

ANNUAL  
*Sustainability Report*  
2016

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Dear reader, we present our Annual Sustainability Report, including a description of our business model, strategies, and initiatives that reaffirm Light's commitment to sustainable development, the principles of the Global Compact, and the Sustainable Development Goals (SDG) of the United Nations. [G4-1]

We followed the G4 guidelines of the Global Reporting Initiative (GRI) and International Integrated Reporting Council (IIRC), integrating different corporate accountability documents.

The first year of the new management of Light brought important changes to its business strategy, already reflected in 2016 positive results.

Based on a new diagnostic analysis to find the causes and sites of energy losses, we intensified the combat of energy losses in regions that concentrate consumers with medium and high purchasing power. These regions account for 90% of the load of the distribution company and 51% of the volume of energy theft. As a result, we were able to significantly increase the volume of recovered energy, and total losses accounted for 22.54% over the grid load in the twelve months ended December 31, 2016.

The Company's success in the implementation of this program stands out if we take into account the adverse social and economic scenario in Brazil, especially in the State of Rio de Janeiro, where the 31 cities included in Light's concession are located. Not only did we manage to reduce the level of losses, but we also prevented it from degrading the collection rate, which increased in 2016 compared to 2015.

We allied the program to combat energy theft with the pursuit for efficiency through an improvement in the quality of services provided and a better management of human resources by the distribution company. In 2016, we invested approximately R\$170 million in the implementation of initiatives to improve the quality of services, resulting in a decrease in the duration of power outages (DEC) to 11.70 hours.

2017 already begins with excellent news for the Light Group. Upon the execution of the 5th amendment to the concession agreement, Light became the first company to voluntarily accept the new quality and economic and financial sustainability clauses, which will translate into an improvement in the services provided to consumers. This new amendment will also allow the anticipation of the tariff revision process of the distribution company, ensuring that its economic and financial equilibrium is restored.

This restoration of equilibrium, together with the prospects of improvement in the economic scenario in Brazil, including a decrease in the basic interest rate, will allow the Light Group to reduce costs with indebtedness and strengthen its cash flow.

It is also essential for the Company to *optimize* its investment program by focusing on its core business, i.e., distribution, and reviewing its portfolio of assets in terms of potential returns and short-term cash.

Finally, we reaffirm our commitment to the pursuit of efficiency in the management and implementation of best practices in all different areas of Light. Our operations will aim at sustainable results, privileging the competence and ethics of our employees and transparency in relationships with our shareholders, partners, customers, and other stakeholders.

Enjoy your reading!

*Nelson José Hubner Moreira*  
**Chairman of the Board of Directors**

*Ana Marta Horta Veloso*  
**Chief Executive Officer**



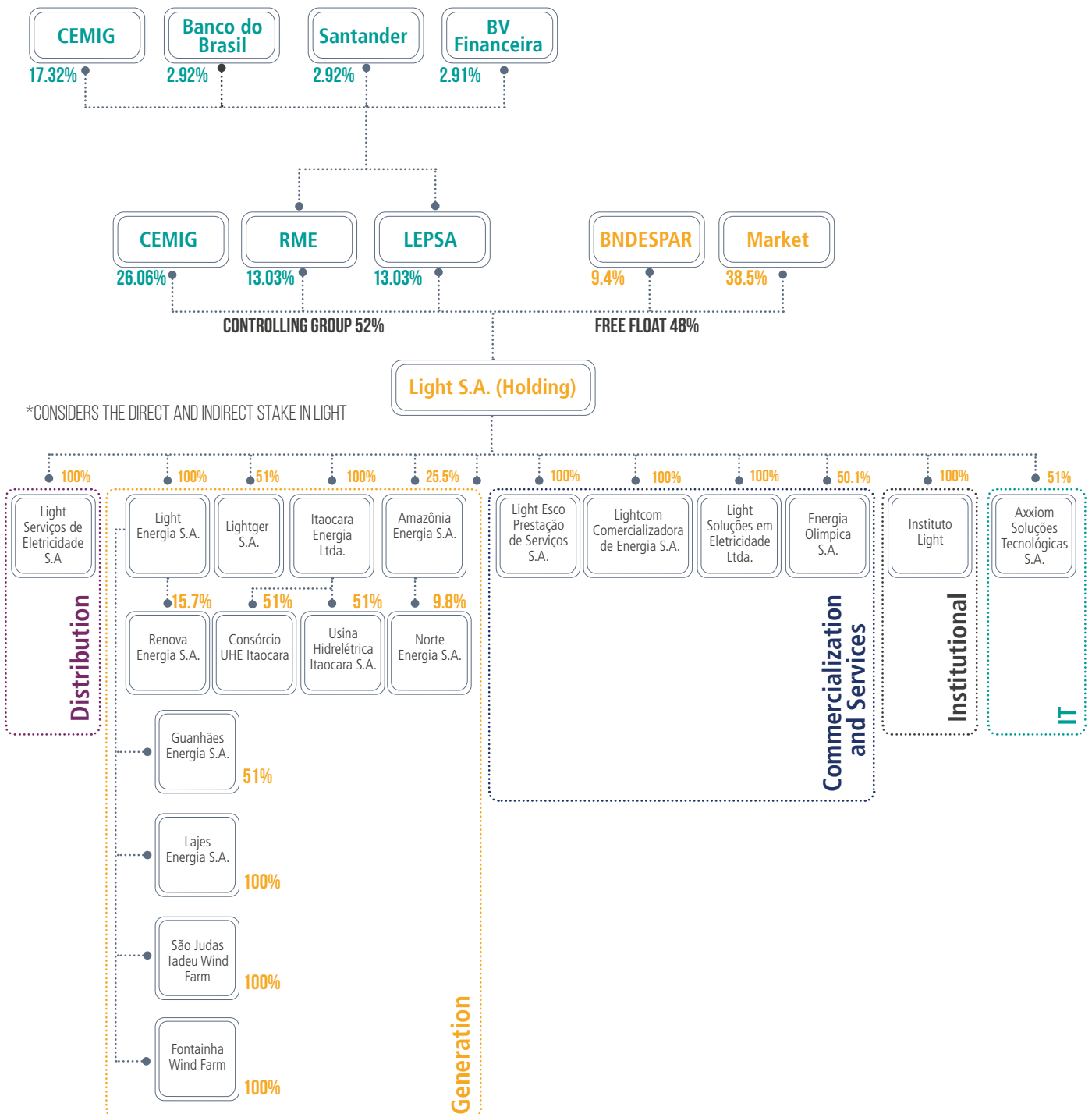
**MESSAGE**  
FROM MANAGEMENT

# PROFILE OF LIGHT

[G4-3, G4-4, G4-6, G4-7, G4-9, G4-13, G4-17]

The Light Group comprises Light S.A., the holding company, headquartered in the city of Rio de Janeiro, its wholly-owned subsidiaries (directly controlled companies), and equity interest held in other companies. The Light Group explores electricity services, including the generation, transmission, commercialization, and distribution segments, as well as associated services. In 2016, net revenue totaled R\$8.8 billion. This document describes the policies and practices related to the holding company and wholly-owned subsidiaries, simply referred to as Light in this report.

As of December 31, 2016, Light's corporate structure comprised: Controlling Group (52.13%) and free float (47.87%), of which 9.39% is held by BNDESPar and 38.49% is held by minority shareholders. The Controlling Group comprises the following companies: *Companhia Energética de Minas Gerais (Cemig)* (26.06%), *Luce Empreendimentos e Participações S.A. (LEPSA)* (13.03%), and *Rio Minas Energia S.A. (RME)* (13.03%).





## Directly Controlled Companies

**Light Serviços de Eletricidade S.A.** – Its main activity is the distribution of electricity in a concession area that encompasses 31 cities of the State of Rio de Janeiro, including the capital city. In 2016, the consumption of all 4.4 million customers totaled 25,849 GWh.

**Light Energia S.A.** – Its main activities are the study, planning, construction, operation, and exploration of energy generation, transmission, and commercialization systems, as well as associated services. It encompasses the Pereira Passos, Nilo Peçanha, Ilha dos Pombos, Santa Branca, and Fontes Nova power plants, with a total installed capacity of 855 MW. Light Energia holds equity interest in the following subsidiaries and jointly-controlled companies:

- **Lajes Energia S.A.** – It is responsible for the implementation, operation, maintenance, and commercial exploration of the Lajes small hydroelectric power plant, with a nominal capacity of 17 MW;
- **Renova Energia S.A.** – It operates in the energy generation segment through renewable alternative sources, including small hydroelectric power plants, and wind and solar power plants. Renova Energia holds a direct and/or indirect equity interest in these renewable alternative sources, totaling 1,979 MW of contracted energy, 683 MW of which are in operation or able to operate;
- **Guanhães Energia S.A.** – This company is pre-operational. It was created to implement and explore four small hydroelectric power plants in the State of Minas Gerais, totaling 44 MW of installed capacity;
- **Central Eólica São Judas Tadeu Ltda.** – This company is pre-operational. Its main activities will include the production and commercialization of electricity from a wind power plant, located in the State of Ceará, with a nominal capacity of 18 MW;
- **Central Eólica Fontainha Ltda.** – This company is pre-operational. Its main activities will include the production and commercialization of electricity from a wind power plant, located in the State of Ceará, with a nominal capacity of 16 MW.

**Light Esco Prestação de Serviços S.A.** – Its main activity is the purchase, sale, import, and export of electricity, thermal energy, gases, and industrial utilities, as well as the provision of operating and maintenance services to industrial and commercial customers of a number of sectors. [G4-EN7]

**Light Com Comercializadora de Energia S.A.** – Its main activities include short- and long-term commercialization of energy (purchase and sale) in the free market and the provision of consulting services to customers of a number of sectors.

**Light Soluções em Eletricidade Ltda.** – Its main activity is the provision of services to low voltage customers, including the assembly, refurbishment, and maintenance of installations in general.

**Itaocara Energia Ltda.** – This company is pre-operational. Its main activities will include the development of projects, construction, installation, operation, and exploration of generation power plants. It holds equity interest in the Consortium of the Itaocara hydroelectric power plant and in the following jointly-controlled company:

- **Usina Hidrelétrica Itaocara S.A.** – This company is pre-operational. It was established to construct the Itaocara hydroelectric power plant and it holds the concession for use of public asset for exploration of the Itaocara I hydroelectric power plant.

**Instituto Light para o Desenvolvimento Urbano e Social** – Its purpose is to participate in social and cultural projects, aimed at the economic and social development of cities.

## Equity Interest

**Lightger S.A.** – Its purpose is to participate in auctions relating to concessions, authorizations, and permits for new power plants. The Paracambi small hydroelectric power plant, jointly controlled by Light S.A. (51%) and Cemig GT (49%), commenced operations in the third quarter of 2012.

**Axxiom Soluções Tecnológicas S.A.** – Its purpose is to offer technology and system solutions to manage operations. It is jointly controlled by Light S.A. (51%) and Cemig (49%).

**Energia Olímpica S.A.** – Its purpose is to implement the Olympic Village substation and two 138-kV underground lines. It is jointly controlled by Light S.A. (50.1%) and Furnas Centrais Elétricas S.A. (49.9%). The construction of the Olympic Village substation was completed and we do not expect material effects in the liquidation process of Energia Olímpica S.A.

**Amazônia Energia Participações S.A.** – Its purpose is to hold equity interest in the capital stock of Norte Energia S.A. (NESA), a company that holds the concession for use of public assets for exploration of the Belo Monte hydroelectric power plant. It is jointly controlled by Light S.A. (25.5%) and Cemig GT (74.5%). Amazônia Energia holds an equity interest of 9.8% in NESA, exercising significant influence in its management, but no joint control.

For more information about equity interests, see [Notes to the Financial Statements](#).

# ABOUT THE REPORT

## Commitment to Sustainability

The commitment of Light to sustainability dates back to its listing in the *Novo Mercado* segment of the BM&Bovespa in 2005, and to its accession to the UN Global Compact in 2007. *Novo Mercado* sets forth high standards of corporate governance and the UN Global Compact encourages companies to adopt corporate social responsibility and sustainability policies.

Moreover, other important initiatives include: the accession to the Carbon Disclosure Project (CDP); accountability pursuant to the guidelines of the Global Reporting Initiative (GRI); formal accession to the Call to Action: Anti-corruption and the Global Development Agenda; and inclusion in the Corporate Sustainability Index of BM&Bovespa, or ISE Bovespa, and in the Work Group of Pioneer Companies in Sustainability Reporting (*Grupo de Trabalho de Empresas Pioneiras no Relatório de Sustentabilidade*), which is part of the Brazilian Integrated Reporting Commission (*Comissão Brasileira do Relato Integrado*). [G4-15]

It is worth noting that, in 2016, for the tenth consecutive year, we were included in ISE Bovespa, an index that identifies companies with the best corporate sustainability practices; and we continue to be ranked among the most sustainable companies in Brazil in Exame magazine's Sustainability Guide (*Guia Exame de Sustentabilidade*). For the third consecutive year, Light was a finalist for the Abrasca Annual Reporting Award (*Prêmio Abrasca de Relatório Anual*).

