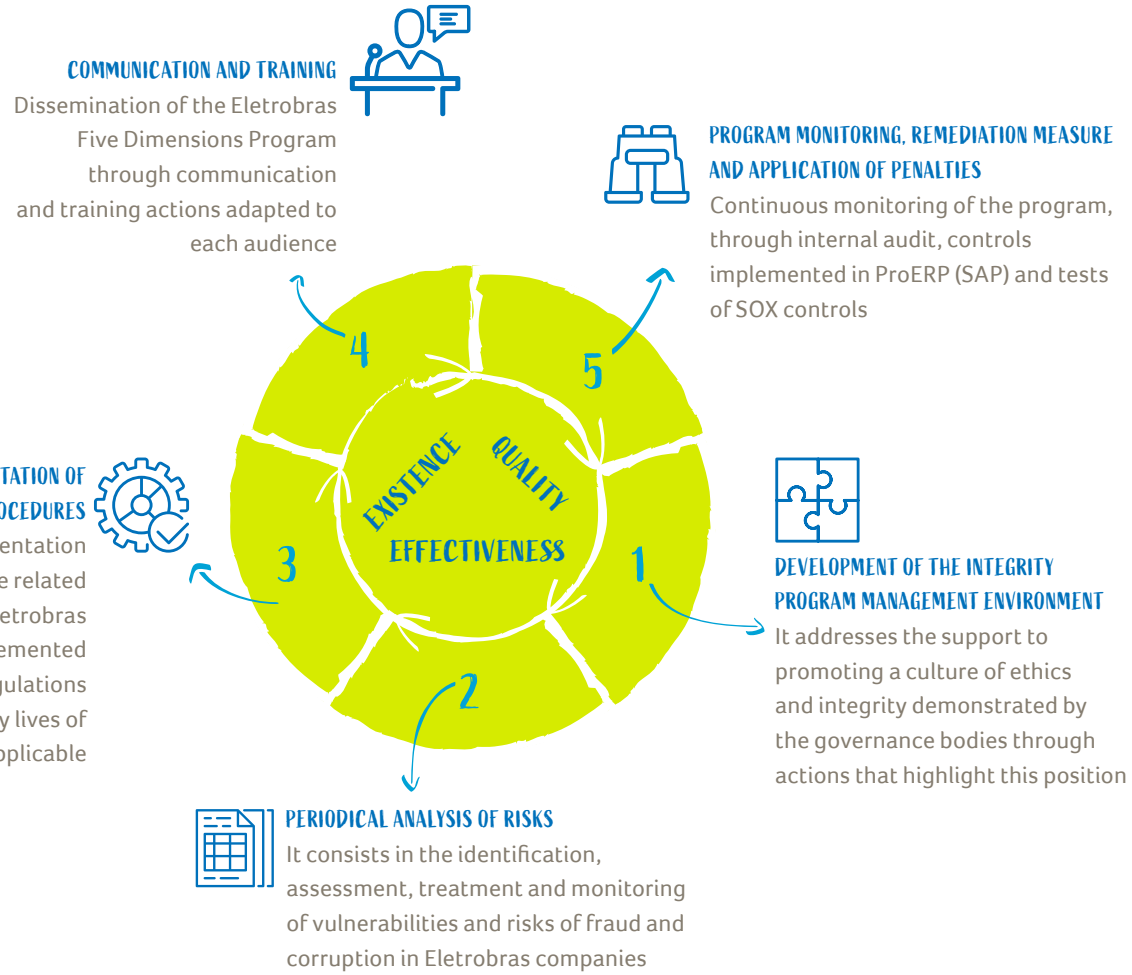
The XV Seminar on Ethics Management in State-Owned Companies took place on May 23 and 24, at our headquarters, in Florianópolis (SC). Under the theme "Citizenship, ethics and education: citizenship within everyone's reach", the relationship between ethics and topics such as democracy, work, human relations, human rights, morals and politics was discussed. The seminar is organized annually by one of the 23 state-owned companies of the Federal Government that are part of the National Forum on Ethics Management in State-owned Companies.

Integrity Program

GRI 102-16, 103-1, 103-2, 103-3 | SDG 16

We follow the Eletrobras Compliance Program, supported by the Executive Board and the Administrative Council. The following image summarizes the guidelines for this initiative.

The five dimensions of the Eletrobras Companies Integrity Program



GRI 103-3

	GOALS 2019	RESULT IN 2019
Critical supplier due diligence - %	70.00	94.95
Suppliers exposed to the risk of fraud and corruption aware of the Eletrobras companies' Compliance Program - %	80.00	73.13
Commercial partners aware of the Eletrobras companies' Integrity Program (Compliance) - %	60.00	100.00
Employees trained in anti-corruption policies and procedures - %	100.00	82.51

Note: a critical supplier is one with exposure to the risk of fraud and corruption.

Click for more information about the Eletrobras Companies Integrity Program

Reporting channels and integrity management

GRI 102-17, 102-21, 102-33, 103-3

General Ombudsman

Impartial and independent body, linked to the Administrative Council, to which internal and external audiences can forward complaints, suggestions, requests, compliments, complaints and demands related to our performance and the services we provide. Each month, the Executive Board and the Administrative Council receive reports of complaints registered by the Ombudsman.

E-mail:
ouvidoria@cgteletrosul.gov.br

Telephones:
0800-648-7822
(48) 3231-7809
(48) 3231-7315

Letter or face-to-face:
Rua Deputado Antônio Edu Vieira, 999 – Bairro Pantanal – Florianópolis (SC)
ZIP CODE: 88.040-901

Permanent Ethics Committee

Independent body responsible for ethics management in the Company, which involves guiding employees and senior management on ethical issues, applying the Code of Ethical Conduct and Integrity, the clarification of questions regarding the interpretation of policies and other regulations, the investigation of conduct in disagreement with ethical standards, through complaints or letters, and the recommendation, monitoring and evaluation of actions to disseminate ethical culture in the Company.

E-mail:
etica@cgteletrosul.gov.br

Unified reporting channel of Eletrobras companies

Available in Portuguese, English and Spanish, 24 hours a day, it is managed by an external and independent company, with guaranteed confidentiality, anonymity and confidentiality. All complaints received are directed to the Integrity System Committee (CSI) – under the coordination of Eletrobras and composed of representatives from all companies –, which performs its investigation, remediation and accountability, when applicable. It is worth noting that all complaints registered by the Ombudsman and Ethics channels are inserted in the unified complaint channel Eletrobras, which is responsible for managing and addressing these complaints.

Electronic e-mail:
www.canaldedenuncias.com.br/eletrobras

Telephone:
0800-377-8037

⑤ CAPITALS PERFORMANCE

FINANCIAL CAPITAL

Financial results

GRI 103-1, 103-2, 103-3 | SDG 7, SDG 8, SDG 9, SDG 16

Ensuring good economic performance is essential to guarantee the fulfillment of Eletrosul's objectives and longevity. One of the most important points in this process is liquidity management. Negative impacts, such as those related to decisions to allocate financial resources, or even hidden liabilities, can lead to a decrease in investment capacity and restrictions on liquid resources. The inability to pay the obligations is one of the main risks to the continuity of a company's operation and can generate events of great loss of value, such as sale of assets below the fair price, accumulation of financial expenses resulting from the raising of emergency funds, among others.

Future scenarios, which include potential positive and negative impacts, are evaluated by projections of results and cash flow in order to support our decision-making process. This flow, accompanied by the Business and Management Plan (PNG) – both drawn up annually – guides assessments of financial performance by governance bodies.

Future scenarios, which include potential positive and negative impacts, are evaluated by projections of results and cash flow in order to support our decision-making process. This flow, accompanied by the Business and Management Plan (PNG) – both drawn up annually – guides assessments of financial performance by governance bodies.

The management of economic performance is the responsibility of the Financial Department, however, as it is a cross-cutting theme, it is monitored by several areas. The economic result is determined by Accounting and shown in the Financial Statements. Investment management and monitoring are carried out by the Investment and Business Committee and by the Company's Executive Board. The analysis of adherence to projections versus what has been done is up to the Planning and Controllership area.

Financial indicators and targets are included in our PNG, including those in our Goals and Business Performance Agreement.

With regard to economic and financial performance, since 2017, based on the guidelines provided for in the Business and Management Master Plan (PDNG) and in the PNG, we made business decisions that positively influenced our results. That year, we transferred equity interests in wind-driven Special Purpose Entities (SPEs) to Eletrobras, reducing our debt to the Holding, and in 2018, we transferred interests in transmission SPEs.

As for the year of 2019, we sold the control in SPE Paraíso to JAAC Materiais e Serviços de Engenharia Ltda.

Accordingly, we have acted in recent years, mainly to reduce our debt ratio, shown in our financial result, which presented a net expense of R$ 210 million, with a 5.8% reduction, compared to 2018. This result is basically influenced by the reduction in financial expenses, mainly due to the amortization of debts.

As shown in the table below, our equity situation in 2019 remained stable when compared to the previous year. On the other hand, it is clear that the net debt was reduced by 25%, mainly due to amortizations. There was also a reduction in Personnel, Materials and Services expenses, mainly due to the Consensual Dismissal Plans (PDC) of 2018 and 2019. The calculation of Equity had practically no change in the year, compared to 2018.

R$ million	2017	2018[1]	2019	Variation (%) 2019/2018
Total assets	10,274	10,671	10,305	(3.4%)
Net worth	5,964	6,027	6,030	0.0%
Net debt	2,451	2,326	1,745	(25.0%)
Net operating revenue (ROL)	2,083	2,043	2,157	5.6%
ROL, adjusted[2]	1.726	1.781	1.880	5,6%
Net profit	347	125	168	34,3%
Ebitda[3]	742	484	776	60,3%
Personnel, Materials and Services (PMS)	554	514	504	(1.9%)

Notes: 1.Reclassified.
2.Excluding the effects of Act 12,783/2013 (RBSE) and Construction Revenue.
3.Ebitda adjusted for non-recurring items and effects of Act 12,783/2013 (RBSE).

The table below shows the formation of an amount of R$ 1,387 million, 19.4% lower than 2018, mainly due to the provisions for litigation and provisions for investment losses. In the distribution of value, it is shown how much the company has distributed to its main stakeholders.

R$ million		2017	2018	2019	2019	Variation (%) 2019/2018
Training	Revenue	2,883	2,791	2,510		(10.1%)
	(-) Inputs purchased from third parties	883	626	773		23.5%
	(-) Depreciation and amortization	170	150	159		6.0%
	(+) Added value received on transfer	188	(295)	(191)		(35.3%)
Added value | GRI 201-1 | SDG 8		2,018	1,720	1,387		(19.4%)
Distribution	Personnel	485	419	439		4.8%
	Government	520	667	485		(27.3%)
	Financiers	637	304	295		(3.0%)
	Shareholders	376	330	168		(49.1%)

The other financial results can be referred to in the 2019 Eletrosul Administration Report. It should be noted that the Financial Statements contained in this document are verified by independent auditors.

MANUFACTURED CAPITAL

Operation and power supply

GRI 103-1, 103-2, 103-3 | SDG 3, SDG 7, SDG 8, SDG 9,SDG 11, ODS 12, SDG 13

We are committed to being a sustainable and competitive company, with a standard of excellence in the generation and transmission of energy. Hence, we need to balance the economic, environmental and social aspects of the projects, promoting respect for human rights, contributing to the development of the country and the communities where we operate, and ensuring the availability and quality of the essential resources for business continuity.

Our ability to continue generating value for society and the environment is related to the continuous promotion of Research & Development and Innovation (R&D+I) in our business, with a focus on clean energy generation (ver pág. 53). NOur policies, strategies and guidelines foster research aimed at new sources of generation, as well as new technologies in the generation and transmission areas, which meet the demands of quality services in the market and society.

The planning of the electric energy sector in Brazil is the responsibility of the Ministry of Mines and Energy (MME) and the Energy Research Company (EPE), with the support of the National System Operator (ONS). Electricity sector companies provide information relevant to the process, but do not determine the size of demand and how to meet it. Companies – as established in the strategic planning – are responsible for bidding aiming at new generation or transmission concessions, requesting authorization for building new plants, or obtaining authorization to expand existing transmission concessions. Once holders of the concessions, these organizations must guarantee the supply of energy in the quantity determined by regulatory bodies and as provided for in the contract, being subject to penalties in case of noncompliance.

To this end, we follow a standard of excellence in the generation and transmission of energy, as well as in the maintenance processes of our system, which are continuous and carried out according to procedures optimized and standardized by the Company's engineering areas. An example is intervention practices without having to disconnect our lines, using potential intervention techniques, that is, live lines. We also mention, as a standard of excellence, the real-time operation performed through the Regional Facilities Operation Centers and coordinated by our Electric System Operation Center, based in Florianópolis. The technology allowed the implantation of these centers, which perform the remote operation of several installations (substations and transmission lines), each in a specific area of Eletrosul's interconnected systel.

Another relevant point to guarantee the supply of energy with excellence is the monitoring of our business projects. To ensure increasingly efficient projects, we have included in our 2019-2023 Business and Management Plan the Project Management Maturity Index indicator, whose goal in 2019 was 2.60% – our performance was 10.77% higher, reaching to 2.88%.