Lights' Annual Sustainability Report is directed to all stakeholders of the Company. The most recent edition was disclosed in May 2016. [G4-29, G4-30]

It is important to mention that this report has been prepared in accordance with the requirements of ANEEL's Social and Environmental, Economic and Financial Responsibility Annual Report (*Relatório Anual de Responsabilidade Socioambiental e Econômico-Financeira*), following the criteria of the GRI G4 Guidelines "in accordance" with the Comprehensive option, including all specific indicators of the electricity sector applicable to the Company<sup>1</sup>. [G4-18]

### DISCLOSURES PER OPTION

General Standard Disclosure	"In accordance" – Core	"In accordance" – Comprehensive
Strategy and analysis	G4-1	G4-1, G4-2
Organizational profile	G4-3 to G4-16	G4-3 to G4-16
Identified material aspects and boundaries	G4-17 to G4-23	G4-17 to G4-23
Stakeholder engagement	G4-24 to G4-27	G4-24 to G4-27
Report profile	G4-28 to G4-33	G4-28 to G4-33
Governance	G4-34	G4-34 G4-35 to G4-55
Ethics and integrity	G4-56	G4-56 G4-57 to G4-58
General standard disclosures for the electric utility sector	They must be included in accordance with the electric utility sector supplement.	They must be included in accordance with the electric utility sector supplement.
Specific Standard Disclosures	"In accordance" – Core	"In accordance" – Comprehensive
Disclosures on management approach	Only for material aspects.	Only for material aspects.
Indicators	At least one indicator related to each identified material aspect.	All indicators related to each identified material aspect.
Specific Standard Disclosures for the Electric Utility Sector	Indicators of the electric utility sector supplement must be included, if material.	Indicators of the electric utility sector supplement must be included, if material.

<sup>1</sup>The Core option contains the essential elements of a sustainability report. The Core option provides the background against which an organization communicates the impacts of its economic, environmental and social and governance performance. The Comprehensive option builds on the Core option by requiring additional Standard Disclosures of the organization's strategy and analysis, governance, and ethics and integrity. In addition, the organization is required to communicate its performance more extensively by reporting all Indicators related to identified material Aspects.

This report was prepared in accordance with the International Integrated Reporting Framework<sup>2</sup>, which proposes the presentation of results per capital, namely: Manufactured, Natural, Human, Intellectual, Social and Relationship, and Financial. We describe how each capital generates value for Light and its stakeholders in this report. [G4-18]

The information included in this report encompasses the results for the period between January 1 and December 31, 2016. [G4-28]

In the event we review information from the previous year, we change it and include it in the report, provided that it is duly justified. In 2016, no significant changes occurred. [G4-22, G4-23]

In order to integrate the sustainability indicators to the other indicators and information reported by Light, we analyzed two market accountability reports: the Reference Form (*Formulário de Referência*), required and regulated by the Brazilian Securities Commission (*Comissão de Valores Mobiliários – CVM*); and the Notes to the Financial Statements, provided by Law No. 6.404/1976 (Brazilian Corporate Law). We mapped 35 GRI G4 indicators, which have also been included in other documents.

Light's Annual Sustainability Report is approved by its Board of Directors after the analysis of the Governance and Sustainability Committee. [G4-48]

Light headquarters – Photo: Rogério Reis



<sup>2</sup>More information at [www.theiirc.org](http://www.theiirc.org).

# Engagement and Materiality

Since 2009, the contents of Light’s Annual Sustainability Report are prepared in accordance with the Materiality Matrix, which presents the aspects that generate value for Light and its stakeholders. [G4-18]

Light’s Matrix<sup>3</sup> is reviewed periodically and it was updated in 2016. The updating methods include document research, benchmarking process, and collection of new aspects with stakeholders. Based on priority issues, we determine GRI material aspects to be reported and the stakeholders affected by them.

Aspects are material for Light as a whole, but we chose to highlight the companies that are most affected in certain cases. The indicators presented in this report refer to material aspects and the performance of the company’s capitals. [G4-20, G4-21, G4-27]

## 2016 REPORT THEME

We choose one theme for every edition to guide the graphic project. In 2016, the graphic project was developed based on the Light way of BEING (*Jeito de SER Light*) campaign, created to reinforce the company’s values: “S” means Safety; “E” means Ethics; and “R” means Results.

Lapa Arches – Rio de Janeiro



<sup>3</sup>For more information, access <http://ri.light.com.br/enu/reports>



**MAIN ASPECTS INCLUDED IN THIS REPORT** [G4-19]

Aspects	Description	Related capital	GRI Material aspects	Affected stakeholders	Affected companies
Losses and Delinquency	Strategies to combat losses, including projects in communities.	Social and Relationship	- System Efficiency	Customers Community Regulatory Agency	Light SESA
Regulation and Public Policies	Influence and relationship with the regulatory agency and governments.	Social and Relationship Financial	- Indirect Economic Impacts - Public Policies	Customers Community Regulatory Agency Government	All
Health and Safety	Health and safety of the workforce and population.	Social and Relationship Human	- Occupational health and safety - Customer health and safety	Internal Audience Customers	All
Energy Efficiency	Management of demand and other energy efficiency programs.	Social and Relationship	- Demand-side management	Customers Community Regulatory Agency University	Light SESA
Relationship with Customers and the Society	Challenges faced to get closer to end consumers and the impacts of customer behavior on business.	Social and Relationship	- Compliance - Supplier assessment for impacts on society - Grievance mechanisms for impacts on society - Disaster/emergency planning and response - Product and service labeling - Marketing communications - Privacy - Compliance - Access	Customers Community Suppliers Regulatory Agency Government	Light SESA
Financial Strength and Capital Markets	Result, commitment to shareholders and creditors, and access to the financial market.	Financial	- Economic performance	Investors Shareholders	All
Quality of Service	Quality of energy supply to the end consumer.	Manufactured	- Availability and reliability - Access	Customers Community Regulatory Agency Investors	Light SESA

**MAIN ASPECTS INCLUDED IN THIS REPORT** [G4-19]

Aspects	Description	Related capital	GRI Material aspects	Affected stakeholders	Affected companies
Development of the Concession Area	Investments in the concession area and in projects that foster social and cultural development.	Social and Relationship	- Local communities	Customers Community Investors	All
Environment and Climate Change	Environmental impacts and adjustments to climate change.	Natural	- Emissions - Products and services - Compliance - General	Community Regulatory Agency	All
Internal Audiences	Management of people, labor practices, and decent work.	Human Intellectual	- Employment - Labor relations - Training and education - Diversity and equal opportunity - Equal remuneration for women and men	Internal Audience	All
Suppliers	Management of suppliers related to social and environmental practices.	Social and Relationship	- Supplier environmental assessment - Supplier assessment for labor practices - Supplier human resources assessment - Supplier assessment for impacts on society	Suppliers	All
Ethics and Compliance	Integrity of administrative, commercial, and operating practices.	Social and Relationship	- Anti-corruption - Anti-competitive behavior	All	All

We adopt the International Financial Reporting Standards (IFRS) to prepare our Financial Statements, whose information is audited by independent auditors, Deloitte Touche Tohmatsu Auditores Independentes. Social and environmental indicators were not checked. [G4-33]

Additional information or clarifications about this report can be obtained through the following communication channels:

E-mail: [relatorio@light.com.br](mailto:relatorio@light.com.br)

Address: Av. Marechal Floriano, nº 168,  
Centro, Rio de Janeiro/RJ, CEP: 20080-002. [G4-31]

The GRI Content Summary is available at  
<http://www.light.com.br/grupo-light/Sustentabilidade/relatorio-de-sustentabilidade.aspx>.

# CREATION OF VALUE

Light's business model is in line with the planning, operation, and regulation set forth by agents of the Electricity Sector, including: MME, EPE, ONS, CCEE, and ANEEL.

The capitals of Light are the inputs required by its activities to generate products and services that add value not only to the company, but also to its stakeholders.

**Dividends**  
(R\$ million)  
10

**Customer satisfaction (%)**  
ISQP 62%  
ISES 91%  
IASC 64%

**Inputs purchased from third parties** - materials, energy, services and others  
(R\$ million)  
7,536

**Investments in the community - EEP**  
(R\$ million)  
10

**Personnel**  
(R\$ million)  
404

**Energy consumed (GWh)**  
25,849

**Taxes, fees, and contributions**  
(R\$ million)  
7,552

- Government
- Employees
- Community
- Shareholders
- Suppliers
- Investors
- Customers

- Light SA.
- Light SESA
- Light Energia
- Light Com
- Light Esco
- Light Soluções
- Itaocara Energia
- Instituto Light
- Participações

# BUSINESS MODEL AND STRATEGY

Light's business model relates to energy distribution, generation, commercialization, and services. Actions developed during the year are aligned to the Company's strategy, the environment in which it operates, and the mapping of risks of opportunities.

The strategy of Light is based on the mission, vision, and values adopted by the Company. Moreover, it takes into account the analysis of the external and internal environments, as well as the business' critical risks, mapped in the review process of the Risk Matrix. For more details, see "Risk Management" in this report.

Considering the economic and political crisis in the State of Rio de Janeiro and the loss of economic and financial equilibrium of Light due to the water crisis and tariff increases in the previous year, priorities and action strategies were redefined in 2016, as described below.

**Mission** [G4-56]

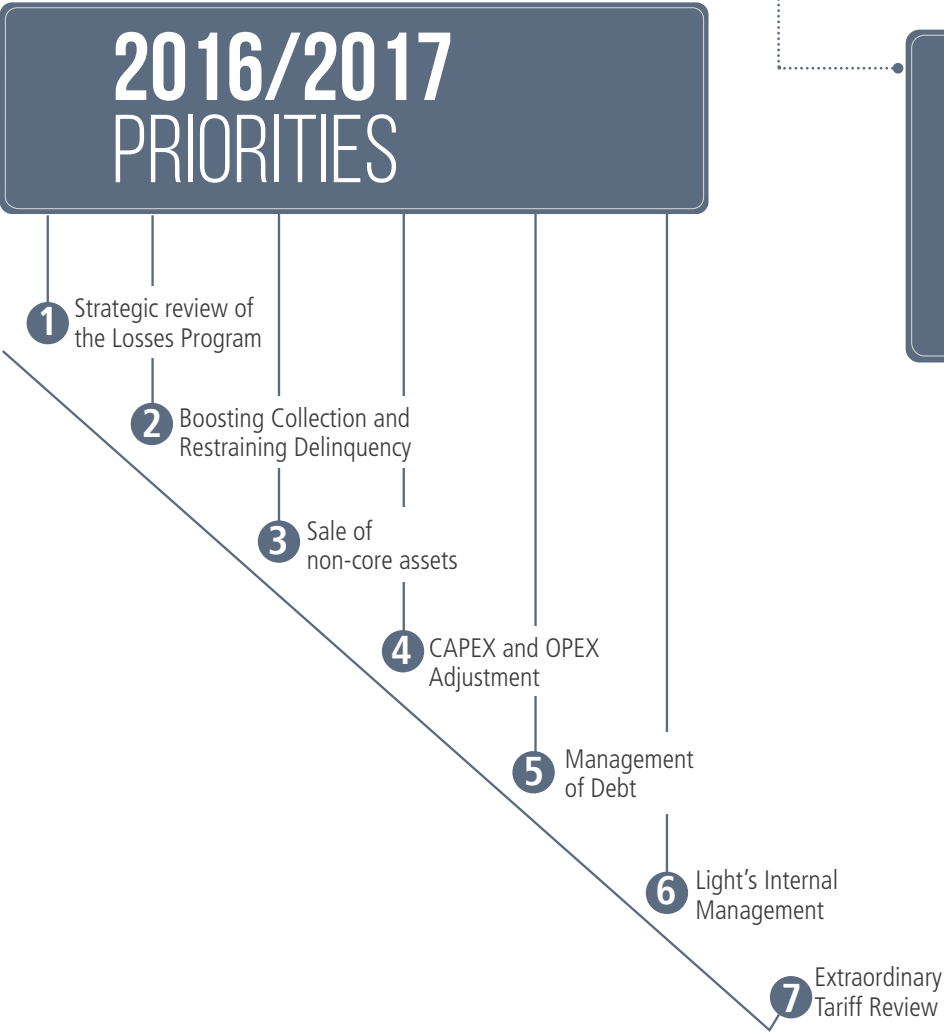
Supply energy and provide quality services in a sustainable way, contributing to the well-being and development of society.