Generation

GRI 102-2, 103-3, EU6

Generation ventures in commercial operation total 11 own plants, 1 in consortium and 3 in partnership through Special Purpose Entities (SPEs), as shown in the table below:

Plant GRI EU1	Installed Power (MW)	Installed Power in Commercial Operation (MW)	Physical Guarantee (Average MW)	Property (%)	Installed Power (MW) Proportional	Physical Guarantee (Average MW) Proportional	Commercial Operation Begins	Grant Expiration
Corporate	661.2	661.2	349.0	-	476.0	248.2	-	-
UHE Passo São João	77.0	77.0	41.1	100.0	77.0	41.1	Mar/12	Aug/41
UHE Governador Jayme Canet Júnior (Cruzeiro do Sul Consortium)	363.1	363.1	197.7	49.0	177.9	96.9	Nov/12	Jul/42
UHE São Domingos	48.0	48.0	36.4	100.0	48.0	36.4	Jun/13	Dec/37
PCH Barra do Rio Chapéu	15.2	15.2	8.6	100.0	15.2	8.6	Feb/13	May/34
PCH João Borges	19.0	19.0	10.1	100.0	19.0	10.1	Jul/13	Dec/35
Eólica Cerro Chato I	30.0	30.0	11.3	100.0	30.0	11.3	Jan/12	Aug/45
Eólica Cerro Chato II	30.0	30.0	11.3	100.0	30.0	11.3	Aug/11	Aug/45
Eólica Cerro Chato III	30.0	30.0	11.3	100.0	30.0	11.3	Jun/11	Aug/45
Eólica Coxilha Seca	30.0	30.0	13.2	100.0	30.0	13.2	Dec/15	May/49
Eólica Capão do Inglês	10.0	10.0	4.5	100.0	10.0	4.5	Dec/15	May/49
Eólica Galpões	8.0	8.0	3.5	100.0	8.0	3.5	Dec/15	May/49
Megawatt Solar	0.9	0.9	Not applicable	100.0	0.9	Not applicable	Sep/14	Not applicable
SPEs	5,649.2	5,595.2	3,156.4	-	1,219.56	682.0	-	-
UHE Jirau	3,750.0	3,750.0	2,214.0	20.0	750.0	442.8	Sep/13	Aug/43
UHE Teles Pires	1,820	1,820	930.7	24.72	449.9	230.07	Nov/15	Jun/46
Livramento holding	79.2	25.2	11.7	78.0	19.66	9.13	Aug/15	Mar/47
Total	6,310.40	6,256.40	3,505.4	-	1,695.56	930.2	-	-

GRI 102-6

We trade energy in the Free Contracting (ACL) and Regulated (ACR) Environments, the latter being the environment where the Passo São João, Jayme Canet Júnior, São Domingos, Cerro Chato Wind Complex and about 65% of the Surroundings II (Coxilha Seca, Capão do Inglês and Warehouses). In the ACL, energy from the Barra do Rio Chapéu and João Borges Small Hydroelectric Plants and the MW Solar plant are traded, as well as the non-committed energy in the ACR of the Entorno II Wind Complex. In addition to our own ventures, we purchase energy from SPEs of which we are partners. This energy is fully negotiated in the ACL.

For the maintenance of existing plants, we follow a specific policy, which is based on operational continuity, availability, productivity and asset security. We carry out a careful preventive, predictive and corrective maintenance routine, based on the operating roles of the plant equipment, considering its level of importance. System shutdowns under our responsibility are subject to detailed assessments, which include the performance of the equipment, the protection system and the operation and maintenance procedures.

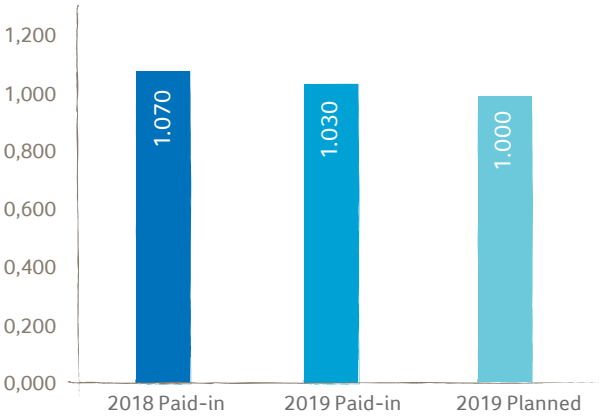
We have professionals to meet on-site maintenance demands and centralized maintenance engineering to take care of the standardization, programming, analysis and technical support for field teams. The activities are carried out based on internal rules and technical regulatory rules.

UHE São Domingos drone view. Credit: Luciano Augusto Martinhago.

We have professionals to meet on-site maintenance demands and centralized maintenance engineering to take care of the standardization, programming, analysis and technical support for field teams. The activities are carried out based on internal rules and technical regulatory rules. Contingency plans and medical records provide support and security, as they define what actions to take to restore the generation and transmission roles in the shortest possible time.

In order to continue guaranteeing our excellent performance, we monitor, through our 2019-2023 Business and Management Plan, the Relative Generation Availability indicator (DISPGR) which, in 2019, had a target of 1.00%, against a final result of 1.03%, that is, a positive performance of 3.00%.

Relative generation availability in % | GRI EU30



The variation in net energy generation is due to the characteristics of hydroelectric, wind and solar production, dependent on uncontrollable factors, such as flows, winds and the incidence of the sun. In 2019, the good occurrence of winds resulted in increased generation at wind plants. On the other hand, the adverse hydrological scenario resulted in reduced production by Eletrosul's hydroelectric plants. The generation data is captured by the plants' meters, which are connected to the Electric Energy Trading Chamber (CCEE) through the Energy Data Collection System (SCDE).

Net generation by source (MWh) | GRI EU2

	2018	%	2019	%
Solar	1,250.80	0.10%	1,202.23	0.06%
Wind	472,655.90	21.20%	488,345.60	23.71%
Hydro	1,754,350.80	78.70%	1,570,492.70	76.24%
Total	**2,228,257.50**		**2,060,040.53**	**100**

Note: The Relative Generation Availability - DISPGR compares the verified generation availability of the generating units in 12 months with the reference generation availability set by the regulator.

Transmission

GRI 102-2, 102-6, EU4, EU30

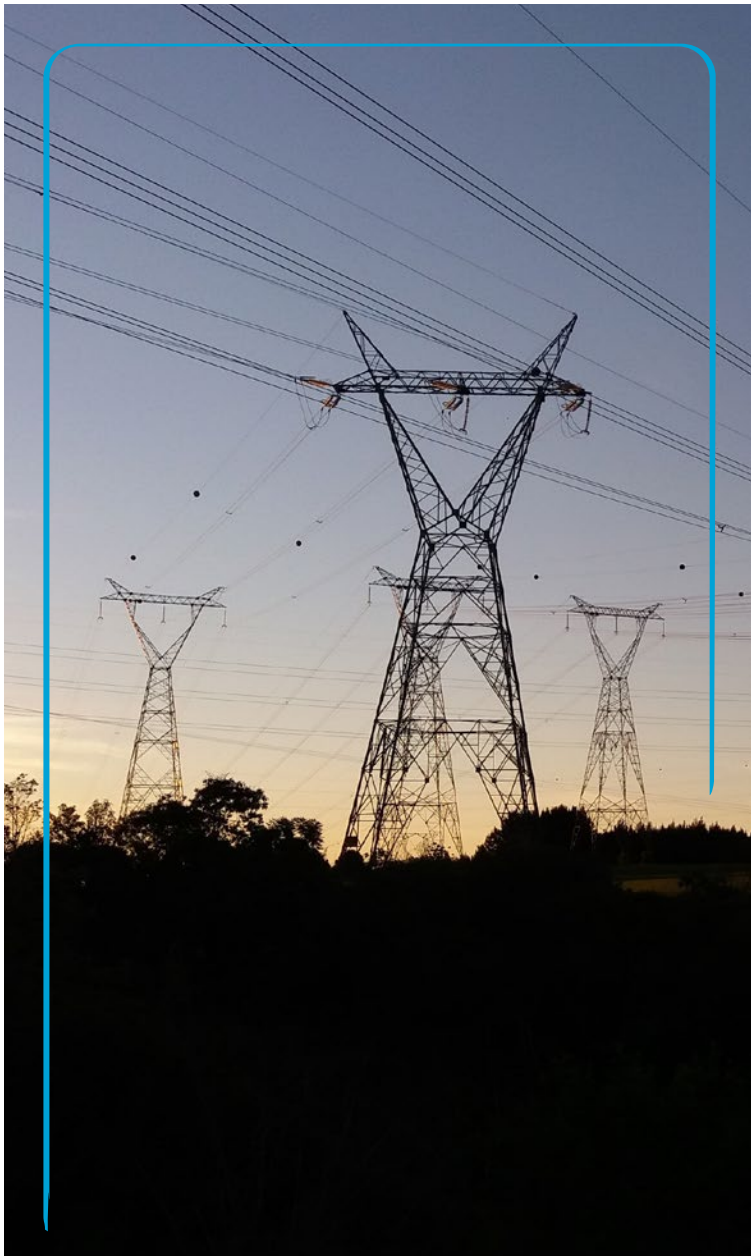
At the end of 2019, our transmission network totaled 12,243.55 kilometers of transmission lines, 44 substations and a frequency converter. During the year, we invested R$ 27.8 million in the expansion and infrastructure of the transmission system in the South Region and the state of Mato Grosso do Sul, in addition to R$ 12.6 million in reinforcements and improvements. Of the projects in progress or about to start, in December 2019, we had already completed and energized the Transmission System Connection Contract (CCT - SE Itajaí 230/138 kV - EXPANSION "F") and the Aneel Authorization of foundation adequacy for the 230 kV LT Jorge Lacerda B - Palhoça - REA 7,759/2019. The remaining facilities must be completed within the deadlines established by the regulatory agency.

The reinforcements and improvements were made to meet the needs established in Aneel's Authorizing Resolutions and in our Facilities Modernization Plan (PMI). We focus on offering greater availability, reliability and flexibility to our system, giving more security to the provision of the public service of electric power transmission and in the restoration of the system in case of failures.

In compliance with Normative Resolution No. 729/2016, we met the requirements for compliance with Variable Portion (PV), which consists, in general, in the payment of amounts on the system unavailability. To this end, we monitored the performance of the variable portion, having set a target of 1.5% PV in 2019, which we exceeded, reaching 1.96%.

Due to the geographical characteristics of where most of our facilities are located – sparsely or uninhabited locations, in the midst of forests and embedded in mountains –, we face relevant environmental, climatic and meteorological challenges to ensure supply availability and reliability.

Even so, our rates reach or exceed those agreed with Aneel – in 2019, we registered an operational availability of transmission lines (DISPOLT) of 99.97%. The availability achieved exceeds the goal of 99.84% estimated in the Business and Management Plan (PNG) 2019-2023 by 13.00%.



Transmission line Barra Grande, Campos Novos. Credit: Felipe Levati Montagnoli

Telecommunications

We have an extensive digital telecommunications system that covers all of our facilities, through which strategic information essential to the operation and maintenance of our electricity generation and transmission assets travels. This system consists of 16,541 kilometers of optical fibers – of which 4,302 kilometers are owned and 12,239 kilometers come from swaps with other companies –, 60 DWDM stations, 76 SDH stations and 46 radio stations, covering the states of Rio Grande do Sul , Santa Catarina, Paraná, Mato Grosso do Sul and São Paulo.

The entire structure supports data and information transport technologies, enabling integration between the administrative, business, operational and maintenance areas, as well as with other Eletrobras companies, the National Electric System Operator (ONS) and the Electric Energy Chamber of Commerce (CCEE), among others.

The system can also be used for the sale of telecommunications services, as we have authorization from the National Telecommunications Agency (Anatel). Currently, the excess capacity is sold in the Communication and Multimedia System (SCM) modality for companies in the electricity sector. We also serve internet service providers, telecommunications companies, the federal government and other interested parties through a technical-operational and commercial partnership agreement with Telebras. At the end of 2019, we had 10 customers in the electricity sector and approximately 80 customers in the Eletrosul and Telebras partnership.

Onset of the partnership with RNP

The execution of the technical cooperation partnership signed with the National Education and Research Network (RNP) for telecommunications infrastructure sharing started in June. A high-capacity infrastructure will be implemented to meet so many of Eletrosul's needs – modernizing and expanding its current power transmission network control system – as for RNP's operations, which provide connectivity to public research and higher education institutions and technological development in the four states where the Company operates.

The project was divided into five stages, the first of which, connecting 14 Eletrosul substations between Curitiba (PR) and Gravataí (RS), is still being implemented. The following phases will extend through the Curitiba – Gravataí ring; through the Blumenau – Passo Fundo – Caxias redundancy circuit; by Passo Fundo – Santo Ângelo – Nova Santa Rita; and, lastly, Campo Grande, Sant'Ana do Livramento and Santa Vitória do Palmar. In total, there will be 8,374 fiber optic kilometers activated and 50 connected substations from Eletrosul and other concessionaires, with their completion scheduled for 2022.

INTELLECTUAL CAPITAL

P&D and Innovation

GRI 103-1, 103-2, 103-3, EU8 | SDG 7, SDG 9

We believe that investments in R&D and Innovation (R&D+I) add value for the company, for society and for the environment and, for this reason, in 2020, we will make new contributions in this sense.

Our policies, strategies and guidelines foster researches aimed at new sources of electric power generation, as well as for the development of innovative technologies in the areas of generation and transmission, which meet the demands for quality services in the market and society. To this end, we follow the provisions of Research, Development and Innovation Policy (R&D+I), which should be modernized due to the review of the assessment processes for new projects at Eletrobras companies. The idea is to prioritize closer ties with the company's strategies, selecting those projects that can result in intellectual and industrial property, new business, increased revenues and reduced costs.

Currently, Eletrosul has a patent and another 14 orders

By the end of 2019, all R&D+I initiatives underway at Eletrosul had been financed with Aneel funds. To change this situation, we are working on expanding the Company's R&D+I team, developing an internal intellectual property standard and also on the access of our employees to the topic through a digital ideas bank, in which they can insert project/ideas proposals.

Investment in Research & Development + Innovation / Regulatory Net Operating Revenue - %

2019 R&D investment | GRI EU8

(in R$ million)

Generation and transmission technologies	61,363
Renewable energy	5,017,876
Total	**5,079,240**

Biogas power generation project

The Aneel 14/2012 Strategic R&D project aims to develop technologies for generating energy from biogas from swine manure. This initiative is in line with Sustainable Development Goal 7, which aims to ensure reliable, sustainable, modern and affordable access to energy for all, in addition to enhancing service to other SDGs.

The works have progressed so that the expectation is to complete them by the end of the year 2020, putting the mini thermoelectric power generation plant into operation. With an installed capacity of 480 kVA, the facility is supplied by biogas produced by 10 swine farms in the Linha Santa Fé Baixa community, in Itapiranga (SC).