**Vision**

To be the best company of the electricity sector, acknowledged for its profitability, efficient management and quality services.

**Values**

- Valuing Life
- Ethics
- Sense of Ownership
- Simplicity
- Meritocracy





## Capitals of Light

**1) Strategic review of the Losses Program:** strategy remodeling to combat non-technical losses, intensifying Light's initiatives in regions inhabited by middle and upper class customers to recover and incorporate larger volumes of energy per customer through lower-cost actions.

**2) Boosting collection and restraining delinquency:** initiative relating to a large customer of the Government segment, as well as the Governments of the State and cities to negotiate debts, including the intensification of collection initiatives in the retail segment.

**3) Sale of non-core assets:** review of the equity portfolio, focusing on the Company's core business, i.e., distribution.

**4) CAPEX and OPEX adjustment:** optimization of general and administrative expenses through (i) cost cutting, including sponsorships, consulting services, law firms, and travel; (ii) the Voluntary Dismissal Program, to reduce personnel expenses; and (iii) the implementation of conventional measures to combat losses, which are less capital intensive and provide return in the short and medium terms.

**5) Management of debt:** decrease of leverage and rollover of the main debts during the year, contracting of financing for the 2015-16 CAPEX with the BNDES, among other actions.

**6) Internal management of Light** launching of the "Light Way of BEING" ("*Jeito de SER Light*") campaign, an engagement process to be strengthened in 2017. This initiative is based on the company's rules of conduct, focused on Safety, Ethics, and Results. Moreover, we reviewed rules, allowing the management of knowledge and the dissemination of best practices.

**7) Extraordinary Tariff Review:** the formal request for execution of an amendment to the concession agreement and anticipation of the 4<sup>th</sup> Tariff Review was filed with ANEEL to restore the equilibrium of the concession.

In order to develop its activities, Light relies on funds and established relationships that, according to the International Integrated Reporting Framework<sup>4</sup>, are known as capitals, subdivided as follows: Manufactured, Natural, Human, Intellectual, Social and Relationship, and Financial capitals. Together, these capitals allow the creation of value to all involved parties and the achievement of better results.

## Intangible Assets

The Human, Intellectual, and Social and Relationship capitals are deemed the company's intangible assets. These capitals are not physical objects nor do they have any individual market value. These capitals are developed through activities including training, technical education, technological innovations and processes, and communication campaigns, among others.

In addition, infrastructure assets tied to the concession and research expenses recorded in fixed assets are also deemed intangible assets.

For more information, see the [Financial Statements](#).

The management of all capitals, including intangible assets, and the performance evaluation of each one of them, taking into account existing relationships and impacts, allow the creation of value for Light and its stakeholders. This value is identified through indicators that measure internal impacts (the use of resources, hours of training, financial results) and external impacts (air emissions, quality of energy supply, and customer satisfaction).

<sup>4</sup>More information at [www.theiirc.org](http://www.theiirc.org).

## Capitals

### Manufactured

Infrastructure, own facilities, material and equipment owned by Light required for the company's activities.

### Natural

Renewable and non-renewable environmental resources and processes that support the organization in the provision of services and sale of products, including water, land, forests and biodiversity.

### Human

The individual competencies, knowledge, and capabilities of the professionals of Light that comprise the organization's wealth of experience and culture; actions that align the workforce to the organizational culture and the company's strategies, focused on results; training, internal communication, retention, engagement, and promotion of integration among different areas to optimize processes.

### Intellectual

Tacit knowledge, organizational rules and procedures, corporate systems, patents, licenses, technologies, and R&D projects, among others. It also encompasses knowledge management processes to perpetuate knowledge in the education of future generations.

### Social and Relationship

Relationship with stakeholders and/or membership in networks, sharing information and improving individual and collective well-being. The social and relationship capital includes established relationships, partnerships, values in common, intangibles associated with brand, and reputation.

### Financial

Funds available for the provision of services and investments, encompassing investment return, shares, contracted debt, and subsidies received.

## Impacts

### Manufactured

- Infrastructure for the production and distribution of energy
- Energy security, energy supply availability, and stability
- Quality of energy supply
- Interference in the environment and urban landscape
- Power outage

### Natural

- Use of renewable resources
- Environmental investments
- Access to water
- Consumption of non-renewable resources
- Emission of GHG
- Generation of waste

### Human

- Creations of jobs
- Training of the workforce
- Safety of the workforce and population
- Fines and sanctions related to the service

### Intellectual

- Investment in R&D and innovation
- Partnerships with Universities and Research Centers
- Dissemination of knowledge
- Inability to advance in the innovation chain
- Discontinuity of projects affecting partnerships

### Social and Relationship

- Quality of services provided
- Social and environmental responsibility actions
- Efficient use of energy
- Dissatisfaction of customers regarding services provided
- Increase in non-technical losses

### Financial

- Perpetuity of the company
- Payment of taxes
- Strengthening of the energy and financial markets
- Delinquency
- Inefficient use of resources

# CAPITALS OF LIGHT

## Indicators

### Manufactured

- Installed capacity of power plants
- Installed capacity of the distribution system
- Transmission and distribution networks
- Frequency of power outage
- Average duration of power outage

### Natural

- Environmental investments
- Number of ISO 14000 certifications
- GHG emissions

### Human

- Hours of training per employee/year
- Accident Frequency Rate
- Fines and sanctions

### Intellectual

- Investments in R&D

### Social and Relationship

- Index of Customer Satisfaction Relating to the Execution of Services (ISES)
- Index of Satisfaction with Perceived Quality (ISQP)
- ANEEL Index of Consumer Satisfaction (IASC)
- Investments in the Community
- Non-technical losses / Low voltage market
- Collection rate

### Financial

- Net revenue
- EBITDA
- EBITDA margin
- Net income (loss)
- Investments
- Net debt

## Audiences

### Manufactured

Government, suppliers, companies that provide telephone and cable TV services.

### Natural

Regulatory agencies, universities and the population of surrounding areas.

### Human

Workforce, suppliers, and companies of the sector.

### Intellectual

Universities, business partners and the workforce.

### Social and Relationship

Government, ANEEL, customers, community, suppliers, shareholders, professional associations, and universities.

### Financial

Shareholders, investors, financial institutions, market analysts, ANEEL, the Federal Government, and professional associations.

## Ways to create value

### Manufactured

Investments made to improve our infrastructure based on the possibility to share infrastructure assets tied to the concession.

### Natural

Investments in licensing, environmental protection and safety, environmental projects, educational initiatives, reforestation, and maintenance of the EMS.

### Human

Correct execution of the standards set forth in the strategic planning, aligned with the targets and requirements of stakeholders.

### Intellectual

New technologies, more efficient processes, revenue from patents, knowledge retention, etc.

### Social and Relationship

Investments to establish a new type of relationship with communities. Management of the company's brand and image, which portray the reliability in the strength of the organization.

### Financial

It impacts all other capitals, as it provides funds for works, trainings, studies, and improvements. Accordingly, it is affected by the results generated by the other capitals.

# GOVERNANCE

The set of formal mechanisms and practices aimed at achieving the goals of creation of value for the Company and its shareholders is detailed in Light’s Corporate Governance Manual. In accordance with this Manual, we set forth an adequate level of transparency and dialogue with the market and other stakeholders.

## Governance Structure [G4-34]

The Shareholders Forum is responsible for consolidating the alignment of decisions within the controlling group and it encompasses the Shareholders’ Meeting, the Fiscal Council, and the Controlling Shareholders Forum. Light’s governance structure also relies on Interface Forums, comprised of the Board of Directors and its advisory committees. These committees have a consulting role and do not have executive or decision-making functions. They meet to address the subjects set forth in the Governance Manual or specific subjects indicated by the Board of Directors and/or the Board of Executive Officers of Light.

## Board of Directors and Committees [G4-38, G4-40]

The Board of Directors comprises a minimum of five and a maximum of 13 sitting members and their respective alternates, for a unified term of office of two years. Reelection is permitted. The Board of Directors includes independent directors and representatives of the employees.

It is worth noting that specific criteria are adopted to select directors, whose profile must meet pre-determined characteristics and conducts, in order to ensure a diversified Board, contemplating knowledge in different areas, including the economic, social, and environmental areas.

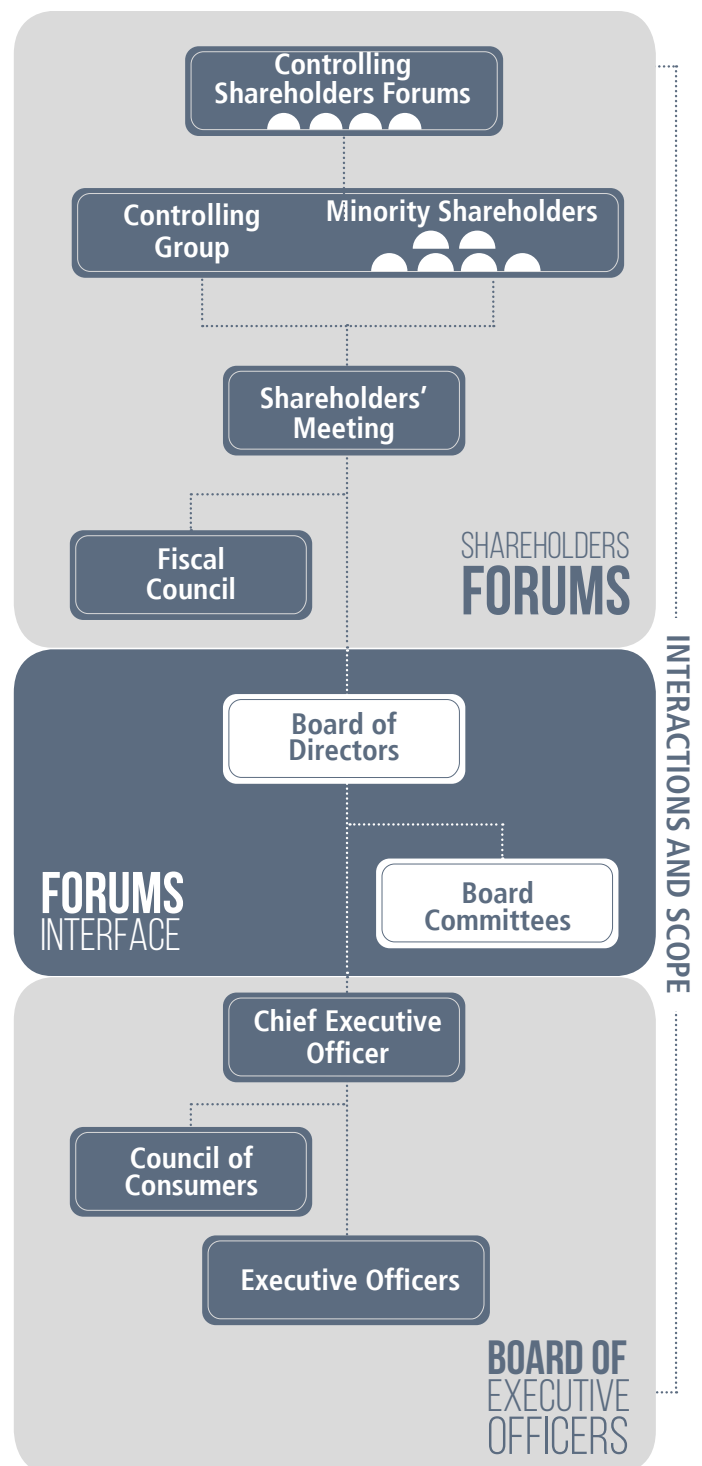
Detailed information about board members and their expertise, as well as their membership in other boards, committees, commissions and work groups, is included in the Reference Form (*Formulário de Referência*), sent to the Brazilian Securities Commission (*Comissão de Valores Mobiliários – CVM*), and available at the Investor Relations website, at [Reference Form](#).

The Board of Directors relies on the following five supporting committees, which do not have executive or decision-making functions: Audit Committee (CAUDIT), Finance Committee (CFIN), Human Resources Committee (CRH), Management Committee (CGEST), and Governance and Sustainability Committee (CGOV).

Risk management is a priority for the Board of Directors, which works to understand the risks to which Light is subject, ensure full transparency relating to these risks, and create conditions that allow the internal management and control structures to work efficiently.

The risk management process is detailed in Risk Management. It is also worth noting that the Board of Directors approves and monitors the implementation of Light’s Strategic Plan. [G4-45, G4-46, G4-47]

A description of the members of the Board of Directors and committees and relevant duties is also included in the Investor Relations website, at [Management](#). [G4-42]



## Board of Executive Officers

As of December 31, 2016, the Board of Executive Officers of Light comprised 9 members: Chief Executive Officer, Chief Financial Officer, Chief HR and Corporate Management Officer, Chief Energy Officer, Chief Business Development and Investor Relations Officer, Chief Commercial Officer, Chief Engineering Officer, Chief Communications Officer, and Chief Legal Officer, elected by the Board of Directors for three-year terms.