The energy generated will be injected into the network of the local distributor (Celesc) and will assist in the swine farmers' demand for an electric energy compensation system, in a plant that should operate eight hours a day and during peak hours.

The mini thermoelectric plant is part of a project developed to deepen research in the area and contribute to the advancement of the energy use of biomass in Brazil. Through the study of the business model, we will analyze the alternatives for the continuity of the plant's operation after the conclusion of the project, with the possibility of selling the surplus generated and the creation of an agroenergetic association/cooperative/condominium among the swine farmers.

The energy generated will be injected into the network of the local distributor (Celesc) and will assist in the swine farmers' demand for an electric energy compensation system, in a plant that should operate eight hours a day and during peak hours.

Energy Transition

GRI 103-1, 103-2, 103-3 | SDG 1, SDG 2, SDG 3, SDG 7, SDG 8, SDG 9, SDG 11, SDG 12, SDG 13, SDG 14, SDG 15

The Brazilian energy matrix is already essentially renewable, being composed mainly of hydroelectric plants. The search for alternative generation, however, is a premise of the energy plans of the Ministry of Mines and Energy. Sources such as wind and solar are receiving more and more contributions and gradually increasing their participation in the national energy matrix. The 2029[1] Ten-Year Energy Expansion Plan, for example, projects for 2023 an offer of solar energy of 1 thousand MW and wind energy of 3 thousand MW, and an increase of these values to 7 thousand MW and 21 thousand MW respectively until 2029.

The very Eletrobras Companies Environmental Policy recommends the use of renewable sources in expanding the supply. We are aligned with this movement and devote resources especially to research and the development of new forms of generation based on renewable and cleaner sources. Learn about the initiatives in this sense on pages 63 e 64.

We intend to expand our generation portfolio with the acquisition or implementation of new hydro and wind power plants. The 2020-2024 business and management plan estimates the development of 1 MW of hydroelectric generation compared to 366 MW of wind generation.

Share of clean energy sources (solar, wind, hydraulic, nuclear) in the company's electrical matrix - %

Wind Complex Cerro Chato. Credit: Vanderlei Tecchio.

SOCIAL AND RELATIONSHIP CAPITAL

Stakeholder groups and topics of interest

GRI 102-42, 201-42 | SDG 11, SDG 16

Our stakeholders are part of the main inputs of the value generation chain, being key for defining the Materiality Matrix. The identification and selection of these audiences takes place carefully and in line with the business strategy and the Eletrobras Companies Code of Ethics.

Eletrosul maintains a permanent dialogue with its stakeholders and, for each one of them, promotes differentiated communication, aiming to strengthen the relationships, each one with their specificities.

The Communication and Engagement Policy with Stakeholders of Eletrobras Companies guides this relationship. All stakeholders have access to the company's website and social networks. We also carry out campaigns in newspapers and TV frequently as a form of mass dissemination. We also provide the Management Report and the Annual Report so that interested parties can monitor our performance, in addition to the Ombudsman Channel. (See contact details on page 53).

Eletrosul maintains a permanent dialogue with its stakeholders and, for each one of them, promotes differentiated communication, aiming to strengthen the relationships, each one with their specificities.

Stakeholder | GRI 102-40, 102-43	**Engagement**	**Frequency/Periodicity**
Internal audience	Internal communication channels with the workforce such as Corporate TV, Learn More, e-mails, meetings, face-to-face meetings (employees, outsourced workers, interns and young apprentices)	Whenever necessary
	Awareness on Ethics and Integrity issues	Annual
	Atmosphere Survey	Biannual
Clients	Customer Satisfaction Survey	Biannual
	Meetings and customer service	Continuous action
Shareholders	Administrative Council Meetings	Monthly
Community/Society	Casa Aberta (Open House Program), with the participation of schools located in the surroundings of our projects	Continuous action
	Today is Jazz Bebê (Baby Jazz) Day, which is an event held in a public space for the whole society)	One-off action
	Support through resources obtained through tax incentives, Rouanet Act and other resources for cultural events	Continuous action
	Conhecendo a Eletrosul (Getting to know Eletrosul) Program	Continuous action
Community	Public Hearings	Whenever necessary, during all phases of the projects
	Service to the community surrounding the developments	Whenever necessary, during all phases of the projects
	EIA/RIMA service	Service in accordance with the established in the environmental programs related to each licensing process with varying frequency
Press	*Website and social networks*	Continuous action
	Newspaper and TV campaigns	Continuous action
Partners (Special Purpose Companies)	Monitoring Report issued by SPEs	Monthly
	Meeting (call/video) with directors and invested SPE teams	Monthly
Suppliers	Supplier Call Center (CAF)	Continuous action
	Awareness of relevant suppliers to diversity issues	For each relevant contract
Government	Continuous relationship with the government, through its representatives at the Administrative Council	Continuous action
Regulatory/Inspection Agencies (National Electric Energy Agency – Aneel and National System Operator – ONS)	Continuous relationship by means of meetings, communication etc.	Continuous action
Financiers - Banks	Concession of Financing	Whenever necessary
Trade Unions	Conducting meetings with unions	Whenever necessary
Indian people	Conducting impact identification studies and a mitigation/compensation proposal in line with the guidelines established by the National Indian Foundation (Funai).	Whenever necessary

Clients satisfaction

Customer satisfaction with our technical and operational performance can impact our operation and affect our ability to generate value. For this reason, we maintain a close and constant relationship with this audience, which allows us to receive and give information pertaining to our performance.

Every two years, we approach transmission and generation customers in surveys, based on a commercial perspective. The last one was held in 2018, when we exceeded the goal of 85.31% satisfaction for Eletrobras companies, reaching 94.36%. That same year, we conducted a pilot survey with a technical focus applied to customers of the Eletrosul System Operation, with a questionnaire appropriate to the particularities of this audience. The satisfaction rate found was 94.38% - global satisfaction totaled 94.37%.

Communities safety

GRI EU21

All of our plants have an Emergency Situation Assistance Program, which establish responsibilities, measures and effective actions to be taken during contingencies such as natural disasters, spills, fires, problems with information technology, strikes and image crises.

We also have a Transmission Line Emergency Response Plan, which stipulates actions to be taken to reestablish transmission lines in the shortest possible time. The transformers and other equipment have an emergency plan monitored through the Medical Records and Contingency Plans, allowing the continuity of electricity supply. The Substations have the Emergency Situation Assistance Plan (Pase), also contributing to the security of the facilities.

Social and cultural initiatives

Casa Aberta (Open House) Program

Created with the aim of disseminating information on social, environmental and economic issues to children and adolescents, the Casa Aberta Program reached 29 years of activity. In August, school visits to Eletrosul's Headquarters in Florianópolis and the facilities in São José (SC) resumed. The itinerant edition of the program was held in Telêmaco Borba and Ortigueira (PR), where the Governador Jayme Canet Júnior Hydroelectric Plant is located.

Inauguration of the Estação do Mar Museum

With an exhibition of rare marine species, some of them threatened with extinction, and paleontological, archaeological and historical pieces, the Estação do Mar Museum (Mema) was inaugurated on October 25, in Florianópolis (SC), with support from Eletrosul. The purpose of the space is to encourage education, culture and tourism in the capital of Santa Catarina, in addition to demonstrating marine biodiversity and the importance of environmental care to preserve species.

Hoje é Dia de Jazz, Bebê! (Today is Jazz Day, Baby!)

On December 1, the last 2019 edition of "Today is Jazz Day, Baby!" Took place in Eletrosul's courtyard, in Florianópolis (SC). On stage, several Brazilian rhythms and jazz improvisation. On the lawn, storytelling and art workshops. The editions of the free and open to the public event – with support from Eletrosul – brought together thousands of participants through the Municipal Law for Cultural Incentive.

Children's Cinema Exhibition

Considered as the main window of childhood audiovisual in Brazil, the Children's Cinema Exhibition in Florianópolis (SC) has reached adulthood:

18 years. From June 29 to July 6, the program brought together more than 50 national and international productions with free exhibition for children and adults, in addition to workshops, special sessions and shows. For the 16th time, Eletrosul supported the project through the Municipal Culture Incentive Law.

Music in Schools Project

The Music in Schools Project, which takes instrumental presentations to public schools in Santa Catarina, started a new phase in June with the support of Eletrosul, through the Cultural Incentive Law. In 2019, the social and cultural project promoted about 70 free performances by the state, 12 of which were in Florianópolis.

Floripa Jazz Festival

From May 13 to 19, the capital of Santa Catarina hosted the Floripa Jazz Festival 2019, an event that brought together several attractions in various parts of the city, with much of the free program. The initiative was sponsored by Eletrosul, through the Culture Incentive Law.

Regional *Casa da Memória* Museum

On May 9, the Regional Museum named *Casa da Memória*, in Roque Gonzales (RS), was officially inaugurated and opened to the public. The property, restored with resources from Eletrosul, is located in the Permanent Preservation Area of the artificial reservoir of the Passo São João Hydroelectric Plant.

Casa da Memoria Museum. Eletrosul Collection.

(A)Gentes do Riso (Laughter Agents)

With the sponsorship of Eletrosul, the social project entitled *(A) Gentes do Riso* once again brought doses of good humor, joy, poetry, music and dance to more than 100 patients admitted to the Joana de Gusmão Children's Hospital, in Florianópolis (SC). After 11 months of interruption, the project resumed activities in May 2019 through the support of Eletrosul, via the Culture Incentive Law.

Visitation Center of the Cerro Chato Wind Complex

The Federal Sul-Rio-Grandense Institute (IFSul) has made the partnership that provides for the full operation of the Visitation Center of the Cerro Chato Wind Complex official, which was built by Eletrosul in an area of 30 thousand square meters in Sant'Ana do Livramento (RS). The purpose of the partnership, signed in April, is for the building to be used for practical classes and partnerships in extension activities.

(A)Gentes do Riso, 2019, november. Credit: @chrismayer.

NATURAL CAPITAL

Environmental management system

A Rational and responsible environmental management is essential to the sustainability of our operation and to our value generation model, since our businesses directly depend on natural resources. Our Environmental Management System is based on four main elements: the Eletrobras Companies Environmental Policy, the Eletrobras Companies Environment Committee, the Corporate Sustainability Management Indicators System (IGS System) - Environmental Module and the Land and Environmental Information System (Sifa), the latter aligned with the premises of the Geoprocessing Policy. A fifth element is being developed by Eletrobras to monitor the conditions of the Environmental Licensing (SAL) process.

The IGS assists us in monitoring the environmental indicators established in our Business and Management Plan (PNG).

We act in accordance with the legislation, following the rite of the environmental licensing process in all phases of our projects. Currently, all of them are licensed or undergoing regularization, in the case of those who are prior to the legislation that governs the process.

In 2019, the Eletrobras Companies Environment Committee held a meeting at the headquarters of Eletrosul, in Florianópolis (SC), on August 27 and 28. The team discussed ongoing projects, exchanged knowledge about practices adopted and new actions of the working groups that comprise it.

In addition to the communication via the Ombudsman, Eletrosul provides an electronic address to meet specific environmental demands (gestaoambiental@cgteletrosul.gov.br).

FOUR MAIN ELEMENTS OF THE ENVIRONMENTAL MANAGEMENT SYSTEM

ENVIRONMENTAL POLICY

It guides the work of socio-environmental issues associated with our projects. The document is in version 4.0, approved by the Executive Board in March 2019. With a clearer and more concise wording, the new edition brings the theme of compliance and incorporates the guidelines for relations with indigenous peoples. The review followed Eletrobras' new internal rules, ISO 14001 and the alignment with the precepts of the Global Compact, in order to encourage sustainable development and highlight the preventive approach.

Companies must incorporate the principles and guidelines of the Environmental Policy and apply them in the operations, development and offer of new services, products and projects, in the selection of suppliers, service providers and contractors, in logistics activities and in the management of waste, effluents and atmospheric emissions. The document must also be recognized by business partners and applied in due diligences, mergers and acquisitions.

ENVIRONMENT COMMITTEE

Composed by the managers of the environmental areas of Eletrobras companies and, at the technical level, it has specialists organized in thirteen thematic working groups and a temporary committee to propose guidelines for the relationship with indigenous peoples.

IGS SYSTEM

It is a monitoring system for **231 ENVIRONMENTAL PERFORMANCE INDICATORS** and **360 VARIABLES** with **498 USERS**, subjected to internal and external checks.

SIFA SYSTEM

Land and Environmental information system, aligned with the premises of the Geoprocessing Policy.

Our socio-environmental investments totaled **R$ 16,089 THOUSAND IN 2019**. **MEET THE SPECIFICATION OF THE AMOUNTS INVESTED** in our Social Balance Sheet.

Environmental adequacy works in substations in Paraná

In November, we completed works to adjust and correct the insulating oil collection systems at the Salto Santiago (525 kV) and Salto Osório (230/69/13.8 kV) substations in Paraná. The objective was to minimize the possibility of leakage of insulating oil in the event of an accident.

At the Salto Santiago Substation, the adaptation and expansion of the oil containment basin for transformer 4 was carried out, the installation of a new water and oil separating box, and the installation of new pipes and passage boxes in the oil drainage system. In the Salto Osório Substation, on the other hand, works were carried out to adapt and expand the oil containment basin for transformer 7, replacement of the water and oil conduit pipes, installation of signaling beacons on the existing oil and water separator box, in addition to recovery of exposed armatures in the oil chamber of the separator box.

Water

GRI 103-1, 103-2, 103-3, 303-1, 303-2, 303-3, 303-4 | SDG 6, SDG 12, SDG 14, SDG 15

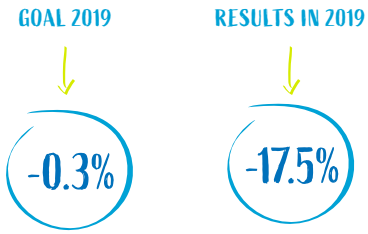
Our hydroelectric plants are located on different Brazilian rivers - Ijuí, Verde, Caveiras and Braço Norte – none of which are under water stress. All have environmental licensing and water abstraction. The use in these facilities is considered non-consumptive, since the water is returned entirely to water bodies with a quality similar to that of the catchment – in 2019, 10.33 billion cubic meters were turbine.

Water management is guided by the Eletrobras Companies Environmental Policy and the Water Resources Policy, which is based on Act 9,433/97 to guide the rational use of the resource, considering its multiple uses in the electricity market; contribute to the sustainable use of water resources in the development of activities; and guide the formulation and ensure the alignment of the specific water resources policies of the Eletrobras companies. The responsibility for water management at Eletrosul is shared between the Engineering and Operations Boards.

The volumes used in all operations, as well as the water quality, are monitored and made available to the relevant bodies. We monitor indicators associated with quality and availability, which show us the profiles of fundraising in our activities in order to, based on the information obtained, establish strategies, plans and goals that foster the improvement of environmental performance.

The Business and Management Plan (2019-2023) had a water management goal linked to SDG 9 (Industry, Innovation and Infrastructure), with an annual reduction of 0.30% in administrative consumption, accumulating the rate of 1.5% up to 2023. The main actions in this regard, in 2019, were an efficient use campaign; semi-annual inspection to detect possible leaks; implantation of rainwater collection systems; and environmental conservation in own and third-party properties (support for the protection of springs located in the public school 16 de Novembro).

Reduction of administrative water consumption in the supply network (m³) - %



We involve our stakeholders in awareness raising, education and inspection of legal requirements. An example of that is the annual seminar on environmental education held in the municipalities surrounding the Passo São João Hydroelectric Plant (RS).

With respect to effluents, we generate only domestic ones, which are sent to the municipal collective treatment system. In the case of cities where this service is not available, a treatment is carried out in a septic tank and sink, in a licensed system. The treated effluents comply with Conama Resolution No. 430/2011 and state environmental laws. GRI 303-2

Administrative consumption and turbine water (in m³)

GRI 303-3

	2018	2019
Administrative water consumption (municipal supply)	22,185	18,314
Administrative water consumption (underground sources)	26,936	44,454
Administrative water consumption (direct collection from water bodies)	217	220
Administrative water consumption (rainwater catchment)	326	350
Total administrative consumption | GRI 303-5	49,664	63,338
Turbine water	10,599,500,000	10,332,230,000

Commitments and initiatives

GRI 103-2, 303-1

We participate, together with environmental agencies such as the State Foundation for Environmental Protection (Fepam – RS), the Environmental Police and the State Department for the Environment, of the Rio Ijuí Basin Committee, where UHE Passo São João (RS) operates.

Since 2005, we have been part of the Working Group on Water Resources and Hydroelectric Potential of Eletrobras Companies (GTRH-EE), which prepares annual reports with the assessment and monitoring of project flows, composing an overview of the situation of water resources in order to generate power.

Eletrobras companies also maintain a hydrometric monitoring network to record upstream and downstream water levels and flows flowing to their reservoirs, among other parameters. The water quality of the reservoirs is also monitored by means of physical, chemical and biological parameters, defined in the licensing process.

Climate changes

GRI 103-1, 103-2, 103-3 | SDG 1, SDG 2, SDG 3, SDG 7, SDG 8, SDG 9, SDG 11, SDG 12, SDG 13, SDG 14, SDG 15

Climate changes can interfere with our operations, as they change rainfall patterns and influence water availability, contribute to the formation of tornadoes and hurricanes, among other natural phenomena, and cause variations in solar irradiation rates. They are directly related to greenhouse gases (GHG), which is why we manage our emissions, even having, until 2019, a completely renewable and clean matrix.

Reinforcing our commitment to addressing the theme "Climate Change", expressed in our Environmental Policy, and in line with good corporate sustainability practices, we monitor the development of the National Climate Change Policy and the National Adaptation Plan; we have adhered to the "Positioning on Carbon Pricing Mechanisms", promoted by the Business Climate Initiative; and we have participated in the Inventory of Greenhouse Gas Emissions for Eletrobras Companies on an uninterrupted basis, since 2009.

In its 11th edition, the inventory is produced by using the methodology of the Intergovernmental Panel on Climate Change (IPCC, 2006) and the guidelines of the Greenhouse Gas Protocol (of the World Resources Institute, 2004), the corporate accounting standard and the reporting of greenhouse gas emissions. The GHG Protocol is currently the tool most used by companies and governments to understand, quantify and manage their emissions. The final document and its data are verified by an independent third party. The results are available in our website.

Our inventory allows us to track the historical evolution of emissions of the main gases that contribute to the greenhouse effect: CO_2, CH_4, N_2O, PFCs e HCFCs. It uses the units in which Eletrosul has the operational control as an organizational limit.

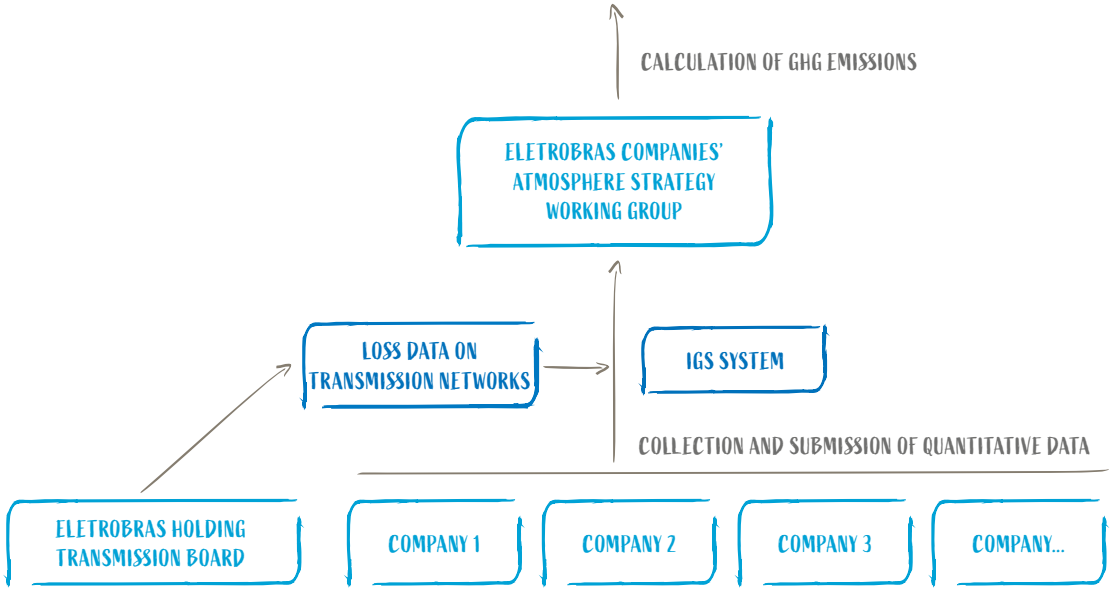
The sources of direct and indirect GHG emissions are mapped and monitored through the Sustainability Management Indicator System (IGS). The following flowchart presents the inventory preparation process.

Our inventory allows us to track the historical evolution of emissions of the main gases that contribute to the greenhouse effect: CO_2, CH_4, N_2O, PFCs e HCFCs. It uses the units in which Eletrosul has the operational control as an organizational limit.

Eletrobras Companies' GHG Inventory | GRI 103-2, 103-3

EMISSION FACTORS	SCOPE 1	SCOPE 2	SCOPE 3	METHODOLOGY
Electricity (MCTI) Energy content of fuels: BEN (2015) IPCC (2006) MMA (2011)	○ Direct emissions from fixed sources (UTEs); ○ Mobile sources; ○ Leaking emissions (SF_6 refrigeration); ○ Sanitary effluents; and ○ Other fixed sources: LPG, natural gas, diesel of generating groups and auxiliary.	○ Emissions by quantity of energy acquired from network; and ○ Transmission losses.	○ Independent energy producers (PIEs); ○ Air trips; ○ Transport of non-energy products; ○ Fuels transport; and ○ Employees transport.	GHG Protocol; IPCC (2006); and Operating control approach

Gases: CO_2 CH_4 N_2O SF_6 PFC HFC



As an experimental and voluntary initiative, we estimate GHG emissions and removals from activities that cause change in land use, using a tool that balances the carbon emitted by the suppression of vegetation and the carbon sequestered by planting trees.

In 2019, our total emission was 118.05 thousand tons of CO_2 equivalent. The emissions accounted for in scope 2 (93% of the total), followed by scope 1 (6% of the total) and scope 3 (1% of the total), predominate. Considering the emissions accounted for in each scope, in 2019 there was an increase of 2% in emissions compared to 2018, due to the 6% increase in emissions related to losses in the transmission system (scope 2), which are not manageable by power transmission companies. Scopes 1 and 3 underwent reductions of 37% and 17%, respectively. The results by scope and by gas types are shown in the table below.

EGHG emissions from Eletrosul in the years 2018 and 2019 (tCO_2e)

GRI 305-1, 305-2, 305-3, 305-5[1]

Scope	2018	2019	Variation 2018-2019	Variation 2018-2019
Scope 1	10,560	6,616	-3,944	-37%
Scope 2	104,519	110,762	6,243	6%
Scope 3	810	669	-141	-17%
Total	115,889	118,047	2,158	2%

1. Due to the rounding up of total greenhouse gas emissions for each scope, total emissions can vary between 118,047 and 118,049 tCO_2 as well as in the Emissions Inventory.

GHG emissions by type of gas (scopes 1, 2 and 3) - Base year 2019 (tCO_2e)

GRI 305-1, 305-2, 305-3

CO_2	112.678
CH_4	47
N_2O	37
SF_6	4.943
HFCs e PFCs	344

Eletrosul is a signatory to the 2030 Agenda, prioritizing five Sustainable Development Goals, including SDG 13 (Combating Climate Change) and 9 (Industry, Innovation and Infrastructure), which guide specific environmental goals of PNG2019-2023. Those that are aligned with the Climate Change theme are:

- reduction in electricity consumption (0.2%);
- reduction in the consumption of fossil fuels in the land vehicle fleet (0.2%); and
- total GHG emissions over Revenue (0.070).

We internally develop and discuss an action plan to achieve these goals. In 2019, the main initiatives in this regard were the replacement of fossil fuel with ethanol in vehicles rented for the exclusive use of the Company; communication and awareness campaigns developed for each of the indicators; replacement of fluorescent lamps with LED versions at the headquarters; instruction to identify leaks and actions on SF6 gas. The table below shows the results achieved.

INDICADORES ODS	GOALS 2019	RESULTS IN 2019 GRI 305-5
Reduced consumption of electricity purchased from renewable sources in the free contract environment (ACL) - %	-0.20	-19.71
Reduced consumption of fossil fuels in the ground vehicle fleet (GJ) - %	-0.2	+0.70%
Total GHG emissions over Net Operating Revenue (NOR) | GRI 305-4	0.070	0.056

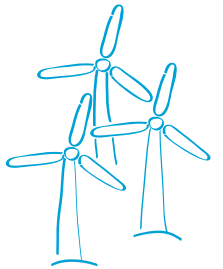
*For the ROL emissions indicator, the target is the lower the better and, therefore, the goal was attained in 2019

Also in 2019, Eletrosul participated in a pioneering project entitled “Expansion of Climate Services for Infrastructure Investments” (CSI), whose main objective was to expand the provision of services that foster the consideration of climate change in infrastructure and user management, in order to develop measures to better invest investments, reducing the risk of these events on assets.

We assessed the Biguaçu – Blumenau and Itá – Salto Santiago transmission lines, both of 525 kV, located in regions with different climatic characteristics (coastal and western Santa Catarina), regarding current and future climate risks. This process resulted in an evaluation matrix and adaptation measures, some already implemented and others with a potential for execution.

Current risks were assessed based on historical data and future risks using climate models. With the adoption of this methodology, it was possible to identify the most vulnerable structures and sections and their degree of exposure to risk (current and future). This classification will also allow for the adoption of adaptive measures to respond to these events. As the infrastructures are planned and dimensioned to meet local and climatic conditions that do not include extreme factors, our contingency plans may start to consider the severity classification to reduce the response time to possible occurrences.

The initiative comprised a global action involving Brazil, Costa Rica, Vietnam and Nile Basin Countries, with technical support and funding from Deutsche Gesellschat für Internationale Zusammenarbeit (GIZ) – a company linked to the German government –, in partnership with engineers from Canada. In Brazil, in addition to Eletrosul, the Ministry of the Environment (MMA), the National Institute for Space Research (Inpe), the Civil Defense of the State of Santa Catarina, the Energy Research Company (EPE), the Port Authority of Itajaí and the National Waterway Transport Agency (Antaq).



Also in 2019, Eletrosul participated in a pioneering project entitled “Expansion of Climate Services for Infrastructure Investments” (CSI), whose main objective was to expand the provision of services that foster the consideration of climate change

HUMAN CAPITAL

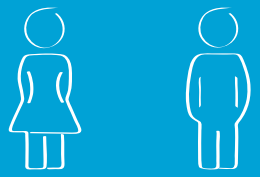
Profile of employees and diversity

GRI 102-7, 102-8 , 102-41 | SDG 5, SDG 8, SDG 10

Eletrosul concluded 2019 with 1,058 employees, 6% less compared to the previous year. This variation was mainly due to the adhesion to the Consensual Dismissal Plan (PDC), for which 57 people were dismissed. The plan was implemented by all Eletrobras companies, according to the Holding's strategic orientation, with the objective of adapting the staff, generating efficiency in the processes, balance between the teams and a sustainable profile for business and people development in the coming years.

One hundred percent of our employees are covered by collective bargaining agreements and have an indefinite contract.

JOB TYPE



Full-time[1]	160	785
Part-time[2]	5	108
TOTAL[3,4]	1.058	

1.Full time: the one with a workload of 7:30 a.m. or 8 a.m., according to Eletrosul's schedule.