Information about the current members of the Board of Executive Officers is included in the Investor Relations website, at [Management](#).

## Fiscal Council

The Fiscal Council of Light, pursuant to Brazilian Corporate Law (*Lei das Sociedades por Ações*), is a corporate body independent from management and external auditors. It is installed once a year upon request of shareholders. The main duties of the Fiscal Council include: inspect management's activities, review financial statements, and report its conclusions to shareholders. The compensation of members of the Fiscal Council equals at least 10% of the average annual compensation paid to the Company's executive officers.

Information about the members of the Fiscal Council is included in the Investor Relations website, at [Management](#).

## Council of Consumers

The Council of Consumers meets at least six times a year and comprises six sitting members and six alternates. The segments that are represented are: residential, commercial, industrial, government, rural, and consumer protection (Procon-RJ).

The purpose of the Council of Consumers is to promote debate in defense of collective interests of consumers and dialogue between Light and the representatives of customers under different tariff classes, seeking amicable solutions for issues related to supply, tariffs, and the adjustment of services provided to end consumers.

Contributions, criticisms, suggestions, and claims from the Council of Consumers are welcome by the Company. All expectations and needs of council members are recorded in minutes and proposals are forwarded to be addressed and monitored in meetings.

In addition to general meetings, extraordinary meetings and meetings of the Sector Chamber are also held. The Chief Executive Officer and the Board of Executive Officers of Light often attend these meetings.

The Council of Consumers also has a direct communications channel with the Company's Institutional Relations area.

## Analysis of Social and Environmental Issues

Pursuant to the [Corporate Governance Manual](#), sustainability duties are delegated to the Governance and Sustainability Committee. [G4-35]

In addition to the Governance and Sustainability Committee, the Board of Executive Officers also has duties related to economic, environmental, and social aspects, as detailed in the [Bylaws](#). The most material subjects relating to these aspects are reviewed by the Board of Executive Officers, forwarded to the relevant committees of Light, and subsequently reviewed by the Board of Directors. [G4-36, G4-49]

In the meetings of the Board of Directors held in 2016, 56 critical issues relating to economic aspects, 14 relating to social aspects, and five relating to environmental aspects were presented, including the mechanisms to mitigate existing risks. The time dedicated to social and environmental issues accounted for 20% of the total. When required, stakeholders are consulted through different forms of engagement, as mentioned in "About the Report." [G4-37, G4-50]

Situations that involve conflict of interests and related party transactions are addressed pursuant to specific law.

For more information, see [Business Model](#), at the Investor Relations website.

## Improvement and Performance Evaluation [G4-44]

The Governance General Office (*Secretaria Geral de Governança*) of Light organizes and manages, at the end of each year, the performance evaluation of the Board of Directors, directors, and Committees. The performance evaluation is an instrument approved by the Board of Directors for the self-analysis of operations and work. This process takes into account the flow of information between the Board of Executive Officers and the Board of Directors, the conduction and agenda of meetings, the speed and quality of decisions, the level of responsibility, the internal harmony among directors, and the behavior of individual members. The Governance General Office (*Secretaria Geral de Governança*) also organizes and manages an evaluation about how the Board of Directors and the Board of Executive Officers incorporate social and environmental considerations in the determination of the Company's business and operations.

The Chief Executive Officer is evaluated under the aspects of vision, strategic planning, leadership, company's results, external relationship and relationship with the Board of Directors, development of key executives, and the creation of opportunities for Light.



## Compensation Policy [G4-51]

Feedback from evaluations is presented in the first meeting of the Board of Directors of the following year. The most important suggestions are adopted by the Board of Directors.

More information about the structure and the governance mechanisms of Light is included in [Business Model](#), at the Investor Relations website.

The compensation policy of Light is set forth in accordance with market practices in order to attract and retain competent and qualified professionals. The compensation model adopted by the Company encompasses a fixed and a variable compensation, and no share-based compensation is provided thereunder. The variable compensation plays an important role, as it promotes the culture of results and also maintains the alignment of interests among shareholders, executives, and employees. More information about the compensation policy of Light is included in [Business Model](#), at the Investor Relations website.

## ETHICS AND COMPLIANCE

[G4-56, G4-57, G4-58]

ETHICS AT LIGHT	
<p><b>CODE OF ETHICS AND CORPORATE CONDUCT</b></p> <ul style="list-style-type: none"> <li>- It is aligned with the mission, vision, values, and principles of the organization.</li> <li>- It incorporates aspects of the Anticorruption Law.</li> <li>- It addresses issues related to conflicts of interest and other anticorruption aspects.</li> <li>- It reinforces the commitment of all to sustainable development and the appreciation of the workforce, fighting any type of prejudice and discrimination.</li> </ul>	<p><b>ETHICS COMMITTEE</b></p> <p>The Ethics Committee permanently assesses whether the Code of Ethics is up to date and relevant, proposing and discussing changes in contents and reviews, and submitting proposals to the Board of Executive Officers for approval. Moreover, the Ethics Committee addresses issues relating to ethical violations submitted to it and proposes disciplinary or corrective measures.</p>
REPORTING CHANNELS	
<p><b>WORKFORCE</b></p> <ul style="list-style-type: none"> <li>- Direct contact with the immediate superior.</li> <li>- Ethics Committee of Light, at the email: <a href="mailto:comitedeeticalight@light.com.br">comitedeeticalight@light.com.br</a>.</li> <li>- Corporate Channel<sup>5</sup>, at the phone number 0800 777 0783, at <a href="http://www.canalcorporativolight.com.br">www.canalcorporativolight.com.br</a> or at Caixa Postal 521 – CEP 06.320-971.</li> </ul>	<p><b>CUSTOMERS AND PUBLIC IN GENERAL</b></p> <ul style="list-style-type: none"> <li>- Virtual store, at <a href="http://www.light.com.br">www.light.com.br</a>.</li> <li>- Call Center, at the phone number 0800 282 0120.</li> <li>- Ombudsman, at the phone number 0800 284 0182; by letter to Av. Marechal Floriano, 168, 2º andar, Centro, Rio de Janeiro, CEP: 20080-002; by facsimile (21) 2211-7584; or at General Desk (<i>Protocolo Geral</i>), located at the ground floor of the Company.</li> </ul>
MEASURES ADOPTED IN CASE OF VIOLATION OF THE CODE OF ETHICS	
<p><b>FOR EMPLOYEES</b></p> <p>Cases may be reported to the manager of the area, Ethics Committee or Compliance Committee, as applicable.</p> <p>Pursuant to the specific internal rule, employees are subject to disciplinary measures, including warnings, suspension or dismissal, with or without cause, in order to guide and punish.</p>	<p><b>FOR OUTSROUCED EMPLOYEES</b></p> <p>The issue is forwarded to the service provider, which then assesses the facts to take the appropriate measures, as required.</p>

<sup>5</sup>It is safe, confidential and privileged, with an anonymity option. A number is generated for each report, except for voice mail, which allows following up on the progress of the treatment given to the report. All reports are addressed through analysis and verifications coordinated by the Compliance area, from receipt to closing. Specific cases may be forwarded to the Ethics Committee. The Channel is managed by an external company with strong international operations.

## Dissemination of the Code of Ethics

[G4-HR2, G4-SO4]

In 2016, the main challenges were the detection of misconduct, giving Light the opportunity to identify and correct any weaknesses in processes and impose the applicable penalties, based on evidence, showing that, in the Company, ethics is non-negotiable.

The purpose of the Compliance Program is to detect corporate fraud. Accordingly, we highlight the Corporate Channel, through which we receive reports from our employees and outsourced professionals. In 2016, we received 62 reports, of which 21 related to favoritism or conflict of interest; 16 to workplace harassment, ill treatment or discrimination; and two to bribery or kickbacks. The other reports are related to irregularities in contracted companies, violation of employment law, misuse, forgery and/or adulteration of documents, non-compliance with safety rules and improper behavior. It is important to mention that this channel is managed by an independent company, permitting anonymity and ensuring confidentiality. [G4-HR3, G4-HR12, G4-SO5]

The Ethics Committee received 13 consultations and three reports related to workplace harassment. All cases were duly reviewed and Light took the applicable measures.

In 2016, we also highlight the approval and disclosure of Light's anticorruption policy, which sets forth specific anticorruption guidelines.

In 2017, the objective is to operate in accordance with the guidelines of the policy of detection of corporate fraud to strengthen even further the culture of ethics of Light.

In continuation of the initiatives of the previous year, in 2016, we promoted the following in-person and online actions:

### In-person Actions

- Presentation of the Code to new employees.
- Reinforcement of the Code for leaders at meetings with the Board of Executive Officers.
- Face-to-face reinforcement of the Code for all employees at quarterly meetings.
- Reinforcement of the Code at live announcements of the Chief Executive Officer for all employees.
- Dissemination of the Code at the "Light Way of BEING" ("Jeito de SER Light") Meeting, as detailed under "Our People."

### Online Courses at the Knowledge Portal (Portal do Conhecimento)

- 4-Minute Course on Ethics: 198 employees.
- Our Ethics Course: 216 employees.

## RISK MANAGEMENT

[G4-2, G4-14]

Risk encompasses everything that may positively or negatively affect the results of the Company. Accordingly, Light continuously improves its processes to monitor and manage the risks to which it is exposed.

Risk management considers five levels of impact and probability: critical, high, medium, low, and very low, classified as financial, operating, and compliance risks.

Financial risks refer to unpredicted events that affect the liquidity and/or deteriorate the capital structure of the Company.

Operating risks refer to unexpected processes and events, including human error, equipment and system failure, and external agents' actions, which may significantly damage the Company's economic value and image, affecting customers and Light's long-term performance. Compliance risks involve legal and regulatory issues and changes

in the political scenario that may affect the electricity sector. More specifically, changes in legislation result in an increase in judicial contingencies for the Company.

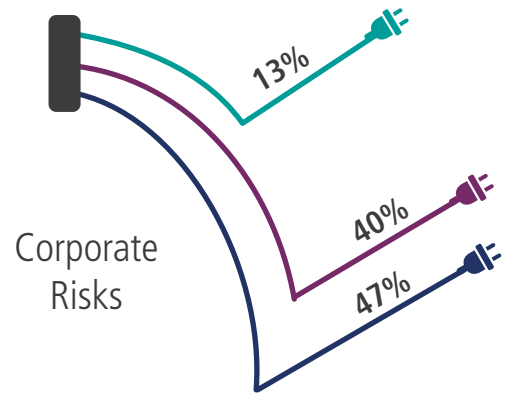
The Integrated Risk Management Model (*Modelo de Gerenciamento Integrado de Riscos – GIR*), adopted as a benchmark by Light, is based on a methodology and activities recommended by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for Enterprise Risk Management (ERM).

At Light, risk management occurs on a strategic and corporate level, and the Strategic Risk Matrix and the Corporate Risk Matrix are reviewed annually. At the moment, the Company has 21 strategic risks (15 of which are a priority) and 331 corporate risks, which serve as a base for the priority classification of processes to be audited by the Internal Audit Annual Plan.

In 2016, Light developed a methodology to integrate strategic risks into corporate risks, which will be applied as of 2017. The objective is to identify the set of risks not only by their individual impact and probability, but also based on how they affect the strategic objectives of the Company.

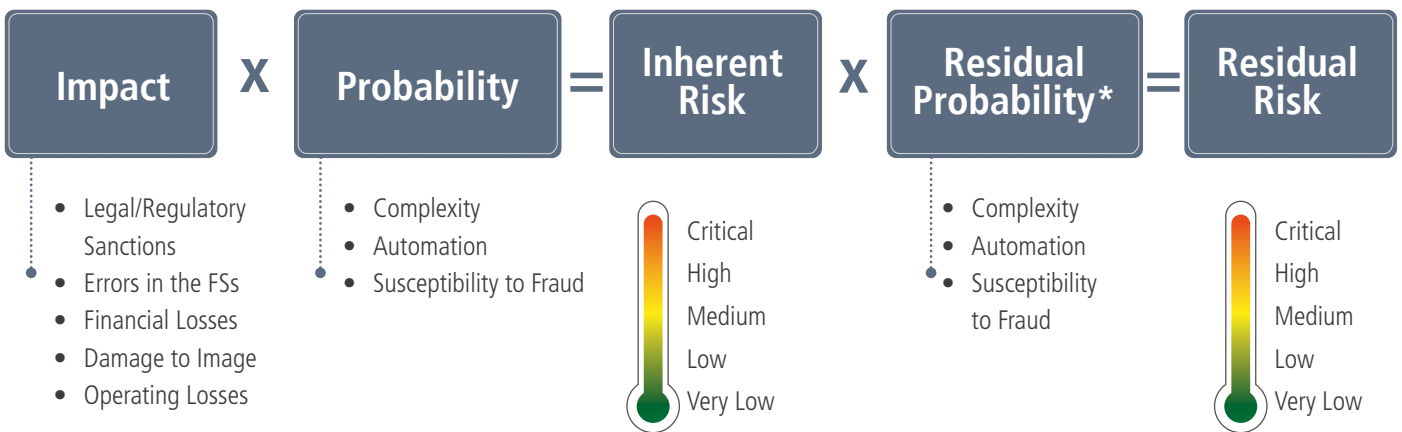
The measurement of the impact of risks includes the assessment of potential legal and regulatory sanctions, financial and operating aspects, damage to image, and whether the risk may generate inconsistencies in the financial statements. The measurement of probability includes the assessment of the level of susceptibility to fraud and the complexity and level of process automation.