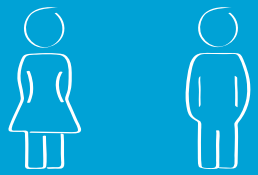
2.Part-time: the one with a workload of 4h to 6h.

3.It considers the effective staff, which includes those with the following ties: own employees, requested, amnestied/reinstated in the Company and commissioned positions. It does not include assigned employees, employees on unpaid leave and amnesty/reinstated transferred to Government Agencies.

TURNOVER BY GENDER

GRI 401-1

BY GENDER



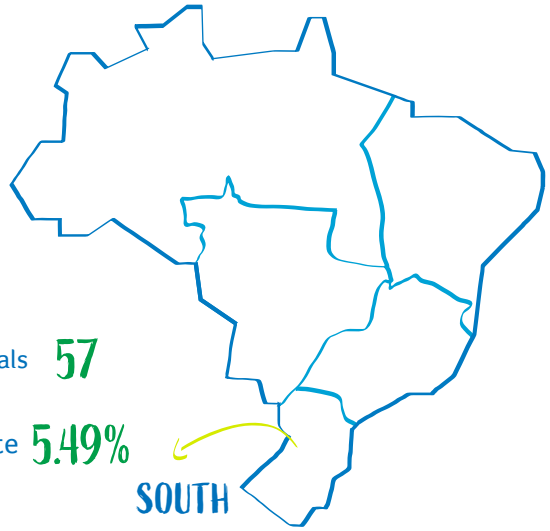
Total dismissals	11	46
Turnover rate	6.51%	5.09%

Note: The turnover rate was calculated according to the following formula, standard for Eletrobras companies: (terminated employees [by gender or region or age group] / number of employees [by gender or region or age group]) x 100.

TURNOVER

GRI 401-1

BY REGION



BY AGE GROUP

	UP TO 30 YEARS	FROM 30 TO 50 YEARS	ABOVE 50 YEARS
Total dismissals	2	8	47
Turnover rate	10.53%	1.09%	14.69%

Note: The turnover rate was calculated according to the following formula, standard for Eletrobras companies: (terminated employees [by gender or region or age group] / number of employees [by gender or region or age group]) x 100.

Employee diversity | GRI 405-1

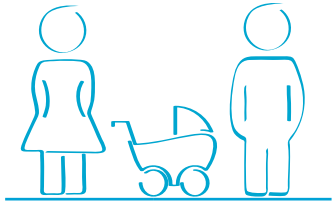
	BY GENDER		BY AGE GROUP			BY MINORITY GROUPS	
	Women	Men	Up to 30 years	30 to 50 years	Above 50 years	Black, brown, yellow and indigenous	PCDs
Leaderships[1]	15.53%	84.47%	0%	66.99%	33.01%	3.88%	0.97%
Employees[2]	15.60%	84.40%	1.99%	68.69%	29.32%	10.79%	3.46%

Notes: 1.It considers employees in managerial positions of Eletrosul's permanent staff (employees, requisitioned, amnestied/reinstated in the Company, commissioned positions, assistants and advisors) on the base date of 12/31/2019. It does not include the President and the Directors, Locality Leaders, Coordinators/Supervisors or other positions outside the formal structure of the company.
2.It considers the effective staff, which includes those with the following ties: own employees, requested, amnestied/reinstated in the Company and commissioned positions. It does not include assigned employees, employees on unpaid leave and amnesty/reinstated transferred to Government Agencies.

Ratio between compensations of women and men by functional category | GRI 405-2

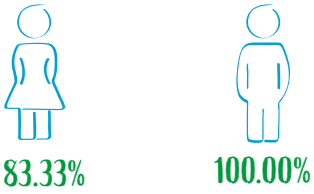
Managerial level		Higher level		Basic/medium level	
Wage	Compensation	Wage	Compensation	Wage	Compensation
1.02	0.98	0.88	0.87	0.94	0.89

Maternity/paternity leave, return and permanence in employment in 2019



Total parent employees[1] who went on maternity/paternity leave	8	40
Total parent employees who returned to work after maternity /paternity leave	6	40
Total parent employees who returned to work after the end of maternity leave and were still employed after 12 months of return (considers leave taken in 2018)	22	30
Total parent employees who returned from maternity leave in the cycle prior to the report	22	30
Total parent employees who did not return to work after the end of maternity leave in 2019	5	0
Total parent employees who should return to work after maternity leave in 2019 (considering leaves taken in 2018)	6	40

RETURN TO WORK RATE[2]



RETENTION RATE[3]

Notes: 1.It considers the effective staff, which includes those with the following ties: own employees, requested, amnestied/ reinstated in the Company and commissioned positions. It does not include assigned employees, employees on unpaid leave and amnesty/reinstated transferred to Government Agencies.

2.Calculated by using the formula: (total number of parent employees who did not return to work after maternity or paternity leave / total number of parent employees who should return to work after maternity or paternity leave) x 100

3.Calculated by using the formula: (total number of parent employees retained 12 months after returning to work after maternity or paternity leave / total number of parent employees who returned from maternity or paternity leave in the year prior to that covered by the report) x 100

People management and professional development

GRI 103-1, 103-2, 103-3 | SDG 1, SDG 2, SDG 3, SDG 4, SDG 8,SDG 9, SDG 10, SDG 12

At the end of 2018, we approved a new People Management Regulation, which came into force in 2019, when we faced the challenge of adapting to the proposed changes in relation to the bonus, job determination, transfer of employees, overtime, among other points. According to the new regulation, each employee appointed to the management position must undergo a specific assessment, which has not yet occurred and, therefore, it was necessary to hire a consulting firm for the implementation. Also in view of this novelty, we are developing a managerial development path, which should cover everything from mandatory issues (such as managing vacations, contracts, period) to others related to career. We are defining the competencies required to exercise the managerial role and we will, in the future, provide training to develop these specific skills.

The 2019 Consensual Dismissal Plan required efforts to meet the goal set by Eletrobras – in which we were successful. However, some professionals were denied leave at that time because they had knowledge that was considered critical. This scenario is an exception, since knowledge management is consolidated at Eletrosul.

The effectiveness of our people management is assessed through the Atmosphere Survey, held every two years. The last edition is from 2018 and had developments in 2019 in relation to some points of low performance, such as recognition, ethics and integrity, corporate education, career and compensation and communication, for which improvement actions are provided in the Corporate Action Plan. The items that showed the greatest satisfaction among employees were: benefits, institutional image and interpersonal relationships.

For 2020, the biggest challenge will be adapting employees to the new CGTEletrosul culture, which is still being designed, since the incorporation was only made official earlier this year.

Career development

GRI 404-2

The Career and Compensation Plan (PCR) of the Eletrobras companies was created in 2010 to unify the guidelines and policies for positions, career, remuneration and performance, aligning the policies and practices of people management with the strategic business drivers for improving performance organizational, based on competences and focus on results. The purpose is to guarantee equity and equal treatment regardless of gender, race, color, religion, disability, marital status, sexual orientation, family status, age or any other condition.

The Performance Management System (SGD) – used in the company's performance management is the basis for PCR. The tool allows the automated accomplishment of planning, monitoring, evaluation (goals and competences), development and comparison of the achieved performance with the planned one. In this context, we highlight the evaluation interface with the Corporate Education Plan, Talent and Opportunity Bank, Succession Plan, Knowledge Management and merit distribution.

From the SGD, the Individual Development Plan is prepared. There is also the Team Development Plan, which deals with the planning prepared by the leaders of educational actions for their teams.

In 2019, 100% of Eletrosul's employees underwent performance evaluation. GRI 404-3

Training and capability

GRI EU14

Eletrobras' companies follow an education policy, which bases the actions of the corporate university in an integrated and cooperative manner. At Eletrosul, there is a Corporate Education Sector, a Training Center at the headquarters and training rooms in decentralized locations. Moreover, we use a computerized training management system and a virtual learning environment.

Educational actions are continuous and may have a strategic, legal and/or mandatory origin. For the technical qualification, we offer several courses taught by educating employees, mainly focused on our core activities, in the areas of engineering, transmission, electricity generation and maintenance of the system's operation. Qualified external teachers are also hired, according to specific needs.

For leadership, there is a specific development program, which applies to sector heads, managers and directors, which includes lectures, courses, workshops and postgraduate courses.

Among the benefits granted to employees, there is the reimbursement of part of the amounts spent on higher education. We also cover 100% of the costs of postgraduate courses and training abroad, if they are of interest to the Company. We also pay part of the expenses for language courses.

Eletrosul promotes internship and hiring programs for young apprentices. The first aims to provide students with a social, professional and cultural learning environment compatible with the basic context of the profession. The second, prepares young people to perform professional activities and deal with different situations in the world of work, through the execution of theoretical and practical activities.

Training and capability building indicators
GRI 404-1

Total training hours	**62,296**
Men	50,222
Average training hours	56.24
Women	12,074
Average training hours	73.18
Total hours trained by employees in management positions	**12,323**
Average training hours for employees in management positions	119.64
Total training hours for employees with higher education	**25,780**
Average training hours for employees with higher education	65.60
Total training hours for employees without a higher education degree	24,193
Average training hours for employees without a higher education degree	42.67

Health and safety at work

SDG 3, SDG 8

Among the goals of the Business and Management Plan for 2019, the one related to improving the accident frequency rate in the company stands out. As a result, we recorded the lowest rate in our history – 1.9 –, compared to 6.13 in 2018. Thus, we concentrate efforts mainly on the registration and disclosure of incidents, based on the fact that these events tend to be very similar to each other – that is, they can be avoided with prior awareness – and on the maxim that "in every 300 incidents, one accident takes place".

Frequency rate of occupational accidents (with leave) %

GOAL 2019	RESULT IN 2019
3.70%	1.90%

The safety culture is a central value of our Company and, therefore, we seek to offer a safe work environment with a better quality of life for our employees. We operate with a focus on anticipating, recognizing, assessing and controlling occupational risks in the workplace and promoting the health of employees, in accordance with current legislation and the technical, legal and ethical precepts recommended by official bodies.

PCH Barra Rio Chapéu (SC), machine stop. Credit: Paulo Sérgio Cardoso.

Our actions in this regard are in accordance with the guidelines of the People Management Policy of Eletrobras Companies, which determines the continuous maintenance of good working conditions and well-being of employees and, in turn, are aligned with the Eletrobras Companies Sustainability Policy.

Our Occupational Health and Workplace Safety Management is defined in the Workplace Safety and Occupational Health Management Standards and in the Eletrosul's Occupational Safety, Occupational Health and Social Support Plan (PESSOAS). The objective is to ensure, by promoting health and safety at work, the well-being and quality of life of employees. PESSOAS 'actions are divided into nine large groups: advisory and communication, operational supervision, risk management, management of contracted services, compliance with legal requirements, standardization, training, awareness and skills development, and performance monitoring.

Among the various programs endeavored by PESSOAS, the following stand out:

- Environmental Risk Prevention Program (PPRA) and the Technical Report on Environmental Working Conditions (LTCAT);
- Occupational Health Medical Control Program (PCMSO);
- Quality of Life Program;
- Eletrosul's Emergency Response Plan (PASE);
- Disability Assistance Program (PAPD);
- Alcohol and/or Other Drug Dependence Prevention Program;
- Third of First Program (3D1);
- Retirement Orientation Program (POPA);
- Organizational Atmosphere Management Program; and
- Follow-up Program for Employees Away from Work due to Occupational Illness and/or Accident.

Quality of Life Program

Our quality of life program includes a calendar of campaigns and annual actions, including lectures, guidelines and workshops, initiatives related to the Pink October, Blue November, among other important health events. The week of quality of life takes place in October, and in 2019 the 10th Week of Quality of Life was held, with the objective of promoting the health of employees and contributing with guidelines for health, quality of life and well-being at work. The week included activities such as workshops, lectures, quick massage, sports activities, among others, with the participation of employees at headquarters and regional offices, with their respective schedules.

For the areas of operation and maintenance, which require more physical effort, we offer a conditioning program, which aims to assess the global and specific health for the function of each employee, as well as to raise awareness and guide the achievement of a healthy physical profile for exercise labor.

We also offer workplace gymnastics, strategic action in coping and awareness in the reduction of musculoskeletal disorders related to work and other conditions in order to promote the improvement of the work environment and health conditions.

Management in health and safety at work also favors the assessment of psychosocial risks, which preventively allows interventions to improve conditions, the environment and work organization. Health professionals who carry out socio-functional monitoring, assess these factors and propose interventions in an integrated and strategic way, in a participatory, transparent process, in order to promote continuous improvements in the environment and work relationships. Psychosocial assessment also complements the health assessment of workers.

National Seminar on Health and Safety in the Brazilian Electricity Sector

Held between November 27 and 29, at the State University of Campinas (Unicamp), in São Paulo, the 10th National Seminar on Safety and Health in the Brazilian Electric Sector (Sense) featured the exhibition of four technical works by Eletrosul professionals. The main objective of the event is to provide an exchange of experiences and technical updating.