This first analysis of impact and probability presents the measurement of the inherent risk, i.e., the probability of realization of the risk, irrespective of the existence of controls. Subsequently, we measure the residual risk, which is the probability of realization of the risk, considering the environment of controls of the company.



- Compliance
- Financial
- Operating

## Risk Measurement Methodology



\* Reassessment of the probability considering the environment of process control.

The understanding of the residual risks allows the identification of extremely material processes already under control, allowing Light to focus efforts on processes that may present some level of weakness.

Therefore, the major challenge for 2017 will be the application of this new methodology to risk management. Accordingly, we will revise all 331 corporate risks and 21 strategic risks, assessing the relation among them, reassessing the levels of impact and probability, and updating the format of controls with the responsible managers.

For more information, see [Reference Form](#).

## MAIN INDICATORS

<b>MANUFACTURED CAPITAL</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Installed capacity of power plants (MW)	971	955	1,024
Installed capacity of the distribution system (MVA)	10,165	10,340	10,492
Subtransmission and distribution networks (km) (*)	66,451	69,794	79,096
Frequency of power outage – FEC (number of power outages)	6.6	6.4	6.5
Average duration of power outage – DEC (hours)	12.4	12.6	11.7
<b>NATURAL CAPITAL</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Environmental investments (R\$ million)	37.8	34.7	33.4
Direct GHG emissions – Scope 1 (ton. of CO <sub>2</sub> eq.)	37,994	31,557	38,727
Indirect GHG emissions – Scope 2 (ton. of CO <sub>2</sub> eq.) (**)	401,234	377,989	230,669
Number of ISO 14000 certifications	296	308	308
<b>HUMAN CAPITAL</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Hours of training per employee/year	40.5	41.9	27.2
Accident frequency rate	3.44	3.30	3.16
Fines and sanctions (R\$ million)	38.6	46.1	48.3
<b>INTELLECTUAL CAPITAL</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Investments in R&D (R\$ million)	11.3	12.6	8.2
<b>SOCIAL AND RELATIONSHIP CAPITAL</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
ANEEL Index of Consumer Satisfaction (Índice ANEEL de Satisfação do Consumidor – IASC) (%)	65.5	49.8	63.9
Index of Customer Satisfaction Relating to the Execution of Services (Índice de Satisfação do Cliente com a Execução dos Serviços – ISES) (%)	92.0	91.0	91.0
Index of Satisfaction with Perceived Quality (Índice de Satisfação da Qualidade Percebida – ISQP) (%)	69.5	70.1	62.0
Investments in Communities – EEP (R\$ million)	24.6	40.4	9.5
Non-technical losses / Low voltage market (%)	42.2	40.7	39.6
Collection rate (%)	98.6	94.7	96.3
<b>FINANCIAL CAPITAL</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Net revenue (R\$ million)	8,260	9,976	8,756
Adjusted EBITDA (R\$ million)	1,699	1,614	1,427
EBITDA margin (%)	20.6	16.2	16.3
Net income (loss) (R\$ million)	663	38	(313)
Net debt (R\$ million)	5,914	6,502	6,220
Investments including contributions (R\$ million)	1,107	944	953

(\*) In 2016, a physical-accounting adjustment was made due to the large use of SMC measurement in REN areas, recognized in the process of determination of the regulatory remuneration base of the 4<sup>th</sup> CRTP.

(\*\*) In 2016, the emission factor of the SIN and the load distributed in the system decreased.

## GENERATION

The generation complex of Light Energia has five power plants located in Rio de Janeiro and in São Paulo (Fontes Nova, Nilo Peçanha, Pereira Passos, Ilha dos Pombos, and Santa Branca) and two additional pumping stations (Santa Cecília and Vigário). Moreover, the generation complex of Light Energia benefits from the hydraulic power of the Paraíba do Sul and Ribeirão das Lajes rivers in the process of generation of energy. The infrastructure of the complex has other hydraulic structures that stand out, including reservoirs, dams, canals, dikes, spillways, tunnels, forced conduits, and water intakes.

In 2016, Light prepared an action plan for the power plants relating to the period of the Olympic and Paralympic Games. The measures adopted include the reinforcement of pumping and associated structures to ensure the continuity of energy and water supply to the city of Rio de Janeiro during the games.

At the Nilo Peçanha power plant, the Company fulfilled the commitment assumed to modernize the structure of the 230 kV Nilo Peçanha-Santa Cabeça transmission line. The main benefits include: higher reliability of the protection system, operating readiness, and prompt detection of failures.

At the Santa Branca power plant, all stages included in the action plan relating to the recovery of areas affected by erosion were completed. The completion of the next stages is expected for February 28, 2017 and February 28, 2018.

Finally, it is worth noting that, at the Vigário pumping station, we are conducting maintenance works on the axles and rotors to improve pumping output and to increase the useful life of equipment.

### INSTALLED CAPACITY IN OPERATION, CONSIDERING EQUITY INTERESTS

#### CURRENT GENERATION COMPLEX [EU1]

Existing hydroelectric power plants	Installed capacity (MW)*	Assured energy (MWm)*	Commencement of operations	Concession/ authorization expiration year	Equity interest held by Light (%)
Fontes Nova	132	104	1942	2026	100%
Nilo Peçanha	380	335	1953	2026	100%
Pereira Passos	100	51	1962	2026	100%
Ilha dos Pombos	187	115	1924	2026	100%
Santa Branca	56	32	1999	2026	100%
Pumping stations	-	(95)	-	-	-
Paracambi Small Hydroelectric Plant	13	10	2012	2031	51%
Renova	107	48	2008	2033	15.7%
Belo Monte	50	48	2016	2045	2.49%
<b>Total</b>	<b>1,024</b>	<b>648</b>			

\* Proportional equity interest held by Light

# MANUFACTURED CAPITAL



### LAJES SMALL HYDROELECTRIC PLANT

The works are ongoing. The physical progress of the project is approximately 70%. The commencement of commercial operations of the power plant is expected for the second semester of 2017. The financing agreement with the Brazilian Economic and Social Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social* – BNDES) was executed in May 2016, and R\$28 million was disbursed for the project as of the date hereof. The agreement for the execution of works provides for obligations of Light, including employee rights. [G4-HR1]



## DISTRIBUTION

[G4-EC7]

Light SESA is a company of the Light Group responsible for distributing energy to more than four million customers in 31 cities in the State of Rio de Janeiro. The Company seeks constant improvements in the quality of supply and, as a result, in the efficiency of services provided to the population of the concession area.

NETWORK DATA [EU4]	2014	2015	2016
Installed capacity (MVA)	10,165	10,340	10,492
Subtransmission lines (km)	1,980	1,987	2,033
Total distribution network (km)	64,471	67,807	77,063
Substations (SESD)	220	221	222
Distribution transformers (units)	87,194	89,622	90,720

In 2016, one of the main commitments of Light SESA was to supply electricity to the Olympic and Paralympic Games, held in Rio de Janeiro from August 5 to September 18. Accordingly, 2016 was marked by the completion of works and operationalization of the structure required for the events.

Light was dedicated to ensure that in this period, energy supply was safe and reliable, completing all maintenance plans, network expansion works and new connections, and operating and contingency plans. Moreover, Light was committed to the construction of the Olympic

Village substation and the temporary energy facility. Teams were dedicated 24 hours a day during the entire period of events and in all Olympic sites.

Since 2013, when works started, the Company invested R\$444 million in the construction and modernization of substations, transmission lines, distribution networks, interconnection extensions, electrical network protection systems, and also prepared a robust operating plan to meet the demand of the Games. The total invested amount also includes service to all tourists and new customers as a result of the events, as was the case of the 77 hotels built and the light rail vehicle (*Veículo Leve sobre Trilhos* – VLT), which relies on its own energy substation provided by Light.

It is worth noting that most of the projects were conducted in the west zone of Rio de Janeiro. However, investments also benefited other regions that hosted the competitions, including Deodoro, Copacabana, Maracanã, Padre Miguel, Guadalupe, Lagoa, and Flamengo.

One of the works that stands out was the construction of the new Jacarepaguá-Curicica transmission line, accounting for an investment of approximately R\$37.5 million, benefiting more than 196 thousand customers in Rio de Janeiro.

The underground distribution area, usually located in the main tourist points of the city, such as downtown (*Centro*), south zone (*Zona Sul*), and Barra, underwent an improvement intervention on the network, including the revitalization of medium voltage circuits that serve the Novo Rio Bus Station, Marina da Glória, Sambódromo, and Ilha Pura (Athletes Village). Moreover, low voltage cables surrounding the main hotels in Copacabana were restored.

## Quality of Service <sup>[EU6]</sup>

Supported by a strategy that seeks efficiency in management and assertiveness in the use of funds in networks, in 2016, Light reached an accumulated DEC<sup>6</sup> of 11.70 hours, representing a 7.2% improvement compared to the same period in the previous year, and a FEC of 6.48 times, in line with 2015 <sup>[EU28, EU29]</sup>

We invested in the preventive and corrective maintenance of the overhead and underground network and adopted measures to combat the theft of cables, including the installation of anti-theft caps and special screws, inhibiting transformer chambers break-in.

Additionally, Light entered into a commitment with ANEEL to create a modernization plan for the underground network, to be performed in two consecutive stages within the next years. In the first stage, expected to be completed in three years, Light will replace all equipment that is not in compliance with the current standards of technical reliability and safety. The second stage, expected to be completed in ten years, involves a set of actions to improve the current operating condition of the underground network.

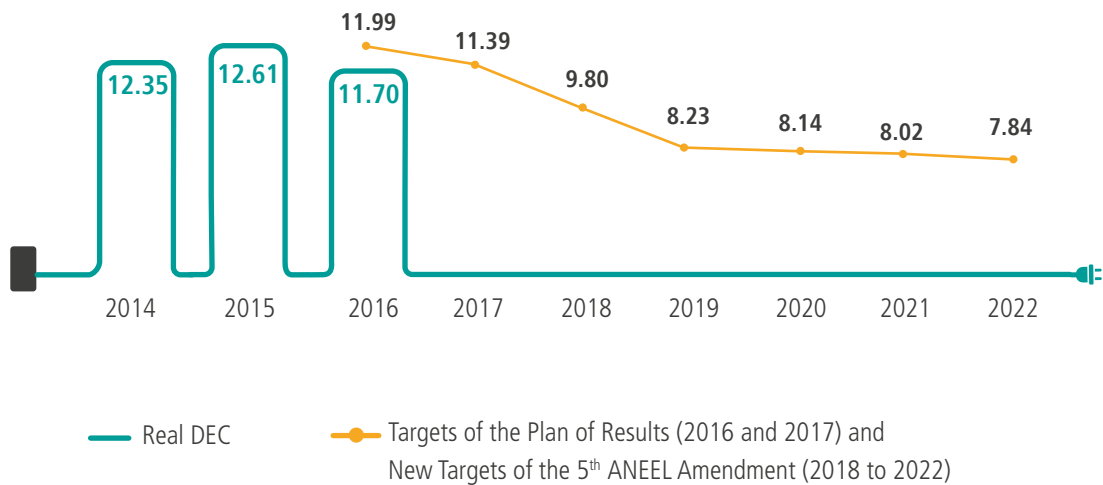
In 2017, additional investments will be made in (i) intelligent self-healing systems to improve the protection and selectivity of the network and (ii) the maintenance of automation programs and retrofit of substations.

Distribution Operation Center

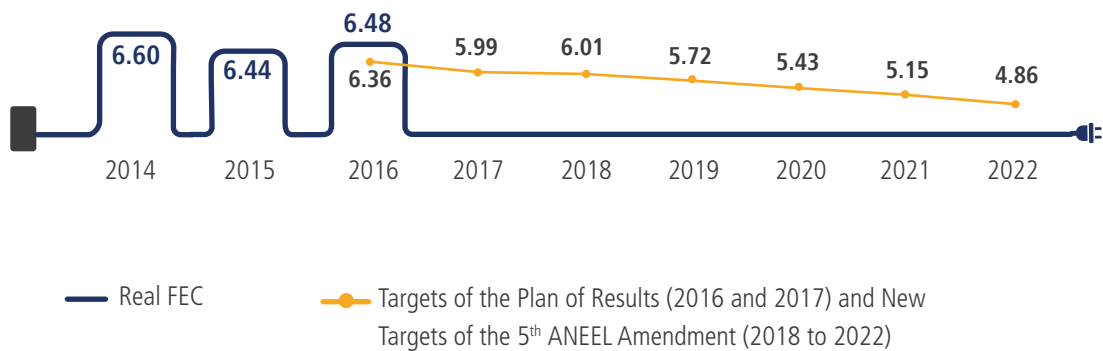


<sup>6</sup>Collective continuity indicators: Equivalent Duration of Outages per Consumer Unit (*Duração Equivalente de Interrupção por Unidade Consumidora*), or DEC, and Equivalent Frequency of Outages per Consumer Unit (*Frequência Equivalente de Interrupção por Unidade Consumidora*), or FEC, represent the time and the number of times, respectively, that a consumer unit underwent a power outage for the relevant period (month, quarter or year).

## DEC (hours) 12 Months



## FEC (times) 12 Months



The main commitments for 2017 include the implementation of the Plan of Results, entered into with ANEEL, and the modernization of the underground network. They seek to improve the quality of distribution services, reducing the DEC and FEC indicators, and achieve maximum efficiency and speed in replacements of equipment, respectively, in order to avoid power outages and disturbances for the city.

In 2016, DEC was 11.70, below the upper limit set forth in the Plan of Results (11.99 hours), serving as a base to determine new targets for the period between 2018 and 2022, presented in the 5<sup>th</sup> Amendment to the Concession Agreement. This result boosts our confidence in achieving these targets through an investment plan designed for this challenge, together with an efficient management of funds and consistent with the new financial equilibrium following the tariff revision.



### FINANCIAL COMPENSATION [G4-PR9]

In 2016, Light paid, through credits in electricity bills, R\$43 million as financial compensation regarding the quality of supply in confirmed cases of violation of individual supply continuity indicators.

Light also paid R\$494 thousand as financial compensation regarding the violation of regulatory deadlines to provide commercial services requested by customers and continuously monitored by ANEEL.

## SYSTEM IMPROVEMENTS

In the Distribution Management System (*Sistema de Gestão da Distribuição* – GDIS), Light implemented a tool that allows viewing the electrical network through a web browser. The advantage of this resource is that network view is integrated to Google maps, which improves the browsing performance and queries made by system operators. For example, service vehicles and pending services are viewed geographically.

Light made progresses in the implementation of the Atlantis System, completing the specifications and the format of the new solution, including the stage of integration between the Commercial Management System (SAP) and the System of Integrated Management of Electrical Assets (*Sistema de Gestão Integrada de Ativos Elétricos*) – GIS, which will improve the reconciliation between the company's physical and accounting data. The benefits of Atlantis include the integration of a number of business processes, such as registration, planning, analysis, and capitalization of the assets of the underground and overhead distribution network; and an automated and integrated management, from the moment the service is ordered until its completion.

In 2017, the ÚNICO Project is expected to go live, in partnership with Cemig, consisting in the unification of the commercial systems of both companies, encompassing customer service, metering, billing, payments, collections, control of non-technical losses, management of assets, and field services, among other functions. Accordingly, we expect to reach joint improvements, including a higher level of synergy in businesses and in the development of systems.

## OLYMPIC GAMES

### MT Works

- Light carried out more than 120 works
- 68 km of Underground Network
- 45 km of Overhead Network
- Supporting structures
  - Athletes Village – 25.9 MVA
  - Referees Village – 1.9 MVA
  - Media Village – 6.9 MVA
- 77 serviced hotels

### AT Works

- 12 repowered substations – 320 MVA
- 130 km of lines built
- Network addition to provide energy for more than 147 thousand households after the Olympic Games
- 15% capacity increase in the west region (an additional 180 MVA)

### MT and AT Operations

- 34 strategic substations with special operations for the event
- Creation of 8 bases/descentralized warehouses
- Teams at strategic locations (hospitals and areas of Olympic activities) with a large flow of people (hotels and transport terminals)
- Allocation of 975 professionals (engineers, technicians and electricians)

# WATER

[G4-EN12]

Light has an environmental management program focused on the ecosystem and the quality of water, the main natural capital of the Company, used as raw material for the generation of electricity.

We maintained the actions regarding the monitoring of the quality of water, ichthyofauna (fish fauna) of reservoirs, and effluents. We also invested in the search for sustainable environmental solutions for the Company's processes.

The process of handling, removal, and final disposal of biomass of macrophytes removed from the Santana and Vigário reservoirs continues to be improved through an R&D project. This project is focused on new handling, composting and final disposal processes in order to obtain environmental licensing for the activity as a whole. In 2016, new experiments were conducted under the R&D project to reduce the amount of biomass of macrophytes removed and sent to disposal areas. The results are under assessment and have already proven beneficial, with a significant decrease in the volume removed from reservoirs and sent to final disposal.

In 2016, the Company faced the challenge of managing the water crisis in the basin of the Paraíba do Sul river. In order to overcome it, available resources were rationed under the coordination of the Work Group for the Monitoring of the Hydraulic Operations in the Basin of the Paraíba do Sul River (*Grupo de Trabalho de Acompanhamento da Operação Hidráulica na Bacia do Rio Paraíba do Sul – GTAOH/CEIVAP*).

During the year, the power plants of the basin of the Paraíba do Sul river, including those of Light Energia, reduced their flows, as determined by GTAOH/CEIVAP. As a result, the levels of the Paraibuna, Jaguari, Santa Branca, and Funil reservoirs were restored.

For 2017, we expect to maximize the generation of energy at the power plants of the Lajes Complex in view of the challenge of the new rule for the operation of the basin of the Paraíba do Sul river, implemented by ANA-DAEE-IGAM-INEA Joint Resolution No. 1.382/2015, in effect as of December 1, 2016.

## USE OF NATURAL RESOURCES

In 2016, Light's energy consumption totaled 117,884,158 kWh, representing a voltage of 0.0069 kWh/R\$, compared to Light's gross revenue. [G4-EN5]

Water consumption at Light's facilities decreased by 10.9 % compared to 2015 due to process improvements.



**NATURAL  
CAPITAL**



# ENVIRONMENT AND CLIMATE CHANGE

[G4-EN27]

The commitment of Light to the rational and adequate use of natural resources, including the analysis of the company's vulnerabilities to climate change and the mitigation of impacts, is expressed in its environmental policy and in the Commitments to the Environment and Climate, encompassing six subjects, as follows: energy, technology, biodiversity, greenhouse gas emissions (GHG), solid waste, and quality of water.

For a better understanding of these commitments, access Light's website. The content is available in Sustainability, at [Commitment to the Environment](#).

Climate change affects Light Energia, whose generation is virtually entirely based on hydroelectricity and is affected by the hydrological regime, as well as Light SESA, which is affected by the increase in temperature and sudden climate variations, which in turn may result in an increase in energy consumption, non-technical losses, and delinquency. Consequently, the distribution system may be overloaded.

The identification of risks and opportunities is detailed in the CDP questionnaire, available at the Investor Relations website, at [Reports](#).

[G4-2, G4-EC2]

## Environmental Management System

The Environmental Management System (*Sistema de Gestão Ambiental* – SGA), based on ISO 14001, assesses and monitors the aspects and impacts of activities on Light's operating complex to ensure compliance with environmental law. 86% of the Company's units are certified. In 2017, we will begin a pilot project to expand the SGA scope in the medium voltage segment.

In addition to the ISO 14001 certification, power plants also have ISO 9001 and OHSAS 18001 certifications, focused on quality, occupational health and safety. This set of certifications, 100% renewed in 2016, comprises the Integrated Management System (*Sistema de Gestão Integrado* – SGI), which, in the past 13 years, has assured our excellence in maintenance and operation of power generation activities. [G4-PR1, EU21]

## Environmental Initiatives

In 2016, Light invested R\$33.4 million in environmental initiatives involving protection and safety, licensing and compliance with applicable law, implementation and maintenance of the SGA, reforestation and containment of embankments and slopes, removal of water plants, and research and development. [G4-EN31]

Promoted initiatives include investments in the Program of Recovery of Degraded Areas, which reforests areas surrounding power plants and reservoirs, and recovers areas affected by extreme climate events, such as erosion. In addition, significant investments were made in the construction of new substations and high voltage lines, and in the adjustment of existing substations in order to avoid any impact on the environment.

We also highlight Light's works at the operating sites related to the Olympic Games and the environmental licenses obtained for these locations. We highlight the construction of the Jacarepaguá-Curicica high voltage distribution line, which supplied electricity to the entire Olympic Complex. This line crosses an Environmental Conservation Unit and Light worked together with the environmental agency to minimize potential impacts during the construction process, including restoring and monitoring local fauna. [G4-EN11, EU13]

# Inventory of Greenhouse Gases

[G4-EN19]

Annually, the Company prepares its Inventory of Greenhouse Gases. In 2016, Light's emissions totaled 269,396 tCO<sub>2</sub>eq, representing a 34% decrease compared to 2015. Light SESA is the main responsible for the emissions of the group, accounting for 87% of total emissions.

Among Scope 1 emissions, we highlight natural gas (fixed source) as the main source of emissions, accounting for 64.5% of Scope 1 emissions. These emissions are derived from the co-generation plant of Light ESCO, which captures and trades a portion of the carbon dioxide generated by the burning of natural gas. However, although it is an efficient co-generation plant, with emissions below conventional

levels, the consumption of natural gas increased, increasing emissions compared to 2015.

We also highlight the continuous reduction in emissions of Sulfur Hexafluoride (SF<sub>6</sub>) gas, used in the operations of Light as current insulation in electrical equipment. Emissions decreased from 3,630 tCO<sub>2</sub>eq in 2015 to 3,285 tCO<sub>2</sub>eq in 2016, due to the shielding refurbishment of the Santo Antônio substation, primarily consisting of equipment repair, avoiding an increase in gas leakage. We expect the consumption and emission of this gas to decrease in the next years due to efficiency improvements in processes of the substations of Light.

Lajes' reservoir



In 2016, Light did not achieve the Scope 1 reduction target due to the increase in the consumption of natural gas in the co-generation plant of Light Esco. However, the analysis of emissions by company shows a reduction in emissions for both Light SESA and Light Energia. For 2017, the target is to reduce Scope 1 emissions by 6%.

Scope 2 refers to indirect emissions resulting from the consumption of electricity and energy loss in the transmission and distribution process. Emissions are accounted for by applying the emission factor of the Brazilian Interconnected System (*Sistema Interligado Nacional – SIN*), which takes into account all power plants (hydroelectric, thermal, and wind power plants) that are generating energy in Brazil. Compared to 2015, Scope 2 emissions decreased by 39% due to the decrease in the load distributed in the system and the emission factor of the SIN.

Greenhouse gas emissions intensity, a relative index that takes into account the gross revenue of companies, totaled 0.00001475 tCO<sub>2</sub>eq/R\$ for Light SESA; 0.00001226 tCO<sub>2</sub>eq/R\$ for Light Energia; and 0.00031943 tCO<sub>2</sub>eq/R\$ for Light ESCO. The intensity refers to Scope 1 + 2. [G4-EN18]

NOx and SOx emissions and emissions of ozone depleting substances (ODS) are insignificant. With regards to the allocation of CO<sub>2</sub> equivalent emission allowances, the Company does not participate in the carbon market. [G4-EN20, G4-EN21, EU5]

**CARBON FOOTPRINT** [G4-EN30]

In 2016, the carbon footprint of Light SESA was 1.6129 kg of CO<sub>2</sub>eq/MWh, representing a significant decrease compared to 2015. The most significant impact of the reduction in carbon footprint relates to the decrease in the emission average factor of the SIN, on which the Company has no direct influence. Raw materials are among the main factors contributing to carbon footprint. The carbon footprint of Light Energia was 0.2486 kg of CO<sub>2</sub>eq/MWh. Waste from operations is one of the main factors contributing to carbon footprint, specifically waste from water plants (macrophytes), which remain the primary responsible for the carbon footprint. However, it is worth noting that Light continues to invest in process improvement projects related to macrophytes.