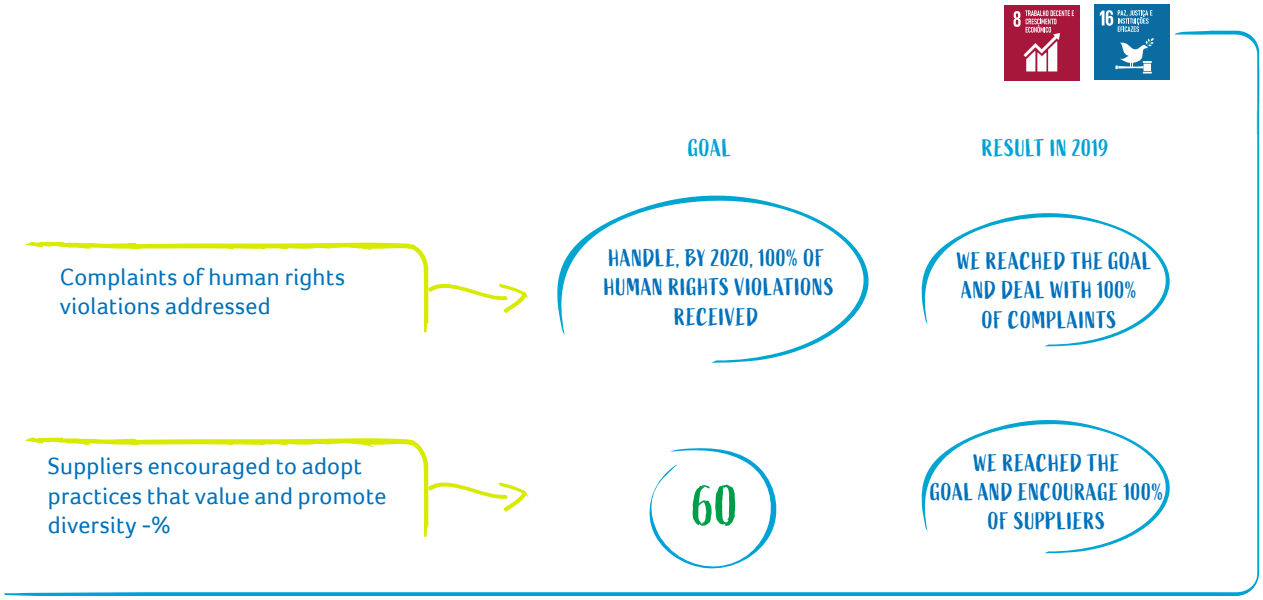
Human rights

GRI 103-1, 103-2, 103-3 | SDG 5, SDG 8, SDG 9, SDG 10, SDG 16

We are aligned with the actions and policies originating from the public authorities and with human rights initiatives worldwide disseminated and adopted by business organizations. We are signatories to the Global Compact, which presents, among its principles, those of respecting and protecting human rights and preventing violations. We are also committed, as stated on page 41, with the Sustainable Development Goals (SDG).

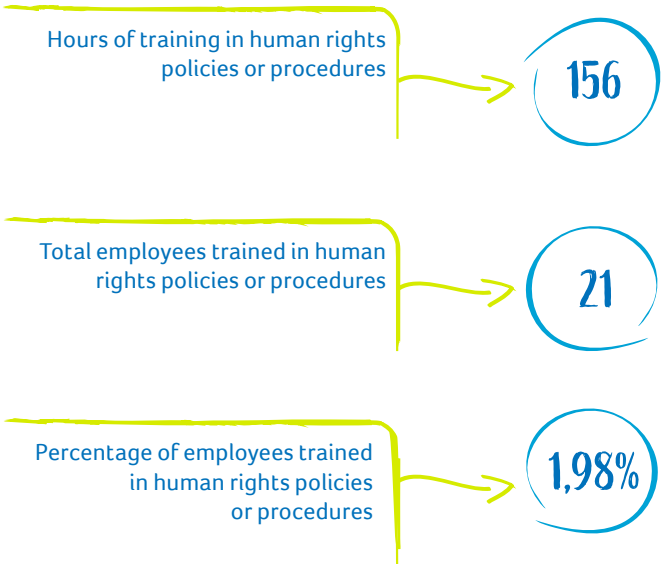
We act in line with the Social Responsibility Policy and the Code of Ethical Conduct and Integrity of Eletrobras Companies, explaining guidelines for issues related to human rights, gender, race and diversity.

Through these documents, Eletrobras companies determine that social and cultural diversities and individual differences must be respected and valued. All forms of discrimination must be combated and everyone must be treated equally and without prejudice of a social, cultural, ethnic or gender origin, age, religion, political opinion, sexual orientation or physical, mental and mental condition. We have goals related to human rights in our Business and Management Plan, as can be seen below:



Training employees in human rights policies or procedures

GRI 412-2



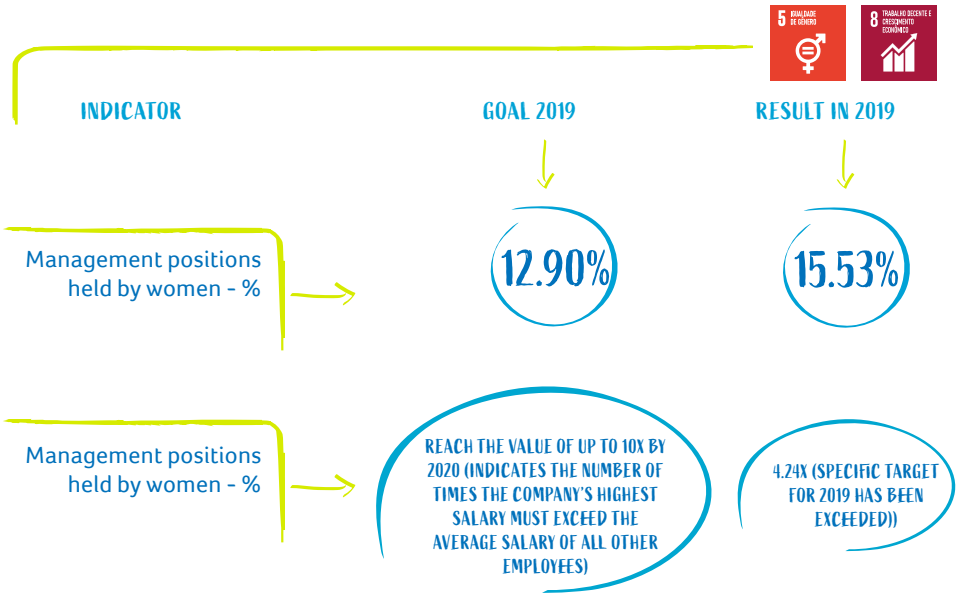
Training employees in human rights policies or procedures | GRI 412-2

Hours of training in human rights policies or procedures	156
Total employees trained in human rights policies or procedures	21
Percentage of employees trained in human rights policies or procedures	1.98%

Gender and equal opportunities

GRI 103-1, 103-2, 103-3

PNG 2019-2023 also addresses the valuation of employees, with the purpose of "monitoring indicators such as the reduction of inequality between the highest and lowest individual salary of the company and the increase in management positions held by women". These indicators are intended to meet SDG 5 (Gender Equality) and 10 (Reduction of Inequalities).



The People Management Policy at Eletrobras Companies determines that it is necessary to respect diversity, promoting equity, equal opportunities and inclusion. We are also signatories to the declaration of support for the Women's Empowerment Principles established by UN Women and the Global Compact. In compliance with the recommendation of the Secretariat for Policies for Women, the Presidency of the Republic and the Ministry of Mines and Energy, in 2006 we created the Gender Committee - of a permanent nature. The body aims to implement incentive policies and management practices to promote citizenship and disseminate initiatives. We identify and monitor our impacts on human rights through the work of the committee, whose successful experience has resulted in its expansion to Gender, Race and Diversity.

The main actions of the Committee in 2019 were the application of the Quota Law in the Selection of Young Black Apprentices and/or people with disabilities; holding a Workshop to Promote Respect for Diversity; and conducting a lecture on diversity and culture. Also noteworthy is the World Breastfeeding Week 2019, with an exhibition of photos and testimonies in the Company's hall, with the aim of raising awareness about the importance of breastfeeding. Furthermore, a support group was created to assist mothers who returned to work after maternity leave, to facilitate the exchange of experience and mutual support, working for a better balance between professional and personal life. Subsequently, the group was extended to parent employees.

Rights of indigenous and traditional peoples

GRI 103-1, 103-2

The interface with indigenous communities and traditional peoples is made by the Department of Environmental and Land Management (DEA), responsible for the environmental licensing processes of the projects in accordance with current legislation. During construction, we avoid proximity or interference in these areas, but, if this is not possible, we carry out studies to identify impacts and mitigate proposals in line with the guidelines established by the National Foundation for Indigenous People (Funai).

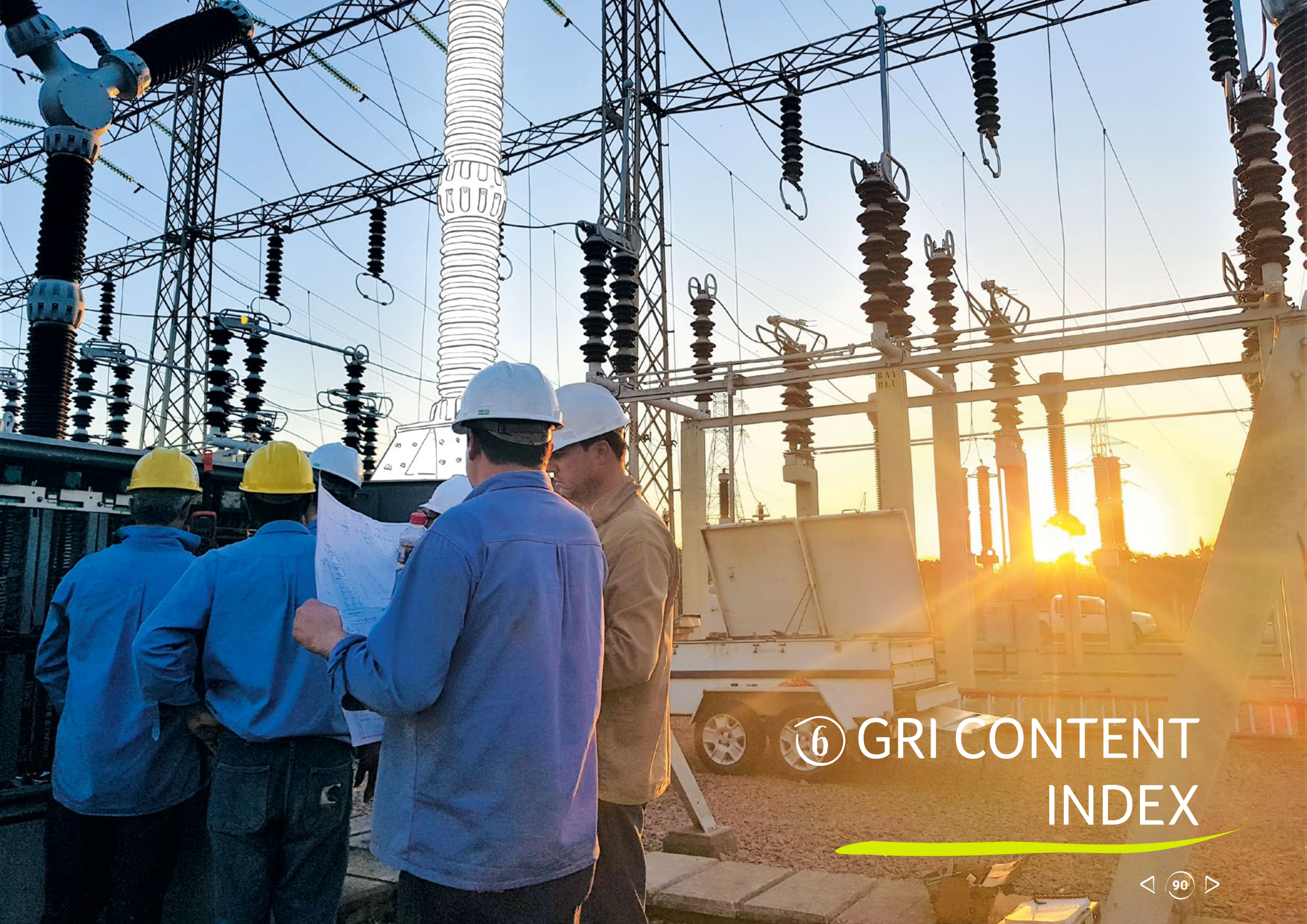
For the ventures in operation that were implemented prior to the mandatory environmental licensing, the requirements of the environmental licensing agency and Funai are complied with in the environmental regularization processes. On these occasions, we also carried out studies to identify impacts to adopt not only mitigating measures, but also compensatory ones.

Child labor, forced or slave-like work

GRI 103-1, 103-2

Eletrobras companies do not present risks of the occurrence of these work practices in their own operations and ensure that their suppliers also follow their premises in this regard. As per the Code of Ethical Conduct and Integrity, child labor, the abuse and sexual exploitation of children and adolescents, and forced or degrading labor must not be admitted in their own activities, in the activities of partners and in the production chain of Eletrobras companies. Our business contracts have a clause by which the contractors declare to know and are committed to respect, comply and enforce this Code, among other relevant documents.

Our guidelines for combating degrading work practices are set out in the Social Responsibility Policy. The area responsible for managing these issues is the Institutional Relations Advisory (ARI), linked to the Presidency. Operationalization is transversal, as it involves all the company's activities.



6 GRI CONTENT INDEX

GRI CONTENT INDEX

GRI 102-55

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 101: 2016 FOUNDATION					
GRI 102: 2016 GENERAL DISCLOSURES					
	ORGANIZATIONAL PROFILE				
	GRI 102-1	Organization Name		Cover	
	GRI 102-2	Activities, brands, products and services		18, 58, 61	
	GRI 102-3	Location of organization's headquarters	Rua Deputado Antônio Edu Vieira, 999, Pantanal, Florianópolis (SC)		
	GRI 102-4	Location of organization's operations		18	
	GRI 102-5	Nature of ownership and legal form of the organization		18	
	GRI 102-6	Markets served		18, 59, 61	
	GRI 102-7	Organization's size		18, 56, 79	
	GRI 102-8	Information about employees (own and third parties)		79	
	GRI 102-9	Supply chain		33	
	GRI 102-10	Main changes regarding size, structure or shareholding	In September 2017, Eletrobras' Administrative Council approved the beginning of the corporate restructuring between the subsidiaries Eletrosul Centrais Elétricas S/A (Eletrosul) and Companhia de Geração Térmica de Energia Eletrica (CGTEE), aiming at obtaining operational, tax, synergy economic-financial and corporate.		