**TOTAL DIRECT EMISSIONS (SCOPE 1) AND INDIRECT EMISSIONS (SCOPE 2) OF GHG, BY WEIGHT, IN TONS OF CO<sub>2</sub>EQ** [G4-EN15, G4-EN16]

Operating unit	2014	2015	2016
Light Energia (direct)	214	6,026	5,504
Light Energia (indirect)	28	4,762	3,528
Light SESA & Esco (direct)	37,781	25,531	33,223
Light SESA & Esco (indirect)	401,206	373,228	227,171
<b>Total Light (direct)</b>	<b>37,994</b>	<b>31,557</b>	<b>38,727</b>
<b>Total Light (indirect)</b>	<b>401,234</b>	<b>377,989</b>	<b>230,669</b>

## OUR PEOPLE

Assuring a culture strongly focused on results and an environment that encourages meritocracy and prepares Light for the challenges of the future is essential. The company is undergoing a transition period towards the consolidation of a culture strongly focused on results, seeking continuous improvements, reducing costs, *optimizing* processes, and rethinking models of operations. Strategies to maintain employees motivated, committed, and aligned to the values of the company, notwithstanding a scenario of crisis, have become a basic assumption for business sustainability.

Light's workforce comprises 4,085 employees (of which 197 are disabled), 7,480 outsourced workers and 49 trainees. In 2016, 327 new employees were hired.

Light values diversity and ensures professional equality among men and women, non-discrimination relating to careers, access to managerial positions, and equal pay for equivalent positions. In addition to the Collective Bargaining Agreement and the Profit Sharing Program, unions entered into a Social Responsibility Agreement, pursuant to which Light agrees to protect and defend the UN Human Rights and comply with the core conventions of the International Labor Organization (ILO) and the principles that govern labor law. Currently, 23% of all managerial positions are held by women.

### Professional Development [EU14]

Light continuously seeks to intensify the focus of its employees on business and results, without losing track of the values of the Company. In this sense, the "Light Way of BEING" ("*Jeito de SER Light*"), which has been disseminated to all employees, represents acting with Safety, Ethics and focus on Results, the three great pillars of the organizational structure.

The "Light Way of BEING" ("*Jeito de SER Light*") message was disseminated to all employees through workshops, in a light, practical, and innovative format, totaling 32 groups, 3,564 participants, and more than 10.6 thousand hours of training.

Connecting (*Conecta*), the simultaneous transmission of the alignment of the Board of Executive Officers with all employees, also gained strength in 2016, increasing the access of all to information about the challenges and results of the company. Coffee Talks (*Cafés Diálogo*) were also kept at units, representing another opportunity of alignment, clarification of doubts, and proximity with the Board of Executive Officers.

### Management of Performance [G4-LA10, G4-LA11]

Management of performance is a process in line with the goal of encouraging the culture of meritocracy, feedback, and career self-management. It also favors an organizational transition with a pool of talents prepared for challenges. Accordingly, we conduct competence, potential, and performance evaluations and constantly monitor commitment to management and targets. In October 2016, Light began the Y Leadership and Careers cycle with the evaluations stage. The cycle continues until April 2017, when we will convene Committees, hold feedback meetings, and build an Individual Development Plan, based on mapped gaps. We conducted a number of promotions and changes as of the 2015/16 cycle.

We conducted 196 competence evaluations of leaders and 44 evaluations of Y career professionals for 100% of the eligible target audience.

### Climate Survey

In partnership with *Great Place to Work*, in 2016, Light assessed the Company's organizational climate. The methodology includes an online questionnaire for all employees, and all information is kept private and confidential.

According to the result of the survey, 70% of employees are favorable to the assessed dimensions: credibility, respect, impartiality, pride, and camaraderie. 53% of the active eligible employees participated in the survey.

The conclusion of the climate survey and the disclosure of its results do not mean the project has ended, on the contrary, the work is just beginning. The next steps include the disclosure of results, broken down by area, and the structuring of a corporate plan and a plan by area.



## Knowledge Portal <sup>[EU14]</sup>

The Knowledge Portal remains an important learning tool at Light, accounting for 12% of training hours promoted by Light Learning Center (*Academia Light*).

In 2016, the portal had 42 thousand accesses and more than 40 thousand completed courses, including the learning trails Energy Path (*No Caminho da Energia*) and Corporate Communication (*Comunicação Empresarial*), which promote self-development and new knowledge on the business areas of Light. More than 4.5 thousand professionals completed their trainings.

In addition to the trails, we highlight the courses on ANEEL, ABRADDEE and Light Residential Customer Satisfaction surveys and courses on Fighting Dengue Fever, Defensive Driving, and Assessment of Competencies. In total, more than 3.2 thousand participants attended the courses.

The outsourced workforce participates in initiatives focused on the alignment with the organizational and safety cultures, in addition to trainings with an emphasis on updating commercial processes. In 2016, trainings totaled 34,683 hours and 47,367 participants attended online and in-person trainings. Among the main initiatives, we highlight Life's Caravan (*Caravana da Vida*), with 1,772 participants, focused on safe behavior according to Life Program! (*Programa Vida!*).

Normative or any other training conducted in partner companies are not accounted for by Light. The relevant certificates are sent to the area responsible for the management of contractors and are recorded in the specific system.

**AVERAGE NUMBER OF HOURS OF TRAINING OF EMPLOYEEES** <sup>[G4-LA9]</sup>

Average man-hours of training	2014		2015		2016	
	Women	Men	Women	Men	Women	Men
Administrative level	23.6	20.8	16.6	15.0	14.7	13.8
Managerial level	46.1	46.3	49.0	51.7	18.7	21.1
Operational level	64.3	59.1	13.2	57.2	37.0	33.4
Professional level	31.5	46.5	28.8	44.0	17.9	27.1
Technical level	36.3	40.7	65.5	55.0	31.3	32.4
Average	40.4	42.7	26.1	46.4	23.9	25.5

## HEALTH AND SAFETY

### Zero Accident Culture <sup>[EU21]</sup>

Committed to the appreciation of life, Light continues to make priority investments in the promotion of health and prevention of accidents. Through Life Program! (*Programa Vida!*), Light made progress on four fronts:

- **Raising Awareness**

- Continuous communications plan including material actions during the year.

- Daily Talks on Safety (*Diálogo Diário de Segurança*) with all operating teams.
- Safe Behavior observation and actions conducted with leaders.
- Life's Caravan (*Caravana da Vida*), conducted by internal multiplying agents, having four cycles and 1.6 thousand participants.
- Prevention of Accidents Week (*Semana Interna de Prevenção de Acidentes – SIPAT*), with 1,545 participants.
- Safety culture monitoring.



• **Training**

- We reviewed and intensified technical and operating training.
- We managed the qualification of service providers, with four thousand mapped and managed trainings.

• **Assessment/Measurement**

- Safety inspections, with an 8% increase compared to 2015, i.e., 2,919 inspections conducted.
- Life Operation (Operação Pela Vida), with 45 operations conducted and a significant reduction in the risk index.
- Audit of the Occupational Health and Safety Management, with eight audits conducted in 51 units and 119 field teams, including employees and outsourced employees.
- Performance management regarding the occupational health and safety of service providers, with 20 assessed companies according to a monthly feedback.

• **Process Review**

- Review of the structure of the Technical Documents Data Base, with the establishment of a new work instruction model, including the step-by-step of tasks.
- Life Program! (*Programa Vida!*) Committees, structured with the participation of all managers of the operating areas, consisting of eight Regional Committees (managers and coordinators) and two Central Committees – Generation and Distribution (officers and superintendents).

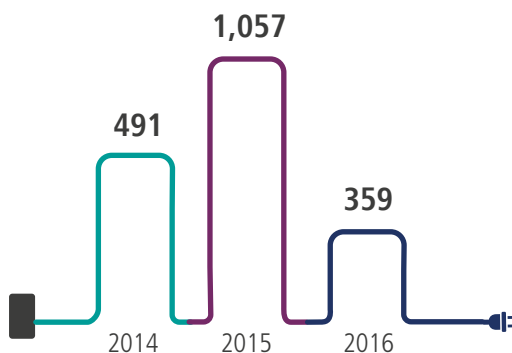
These initiatives reduced the accident rate by 4% compared to 2015, from 3.30 to 3.16. The severity rate decreased by 66%, from 1,057 to 359 in the same period. Unfortunately, we had one fatal accident involving a service provider.

Occupational absenteeism decreased by 21% compared to 2015, from 2.60 to 2.06 due to a number of initiatives, including the vaccination campaign, periodic physical examinations, and specific initiatives for the relevant risk groups, primarily related to smoking, high blood pressure, and obesity, as well as campaigns against breast cancer and prostate cancer.

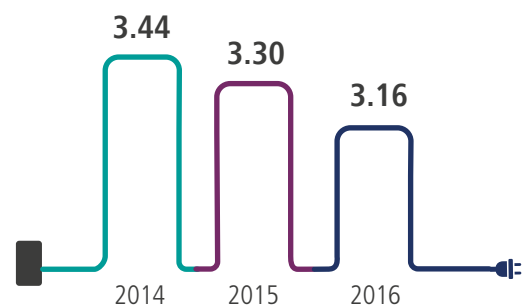
Although the results presented were very positive, we understand that the safety of the workforce and population is a priority, as it primarily refers to the preservation of human lives. In this sense, we have been continuously working on and investing in improvements to mitigate the number and severity of accidents involving the population, which are risks inherent to the provision of electricity distribution services. Among prevention measures, we highlight:

- a communication campaign focused on the safety of the population regarding the risks of the electrical network (which increases coverage and intensifies different ongoing initiatives);
- partnerships with institutions representing employers and employees of the civil construction sector, technical schools (including SENAI), and government agencies to multiply information on the safe use of electricity;
- handling and verification of reports of life-threatening events, visiting the relevant site, identifying the type of event, and signaling the area until arrival of the maintenance team;
- expansion of initiatives to publicize safe behavior in communities through educational lectures, visits, and customer service extended hours conducted by the Efficient Community (*Comunidade Eficiente*) project;
- an educational program that includes the following projects for students: Light at Schools (*Light nas Escolas*), Light Energy Museum (*Museu Light da Energia*) and Intelligent City Circuit (*Circuito Cidade Inteligente*).

Accident Seriousness Rate - SR



Accident Frequency Rate - FR



## QUALITY OF LIFE

Light maintained its initiatives to ensure the quality of life within the Company, investing in the physical and mental health of its employees and contributing to their motivation for work and balance between personal and professional life.

In 2016, we opened the Breastfeeding Support Room (*Sala de Apoio à Amamentação*), an initiative that, together with Healthy Baby (*Bebê Saúde*), Citizen Motherhood (*Maternidade Cidadã*), and daycare allowance, earned Light a certification by the Ministry of Health, as a company that supports working women who are breastfeeding. The room is a safe place to pump and store breast milk, allowing mothers to continue to breastfeed after they return to work.

For more information, access the Light Portal, [Our People](#).

### Enlightening (*Iluminar*) Program

The Enlightening (*Iluminar*) Program is a trainee model created in 2005 to include young people with mental disabilities in the work place. In 2016, two new participants joined the program, appointed by one of the current participant schools. It is worth noting that Light tries to formally enter into new agreements, but the appointed schools did not meet the criteria set forth by Law No. 11.788/2008, the Brazilian Trainee Law.



Electrician at overhead network



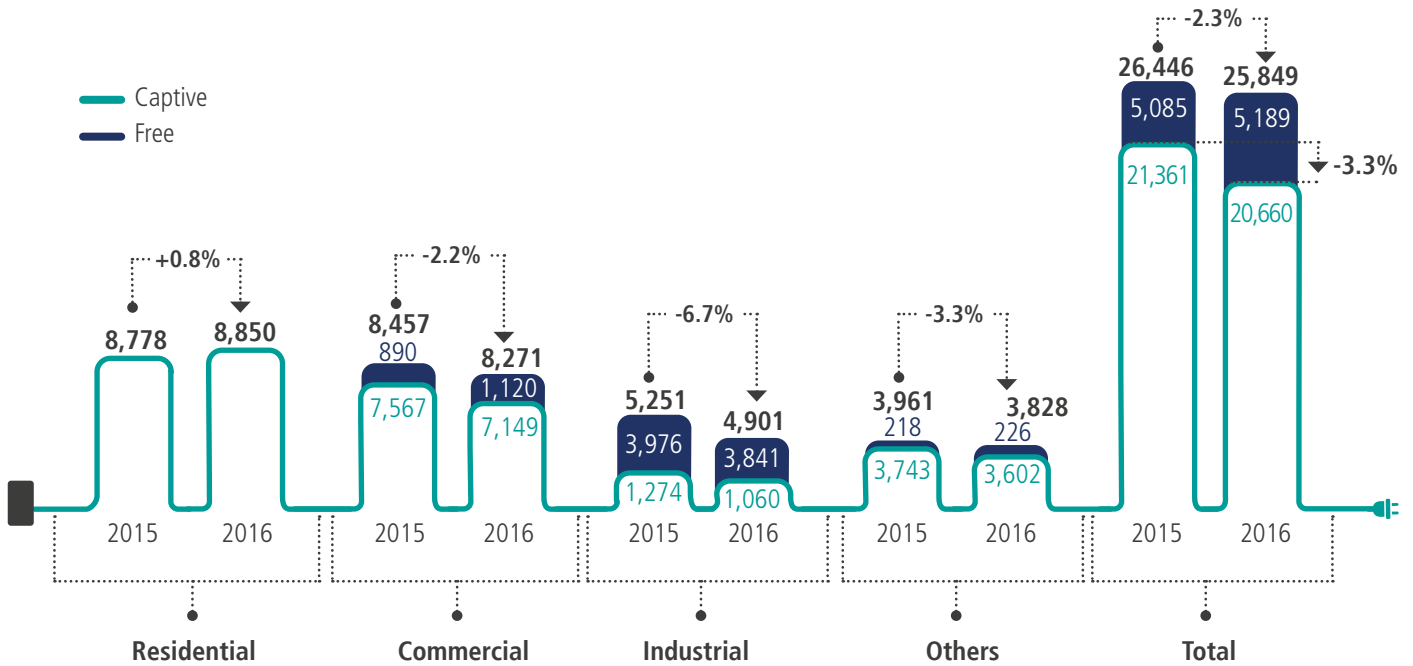
# CUSTOMERS

[G4-8]

In 2016, the consumption of energy in the concession area of Light SESA (captive customers + transfer of free customers) totaled 25,849 GWh, representing a 2.3% decrease compared to 2015, due to the economic

downturn and an average temperature below that of the previous year. For more information, access the [Investor Relations website](#).