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 102:2016 STANDARD CONTENT			In December 2018, the Administration Council of Eletrosul allowed the Executive Board to adopt the measures for the conclusion of the process, according to guidelines established by Eletrobras Holding in the Business and Management Master Plan - PDNG 2017-2021. In August 2019, ANEEL approved the assignment of corporate control of special purpose companies, and ownership of generation and transmission concession contracts from Eletrosul to CGTEE. The shareholders of Eletrosul and CGTEE approved, at Extraordinary General Meetings (AGEs) held on 01/02/20 the unification of operations of the two subsidiaries. The resulting company is named CGT Eletrosul (AN Electricity Generation and Transmission Company from Southern Brazil), with administrative headquarters in Florianópolis (SC).		
	GRI 102-11	Precautionary principle		37	
	GRI 102-12	External initiatives		42	
	GRI 102-13	Affiliations to associations		43	
	STRATEGY				
	GRI 102-14	CEO's Message		12, 13	
	GRI 102-15	Description of the main impacts, risks and opportunities		37, 38, 39	
	ETHICS AND INTEGRITY				
	GRI 102-16	Values, principles, standards and rules of conduct		48, 51	
	GRI 102-17	Counseling mechanisms and ethics concerns		53	
	GOVERNANCE				
	GRI 102-18	Governance structure		45	
	GRI 102-19	Delegation of authority	The Administrative Council, the highest governance body of Eletrobras Eletrosul, delegates authority to the Company's Executive Board, for the business management, including issues related to the Company's economic, environmental and social performance.		

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 102: 2016 STANDARD CONTENT	GRI 102-20	Executive level responsibility for economic, environmental and social issues	Eletrosul has executive-level positions and roles responsible for economic, environmental and social issues that report to the Administrative Council.		
	GRI 102-21	Inquiry to stakeholders on economic, environmental and social issues	The General Ombudsman, an area linked to the Administration Council, has a communication channel between all interested parties and the Company. Eletrosul's Executive Board and Administrative Council receive monthly reports on complaints made to this channel. Complaints are reported on a monthly basis to the Administrative Council only. Communication with the Administrative Council on critical concerns about Risk Management, Internal Controls and Compliance is carried out by the responsible areas by submitting results, held at the regular meetings of the body. The Materiality Survey, which gives rise to the materiality matrix, which is approved by the Administrative Council, is another channel for inquiring stakeholders.	6, 53	
	GRI 102-22	Composition of the highest governance body and its committees		45	
	GRI 102-23	President of the highest governance body	The President of the Administrative Council of Eletrosul is not a member of the Company's Executive Board.		
	GRI 102-24	Appointment and selection for the highest governance body		46	
	GRI 102-25	Interest conflicts	In the case of agendas that constitute a conflict of interest with board members representing employees, the meeting takes place without the participation of that member. In the process of contracting suppliers, appropriate steps are taken so that the contracting is not carried out if there is a conflict of interest. In relation to representatives of councils of subsidiaries, the area responsible for the management of participation requests the indicated term of commitment where it guarantees that it does not represent a conflict of interest between the Company that operates and that it will represent in a collegiate body. In addition, during the background check phase, the parties are checked for possible relationships to ensure the absence of a conflict of interest.		
	GRI 102-26	Role of the highest governance body in defining purpose, values and strategy		28, 45	

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 102: 2016 STANDARD CONTENT	GRI 102-27	Knowledge and development of the highest governance body		46	
	GRI 102-28	Performance assessment of the highest governance body		46	
	GRI 102-29	Identification and management of economic, environmental and social impacts		37, 38	
	GRI 102-30	Effectiveness of risk management processe		37, 38	
	GRI 102-31	Assessment of economic, environmental and social issues	The highest governance body analyzes impacts, risks and opportunities arising from economic, environmental and social issues per event, when submitting a matter to be approved by the Administrative Council. According to the corporate risk management model, matters are being submitted annually.	28	
	GRI 102-32	Role of the highest governance body in preparing sustainability reports		5	
	GRI 102-33	Communication of critical concerns		53	
	GRI 102-34	Nature and total number of critical concern	The critical concerns communicated to the Administration Council are of a financial, operational, strategic and compliance nature. They are addressed and resolved through: ○ Risk management: implementation of risk mitigation action plans; ○ Internal Controls: elaboration of disability remediation plans; and ○ Compliance Program: development and implementation of actions to meet the integrity policy of Eletrobras Companies.		
	GRI 102-35	Compensation policies		47	
	GRI 102-36	Process for determining compensation		47	
	GRI 102-37	Stakeholder involvement in compensation processes	The only stakeholder involved in the leadership compensation process is the Federal Government.		
	GRI 102-38	Proportion between total annual compensation	The ratio between the average compensation and the highest paid individual is 5.30.		
	GRI 102-39	Percentage increase in total annual compensation	The proportion between the percentage increase in the average compensation is 0.39 of the increase in the highest paid individual.		

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 102: 2016 STANDARD CONTENT	**STAKEHOLDERS ENGAGEMENT**				
	GRI 102-40	List of stakeholder groups engaged by the organization		67	
	GRI 102-41	Collective bargaining agreements		79	
	GRI 102-42	Basis for identifying and selecting stakeholders to engage with		66	
	GRI 102-43	Approach adopted for stakeholder engagement		67	
	GRI 102-44	Main topics and concerns raised with stakeholders		8	
	REPORT PRACTICES				
	GRI 102-45	Entities included in the consolidated financial statements	Special Purpose Entities (SPEs): ○ Livramento Holding S/A (78% share in Eletrosul); and ○ Transmissora Sul Brasileira de Energia S/A (100.00% share in Eletrosul).		
	GRI 102-46	Definition of the report content and limits of each material theme		4, 6	
	GRI 102-47	List of material themes		7, 8	
	GRI 102-48	Reformulating information	There was no reformulated information provided in previous reports.		
	GRI 102-49	Reporting changes	The 2018 materiality matrix had 16 themes, while the 2019 one has 13 themes. They were in the previous matrix and the themes were no longer included in the current one: Relationship with communities, Biodiversity, Health and safety, Clients, Legal compliance, Energy efficiency and Environmental policy. Some themes appear dismembered or are related to other subjects of the new matrix: ○ Retention and development of employees: it is associated with People Management and Development; ○ Climate change and renewable sources: Climate change follows the same name, but renewable sources are associated with Energy Transition; ○ Ethical culture: it is associated with Corruption and ethics management; and ○ Governance and risk: the themes were broken down into corporate governance and risk and crisis management.	4	
	GRI 102-50	Period covered by the report		4	
	GRI 102-51	Date of the previous report	The most recent previous report was published in 2019, having 2018 as the base year.		
	GRI 102-52	Reporting cycle	Annual		

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 102: 2016 STANDARD CONTENT	GRI 102-53	Contact details regarding the report		5	
	GRI 102-54	"Agreed" option chosen by the organization	This report was prepared in accordance with the GRI Standards: Essential option.	4	
	GRI 102-55	Summary of GRI Standards content		91	
	GRI 102-56	External verification		5	
ELECTRIC SECTOR INDICATORS	EU1	Installed capacity, broken down by primary energy source and regulatory system		51	
	EU2	Net energy production, broken down by primary energy source and regulatory system		60	
	EU4	Length of overhead and underground transmission and distribution lines, broken down by regulatory system		61	
MATERIAL THEMES					
RESEARCH AND DEVELOPMENT + INNOVATION					
GRI 103: MANAGEMENT METHODS 2016	GRI 103-1	Explanation of material topic and their limits		63	
	GRI 103-2	Management approach and its components	The area responsible for the management of Research & Development + Innovation is the Research and Development Project Management, under the Engineering Board. Ongoing research projects: ○ Aneel Strategic R&D Project 14/2012 - Technical and Commercial Arrangements for Electric Power Generation from Biogas from Waste and Liquid Effluent in the Brazilian Energy Matrix; ○ Project and Development of Biodigestion Technology for the Processing of Agricultural Waste Adequate to the Brazilian Rural Context; ○ Development of Industrial Processes for Manufacturing Solar Cells with Aluminum Paste and Passivation; ○ Serial Head of a Passive Sensor Network to Measure Equipment Integrity in Power Systems with Wireless Transmission; and ○ Aneel Strategic R&D Project 19/2015 - Development and Implementation of a 0.25 MWe Thermosolar Plant.	63	

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 103: MANAGEMENT METHODS 2016	GRI 103-3	Evaluating the management approach	Eletrosul is reviewing the R&D+I project evaluation processes to further align with its strategic plan. One of the review points is the performance evaluation process, which should start to consider the financial benefits generated for the Company.	63	
ELECTRIC SECTOR INDICATORS	**RESEARCH AND DEVELOPMENT**				
	EU8	Activities and expenses related to research and development aiming at the reliability of electricity supply and the promotion of sustainable development		63	
WATER					
GRI 103: MANAGEMENT METHODS 2016	GRI 103-1	Explanation of material topics and their limits		73	
	GRI 103-2	Management approach and its components		73, 74	
	GRI 103-3	Evaluating the management approach		73	
GRI 303: WATER AND EFFLUENTS 2018	GRI 303-1	Interactions with water as a shared resource		73, 74	
	GRI 303-2	Management of the impacts of water discharge		73	
	GRI 303-3	Water withdrawal	Indicator partially answered (data on fresh water and other types of water are not reported according to the presence of dissolved solids, as required by the GRI). The data for the removal of ground and surface water are mostly measured by a hydrometer. The municipal supply consumption data are informed by the concessionaire.	73, 74	
	GRI 303-4	Water disposal		73	
	GRI 303-5	Water consumption		74	
SOCIO-ENVIRONMENTAL ASPECTS IN DECISION-MAKING					
GRI 103: MANAGEMENT METHODS 2016	GRI 103-1	Explanation of material topics and their limits		41	
	GRI 103-2	Management approach and its components		41	
	GRI 103-3	Evaluating the man-agement approach		41	

GRI *Standards*	Disclosure		Remarks	Report page	Omission
CYBERSECURITY					
GRI 103: MANAGEMENT METHODS 2016	GRI 103-1	Explanation of material topics and their limits		34	
	GRI 103-2	Management approach and its components		34, 35	
	GRI 103-3	Evaluating the management approach	As discussions on the topic have gained emphasis recently, both by the government, as well as by regulations and by Eletrosul, which is still structuring its Cybersecurity management, there is no assessment available.	34, 35	
GRI 418: CLIENT'S PRIVACY 2016	GRI 418-1	Proven complaints regarding breaches of privacy and loss of customer data	The company has not received any complaints/claims regarding breaches of privacy and loss of data from its external customers in the SOU Ombudsman System.		
DIGITAL TRANSFORMATION					
GRI 103: MANAGEMENT METHODS 2016	GRI 103-1	Explanation of material topics and their limits		34	
	GRI 103-2	Management approach and its components		34	
	GRI 103-3	Evaluating the management approach	Eletrosul is still implementing the digital transformation and structuring its management on the topic and, therefore, there is no assessment available.	34	
HUMAN RIGHTS					
GRI 103: MANAGEMENT METHODS 2016	GRI 103-1	Explanation of material topics and their limits		87, 88, 89	
	GRI 103-2	Management approach and its components		87, 88, 89	
	GRI 103-3	Evaluating the management approach		87, 88	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	GRI 405-1	Diversity and equal opportunities		45, 80	
	GRI 405-2	Mathematical ratio of salary and compensation between women and men, broken down by functional category and relevant operational units		80	
GRI 406: NON-DISCRIMINATION 2016	GRI 406-1	Discrimination incidents and corrective actions taken	In 2019, the Whistleblowing Channel received a case report of discrimination related to Eletrosul, which is being evaluated by the relevant bodies.		
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE AGREEMENT 2016	GRI 407-1	Freedom of association and collective bargaining	There are no suppliers among whom freedom of association and collective bargaining is being violated or at risk.		

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 408: CHILD LABOR 2016	GRI 408-1	Operations and suppliers at significant risk of incidents related to child labor	There are no suppliers among whom the risk of child labor has been identified. When hiring, the Ministry of Labor is inquired.	33	
GRI 409: FORCED OR COMPULSORY LABOR 2016	GRI 409-1	Operations and suppliers at significant risk of incidents related to forced or compulsory labor	There are no suppliers among whom the risk of occurrence of forced or compulsory labor has been identified. When hiring, the Ministry of Labor is inquired.	33	
GRI 410: SAFE PRACTICES 2016	GRI 410-1	Security personnel trained in human rights policies or procedures	Eletrosul's security staff is composed of 253 outsourced employees. In 2019, 100% of them joined training on human rights policies or procedures.		
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	GRI 411-1	Incidents of violations involving the rights of indigenous peoples	There were no incidents of violations to the rights of indigenous peoples in 2019.		
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	GRI 412-2	Training employees in human rights policies and procedures		88	
	GRI 412-3	Significant investments and contracts that include human rights clauses or that have undergone human rights assessments	100% of significant investment contracts had human rights clauses in 2019 (36 contracts in total). Significant contracts were considered instruments whose expenses are linked to the Company's corporate purpose and which, in the end, the asset will be fully incorporated into Eletrosul's equity, and which were submitted for approval by the Executive Board.	33	
RISK AND CRISIS MANAGEMENT					
GRI 103: 2016 MANAGEMENT METHODS	GRI 103-1	Explanation of material topics and their limits		37	
	GRI 103-2	Management approach and its components		37, 38	
	GRI 103-3	Evaluating the management approach		37, 38	
ELECTRIC SECTOR INDICATORS	**DISASTER / EMERGENCY PLANNING AND RESPONSE**				
	EU21	Contingency planning, disaster/ emergency management plan and training programs, and recovery/ restoration plans		40, 68	
PEOPLE DEVELOPMENT MANAGEMENT					
GRI 103: 2016 MANAGEMENT METHODS	GRI 103-1	Explanation of material topics and their limits		82	
	GRI 103-2	Management approach and its components		82	
	GRI 103-3	Evaluating the management approach		82	

GRI *Standards*	Disclosure		Remarks	Report page	Omission
GRI 401: JOB 2016	GRI 401-1	New employee hires and turnover by age group, gender and region		79	
GRI 404: TRAINING AND EDUCATION 2016	GRI 404-1	Average number of training hours, by functional category and gender		83	
	GRI 404-2	Competency management and lifelong learn-ing programs		82	
	GRI 404-3	Percentage of employees receiving perfor-mance and career development reviews		83	
ELECTRIC SECTOR INDICATORS	**JOB**				
	EU14	Availability of skilled labor		83	
CLIMATE CHANGES					
GRI 103: 2016 MANAGEMENT METHODS	GRI 103-1	Explanation of material topics and their limits		75	
	GRI 103-2	Management approach and its components		75, 76	
	GRI 103-3	Evaluating the management approach		75, 76	
GRI 201: ECONOMIC PERFORMANCE 2016	GRI 201-2	Financial implications and risks due to climate change	Eletrosul has no control over the total cost with measures to mitigate, compensate and repair the damage caused by climate change.		
GRI 305: EMISSIONS 2016	GRI 305-1	Direct greenhouse gas (GHG) emissions - SCOPE 1		77	
	GRI 305-2	Indirect greenhouse gas (GHG) emissions - SCOPE 2		77	
	GRI 305-3	Other indirect green-house gas (GHG) emissions - SCOPE 3		77	
	GRI 305-4	Intensity of greenhouse gas (GHG) emissions		77	
	GRI 305-5	Reduction of greenhouse gas (GHG) emissions		77	
	GRI 305-7	Emissions of ozone-depleting substances (SDO)	Eletrosul does not emit NO_x, SO_x, or other atmospheric emissions.		

GRI *Standards*	Disclosure		Remarks	Report page	Omission
ENERGY TRANSITION					
GRI 103: 2016 MANAGEMENT METHODS	GRI 103-1	Explanation of material topics and their limits		65	
	GRI 103-2	Management approach and its components		65	
	GRI 103-3	Evaluating the management approach	In 2019, Eletrosul did not carry out a specific management of the energy transition theme because it had a completely renewable and clean matrix.	65	
ELECTRIC SECTOR INDICATORS	**AVAILABILITY AND RELIABILITY**				
	EU10	Planned capacity against projected long-term energy demand, broken down by energy source and regulatory regime	As projected by the National System Operator, the maximum load demand at the SIN for the year 2024 may reach 106,547 MW. The relationship between the installed capacity of Eletrosul's plants and the maximum demand expected for Brazil is 0.815%.		
CORRUPTION AND ETHICS MANAGEMENT					
GRI 103: 2016 MANAGEMENT METHODS	GRI 103-1	Explanation of material topics and their limits		51	
	GRI 103-2	Management approach and its components		51	
	GRI 103-3	Evaluating the management approach		51, 52, 53	
GRI 205: ANTICORRUPTION 2016	GRI 205-1	Operations assessed for risks related to corruption		50	
	GRI 205-2	Communication and training on policies and procedures for fight against corruption		50	
	GRI 205-3	Confirmed cases of corruption and measures taken		50	
GRI 415: PUBLIC POLICIES 2016	GRI 415-1	Political contributions	Eletrosul does not contribute to politicians or political parties.		
CORPORATE GOVERNANCE					
GRI 103: MANAGEMENT METHODS 2016	GRI 103-1	Explanation of material topics and their limits		45	
	GRI 103-2	Management approach and its components		45	
	GRI 103-3	Evaluating the management approach		46	

GRI *Standards*	Disclosure		Remarks	Report page	Omission
ENERGY SUPPLY					
GRI 103: 2016 MANAGEMENT METHODS	GRI 103-1	Explanation of material topics and their limits		57	
	GRI 103-2	Management approach and its components		57	
	GRI 103-3	Evaluating the management approach		57	
ELECTRIC SECTOR INDICATORS	**AVAILABILITY AND RELIABILITY**				
	EU6	Electricity availability and reliability		58	
	SYSTEM EFFICIENCY				
	EU12	Losses in energy transmission and distribution as a percentage of total energy	Transmission losses corresponded to 1.4% in 2019.		
	ACCESS				
	EU30	Average plant availability factor, broken down by energy source and regulatory system		60, 61	
FINANCIAL INCOME					
GRI 103: 2016 MANAGEMENT METHODS	GRI 103-1	Explanation of material topics and their limits		55	
	GRI 103-2	Management approach and its components		55	
	GRI 103-3	Evaluating the management approach		55	
GRI 201: ECONOMIC PERFORMANCE 2016	GRI 201-1	Direct economic value generated and distributed		56	

7 SDG MAP

Horta Comunitária Project

SDG MAP

The map below shows the location in the Annual Report of our main contributions to the achievement of the Sustainable Development Goals.
The SDG tags were placed next to the contents mentioned throughout the report and appear in a different color in the case of the prioritized objectives.

Priority SDGs for Eletrobras companies

ODS	Sections of the report that address the SDG-related topic		Sections of the report where business indicators related to the SDG and the respective performance of Eletrosul are present
	Strategy and vision of the future, pages 27/28 Cybersecurity, page 34 Risk, crisis and opportunity management, page 37	Management and sustainability, page 41 Financial Results, page 55	Operation and power supply, page 57 R&D and Innovation, page 63 Energy Transition, page 65 Climate Changes, page 75
	Strategy and vision of the future, pages 27/28 Supplier Management, page 33 Management and sustainability, page 41 Financial Results, page 55 Added Value Distribution, page 56 Operation and power supply, page 57 Energy Transition, page 65	Climate Changes, page 75 Employee profile and diversity, page 79 a 81 People management and professional development, page 82 Health and safety at Work, page 84 Human rights, page 87	Health and safety at Work, page 84 Human rights, page 87
	Strategy and vision of the future, pages 27/28 SAP System Deployment, page 33 Digital transformation, page 34 Cybersecurity, page 34 Risk, crisis and opportunity management, page 37 Management and sustainability, page 41 Financial Results, page 55	Operation and power supply, page 57 Energy Transition, page 65 Climate Changes, page 75 People management and professional development, page 82 Human rights, page 87	R&D and Innovation, page 63 Climate Changes, page 75 Water, page 73
	Cybersecurity, page 34 Risk, crisis and opportunity management, page 37 Management and sustainability, page 41	Operation and power supply, page 57 Energy Transition, page 65 Climate Changes, page 75	Climate Changes, page 75
	Management and sustainability, page 41 Corporate governance, page 45 Business ethics and integrity, page 48 Integrity Program, page 51 Financial Results, page 55 Stakeholder groups and topics of interest, page 66		Integrity Program, page 51 Human rights, page 87

Other SDG

Risk, crisis and opportunity management, page 37
Employee profile and diversity, page 79/81
People management and professional development, page 82
Human rights, page 87

Risk, crisis and opportunity management, page 37
Energy Transition, page 65
Climate Changes, page 75
People management and professional development, page 82

Risk, crisis and opportunity management, page 82
Operation and power supply, page 57
Energy Transition, page 65
Climate Changes, page 75
People management and professional development, page 82
Health and safety at Work, page 84

People management and professional development, page 82

Employee profile and diversity, pages 79/81
Human rights, page 87

Water, page 73

Risk, crisis and opportunity management, page 37
Employee profile and diversity, pages 79/81
People management and professional development, page 82
Human rights, page 87

Cybersecurity, page 34
Risk, crisis and opportunity management, page 37
Operation and power supply, page 57
Energy Transition, page 65
Stakeholder groups and topics of interest, page 66
Climate Changes, page 75

Risk, crisis and opportunity management, page 37
Operation and power supply, page 57
Energy Transition, page 65
Water, page 73
Climate Changes, page 75
People management and professional development, page 82

Risk, crisis and opportunity management, page 37
Energy Transition, page 65
Water, page 73
Climate Changes, page 75

Risk, crisis and opportunity management, page 37
Energy Transition, page 65
Water, page 73
Climate Changes, page 75

Find out more about the joint actions of the Eletrobras companies to meet the 2030 Agenda at the 2019 Annual Report by the Holding.

ANNEXES

ANNEX I

Eletrosul's corporate investments - By Program

2033 Program – Electricity	Final allocation (R$)	Amount Paid-in (R$)	Intervening factors
20OG Action– Maintenance of the Electricity Generation System in the South Region.	24,854,276	797,070	It was motivated by the reprogramming of the planned maintenance without incurring risks for the company's generating complex.
15BD Action – Expansion of the Electricity Generation system in the Southern Region and Mato Grosso do Sul.	2,206,550	0	Work not started, motivated by the details of the project and technical specifications. The executive project and the supply of equipment and electromechanical systems for this project are under contract.
1O50 Action – Expansion of the Electricity Transmission System in the Southern Region and in Mato Grosso do Sul.	77,648,747	27,816,557	Action started in January 2008. The projects currently in progress are expected to be completed in December 2021. It is worth mentioning that new projects can be incorporated into this action, changing the deadline for completion.
2D94 Action – Reinforcements and Improvements in the Transmission System in the Southern Region and in the State of Mato Grosso do Sul.	28,881,600	12,691,140	Due to delays in the supply of some equipment contracts, there was a need to reschedule payments linked to this action for 2020, without prejudice to meeting Aneel's schedules.
Action 4471 – Maintenance of the Electricity Transmission System in the South Region.	11,890,000	2,638,866	Maintenance expenses allocated to this activity refer to improvements in maintenance infrastructure, such as maintenance services for the electricity transmission system; indemnity for easement/improvements/damage to transmission lines in operation; acquisition of air conditioning systems.
Action 4471 - Maintenance of the Electricity Transmission System in the South Region	**Final allocation (R$)**	**Amount Paid-in (R$)**	**Intervening factors**
Action 4101 – Maintenance and Adequacy of Properties.	3,647,140	17,860	It was motivated by the reprogramming of project implementation, without impacting the company's operation.
Action 4102 – Maintenance and Adequacy of Movable Goods, Vehicles, Machines and Equipment.	19,555,000	1,449,915	Failure to achieve the economic goal is due to the delay in the processes, which were postponed to subsequent years.
Action 4103 – Maintenance and Adequacy of IT, Information and Teleprocessing Assets.	22,901,687	8,571,920	Some 2018 projects were completed in early 2019, hampering the preparation of the Telematics and Automation Master Plan (PDTA) that was submitted to the Executive Board in August 2019, causing a delay in the planning of acquisitions.

ANNEX II

Main risk events in our activities

Risk event	Main treatment actions for risk mitigation	Related material theme
Personnel Administration	Constant update on current legislation, data checking and auditing	People Development Management Risk and Crisis Management
	Planning to renew the staff	
	Support from the labor legal area and constant updates	
Energy Marketing	Investment in new contract management systems and projection system	Financial result Risk and Crisis Management
Accounting and Financial Statements	No risk factors with high and critical indexes, necessary to implement treatment actions	Financial result Risk and Crisis Management
Human Right	Inspection of aspects related to human rights in supply contracts	Human rights Risk and Crisis Management
	More effective disclosure of reporting channels to service providers	
	Engagement of suppliers in the dissemination and implementation of good practices regarding Human Rights to their employees	
Cash flow	Elaboration of criteria to define the company's minimum cash	Financial result Risk and Crisis Management
	Search for actions aimed at improving the calculation of projected vs. paid-in data	
Litigation Formation and Management	Resizing the team with the possibility of hiring a support team	Financial result Risk and Crisis Management
Fraud and Corruption	Continuity of training actions on this theme for the entire workforce	Corruption and Ethics Management Risk and Crisis Management
	Standardization of processes related to the theme	
SPE Business Management	No risk factors with high and critical indexes, necessary to implement treatment actions	Energy transition Socio-environmental Aspects in Decision-Making Energy supply Risk and Crisis Management

Risk event	Main treatment actions for risk mitigation	Related material theme
Social and Environmental Management of Ventures	Training of professionals to work with this theme	Water Socio-environmental Aspects in Decision-Making Climate changes Risk and Crisis Management
	Structuring the area to meet this theme	
	Evaluation by top investment management to certify that socio-environmental analyzes were also used	
Transmission Maintenance	Staff readjustment	Energy Supply Risk and Crisis Management
New businesses	Analyze new business opportunities according to internal policies and procedures / current legislation	Research and Development + Innovation Energy transition Energy supply Socio-environmental Aspects in Decision-Making Risk and Crisis Management
	Conducting new business reviews in accordance with internal anti-fraud and corruption legislation and policies	
Transmission Operation	No risk factors with high and critical indexes, necessary to implement treatment actions	Energy supply Risk and Crisis Management
Transmission Tariff Review	Staff training on the theme	Financial result Risk and Crisis Management
	Continuity in the participation of Aneel's Public Hearings on this topic	
	Evaluation of the methodology and criteria to be adopted in the Periodic Tariff Review and propose changes, if necessary	
Information security	Proposition of permanent educational actions on the theme	Cybersecurity Digital transformation Risk and Crisis Management
	Permanent training of the teams involved	
	Contingency plan update	
Dam Safety	Maintenance of updated processes and manuals related to the theme	Water Energy supply Risk and Crisis Management
	Catchment maintenance and certification of teams	
	Maintenance of the update on the Emergency Action Plan and the Dam Safety Plan	
	Dams monitoring	

CREDITS

Executive Coordination
Eletrosul - Business Management Advisory – ASG

GRI disclosures collection, consultancy, writing and translation coordination
Visão Sustentável

Graphic design, diagramming, infographics and illustrations
Visão Sustentável

Photos by
Acervo Eletrosul

Contact info
sustentabilidade@cgteletrosul.gov.br

Chapter Photos
Cover - Transmission line tower recomposition, Nova Santa Rita - Camaquã. Credit: Venâncio Máximo; UHE Passo São João. Credit: Aloisio Antes; Plant Megawatt. Credit: Hermínio Nunes.

Alexandre Albornoz
page 27 – Wind complex Cerro Chato

Hermínio Nunes
page 2 - Wind complex Cerro Chato
page 3 – Headquarters Eletrosul
page 17 – Plant Megawatt Solar, Edifício sede Eletrosul
page 54 - *Casa Eficiente* Project
page 106 – *Horta comunitaria* Project

Jayme Canet Junior
page 44 – UHE Governador Jayme

José Espindola Cabral
page 90 – SE Jorge Lacerda

Venancio Máximo
page 106 - PCH Barra do Rio Chapéu

MINISTÉRIO DE
MINAS E ENERGIA