## Total Billed Market (GWh) – 2016



Customer service is divided in: Retail, Large Customers, and Government, as described below.

## Retail

In 2016, the customer service channels of Light received R\$2.7 million in investments. The Company sought to reduce the cost of customer service without affecting its relationship with customers, increasing satisfaction and the quality of services provided. This reduction resulted from the migration of customers to virtual and automatic channels, whose average unit cost decreased by 26%. For more information about customer service channels, access the website of [Light](#).

The Company's strategy consisted of increasing the share of virtual channels and ensuring the full operation of tools, providing an immediate response to any abnormality or demand, as well as giving priority to the quality of access and convenience to contact Light. As a result, virtual channels, as a percentage of total customer service volume, increased from 69.9% in December 2015 to 73.1% in 2016.

# SOCIAL AND RELATIONSHIP CAPITAL

## Large Customers

Accordingly, among other improvements, Light implemented the Registration Unification (*Unificação de Credencial*) project, which contributed to this growth by remodeling the access of customers to the virtual store and mobile apps, allowing login through social networks and one-time registration (i.e., once registered, information is saved). This procedure also maintains customers connected full time, making future accesses quicker. As a result, the volume of services requested through these apps increased by 75%, totaling more than 70 thousand downloads.

The Virtual Operator channel (*Atendente Virtual*), which is able to conduct calls automatically and interactively with customers who access the online chat, fully integrated to Light's corporate systems, also had a significant increase in 2016. The Virtual Operator channel accounted for 47% of chat calls, on average (i.e., customers were automatically served and did not have to type with one of our operators).

The customer service team underwent 46,895 hours of training (3,047 more hours than in 2015), representing a 7% growth. Moreover, 92,640 hours of training were conducted in the transition period to the new call center, involving a team of seven internal multiplying agents, who trained 386 people.

Light also invested in Light Express (*Light Expresso*), a project whose objective is to speed up service at commercial stores, reducing customer waiting time at the store and increasing customer satisfaction. The project consists of offering other options available at stores, including customer service through tablets, hotlines, and self-service terminals.

New self-service terminals were installed at commercial stores. They are more modern and use fully revitalized software, developed to improve customer browseability and accessibility.

In 2016, the Customer Service Control Center commenced operations, providing real time monitoring and channel support in the event of failures and interruptions in operations that affect customer service, from data analysis consolidated in the decision-making process to operating support.

In 2016, meeting the requests and demands of large private customers for the Olympic and Paralympic Games was a great challenge, which was overcome primarily through the joint operation of the technical and regulatory areas.

In 2016, Light assessed services that significantly affect its relationship with Large Customers and measured their satisfaction with the scheduled disconnection service upon consumer request.

In 2017, Light will implement tools to increase control of requests, from the moment the service is ordered to its completion, and review processes to improve the quality of customer service and the Company's image in this segment.

## Government

In 2016, Light carried out infrastructure projects to meet the requirements of the International Olympic Committee (IOC) regarding the supply of sustainable energy for the Olympic Games. Among these projects, the Transolympic, Transbrasil, Porto Maravilha, and the Olympic Village projects stand out.

With regards to delinquency, Light proceeded with collection initiatives to reduce overdue amounts receivable from municipal, State and federal governments, primarily from municipal governments. The impact of these initiatives was very positive, especially because the press showed the Company's effective initiatives and highlighted the responsibility of government agents towards society. As a result of all initiatives conducted in the year, the collection rate in the government segment was above 95%.

In 2017, Light will continue to implement its plan to reduce delinquency and the balance of overdue amounts receivable, decrease cases subject to injunctions, and improve customer service processes in order to strengthen its relationship with the Government as a customer.

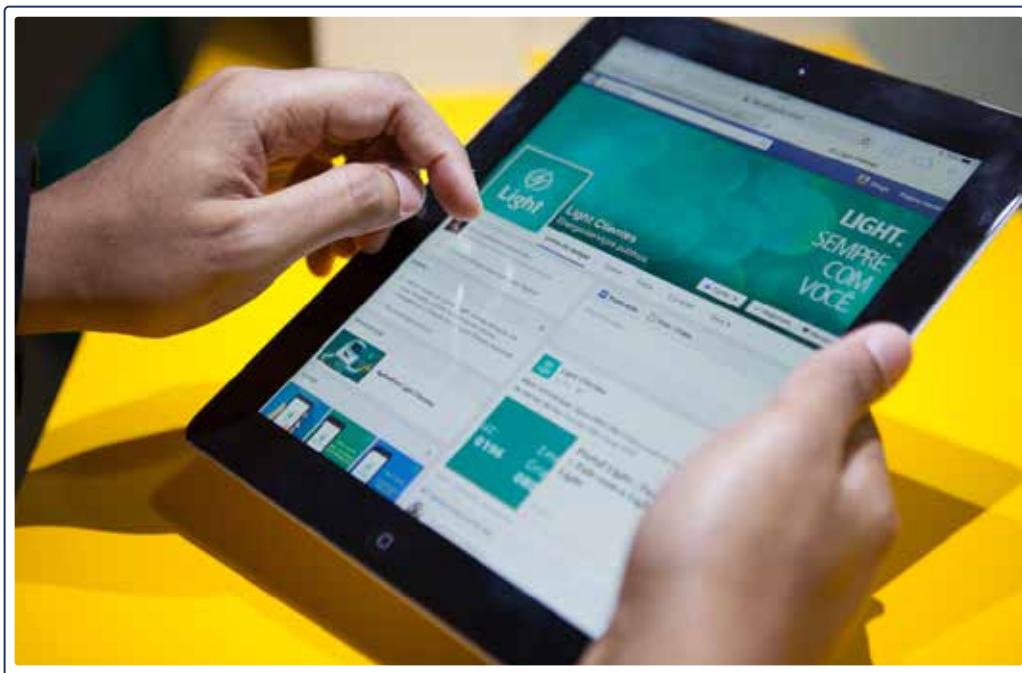
The relationship of Light with the Government segment stretches beyond the generation and distribution of electricity. Considering that Light is the largest payor of ICMS tax to the State of Rio de Janeiro, the company is committed to enter into partnerships with the government of cities and of the State through agreements and sponsorships. For more information, see "Social Investments." [EU23]



#### RETAIL GOALS FOR 2017

- Development of a multichannel platform, fully integrated and functional, allowing the continuity of customer service, anticipation of customers' needs, self-service, use of artificial intelligence, and text mining<sup>7</sup>.
- Increased participation of virtual and automatic channels.
- Investment in continuous improvement of channels and Control Center, with focus on operating efficiency, customer service quality, and customer satisfaction.
- Operation in line with Light's strategic goals, contributing to decrease losses and debit balances through increased payments.

Virtual channel



## Satisfaction Surveys [G4-PR5]

The challenge to maintain quality and speed is constant. Accordingly, the Company annually assesses customer satisfaction to find critical points and seek new forms of relationship. For more information about surveys, access Light Portal, [Sustainability](#).

In the Retail segment, we highlight the ANEEL Index of Consumer Satisfaction (*Índice ANEEL de Satisfação do Consumidor – IASC*), which increased by 14.1 percentage points compared to the previous year. Light was the large energy distribution company of the southeast region with the highest growth in the survey.

The result of the IASC is the fruit of an integrated work involving a number of areas of Light and specific actions, including the presence of Light on the streets combating losses and conducting task forces to improve the electrical network. We highlight the high level of accurate estimates for the reestablishment of electricity, which made customers even more satisfied with service.

<sup>7</sup> Text mining is a process that uses algorithms that are able to analyze sets of documents such as PDF files, Web pages, XML documents, and CLOB fields to extract valuable knowledge. It therefore refers to the process of obtaining important information from a text.



On the other hand, the result of the Index of Satisfaction with Perceived Quality (*Índice de Satisfação da Qualidade Percebida – ISQP*), from the Brazilian Association of Electricity Distribution Companies (*Associação Brasileira dos Distribuidores de Energia Elétrica – Abradee*), was lower than that of 2015, primarily due to tariff adjustments made in 2015. The ISQP of all other large concessionaires of the southeast region decreased.

In the Large Customers segment, the results of the survey guided the creation of an action plan to address critical issues. The analysis of data showed that large customers are more demanding with regards to deadlines and the quality of services provided by Light, including customer service, metering, and quality of supply.

SURVEYS (%)	2014	2015	2016
Perceived Quality Satisfaction Index (ISQP) - ABRADEE	69.5	70.1	62.0
Customer Approval Index (IAC) – ABRADEE	61.9	56.9	57.4
General Satisfaction Index (ISG) – ABRADEE	67.0	52.5	49.6
Index of Customer Satisfaction with the Execution of Services (ISES)	92.0	91.0	91.0
ANEEL Consumer Satisfaction Index (IASC)	65.5	49.8	63.9
Satisfaction Survey of Large Customers of the Private Segment (IDAR of the Relationship Agent)	84.7	86.1	82.1
Perceived Quality Satisfaction Index (ISQP) – Private Large Customers and Government	86.1	84.3	86.7
Satisfaction Survey of Large Customers of the Government Segment (IDAR of the Relationship Agent)	94.8	96.6	97.3

## COMMUNICATION

To support the Company’s target of excellence in the provision of services and quality of energy supply, Light has invested in different ways to strengthen its relationship with its audiences. In addition to believing in a more personal customer service at the social networks of [Conexão Light](#), Light intensified the publicizing of its initiatives to combat losses and its internal and external reporting channels.

In August, Light launched a campaign to combat the high level of energy theft, including advertisement on TV, radio, internet, and street furniture, and encouraged the population to correct irregularities.

Internally, we focused on the process of disseminating the Rules of Conduct, a set of 15 rules that reinforce the importance of cultivating a safe and ethical behavior, focused on results. We designed a campaign including intranet and digital TV advertisement.

The Rules of Conduct evolved and were remodeled with the launching of the “Light Way of BEING” (“*Jeito de SER Light*”), a campaign that presents the guidelines of the new organizational culture. In 2017, we will comprehensively develop the concepts of always placing safety first, adopting an ethical behavior, and working with focus on results.

With regards to safety, field teams received no-accident counting boards to be placed at their units, as a way to encourage employees to always place life first. We also reinforced the inclusion of safety matters in lectures of the Efficient Community (*Comunidade Eficiente*) program and prepared 50

thousand leaflets with tips on safe property building and refurbishment, to be delivered in communities by Commercial Relationship Agents, who are responsible for the delivery of bills. A large portion of the accidents involving the population and the electrical network occurs in civil construction.

### AWARDS RECEIVED IN 2016

- *Prêmio Colunistas 2015* – Digital Opportunity category (2<sup>nd</sup> place).
- *Geração Light* – Latin America Excellence Awards – Energy category (1<sup>st</sup> place).
- *Prêmio Consumidor Moderno de Excelência em Serviços ao Cliente* – Electricity category (1<sup>st</sup> place).
- *Prêmio Época Reclame Aqui* – Utility category (2<sup>nd</sup> place).
- *Prêmio Exame* – IBRC 2016: 1<sup>st</sup> place in the Energy Sector of Exame Survey/Customer Service IBRC.
- *Prêmio Abraconee (Associação Brasileira dos Contadores de Energia Elétrica)* – Holding Company category – Light S.A. (3<sup>rd</sup> place); Medium Company category – Light Energia (3<sup>rd</sup> place).
- 2015 Citizen Company Certificate, from the Accounting Regional Council of the State of Rio de Janeiro.



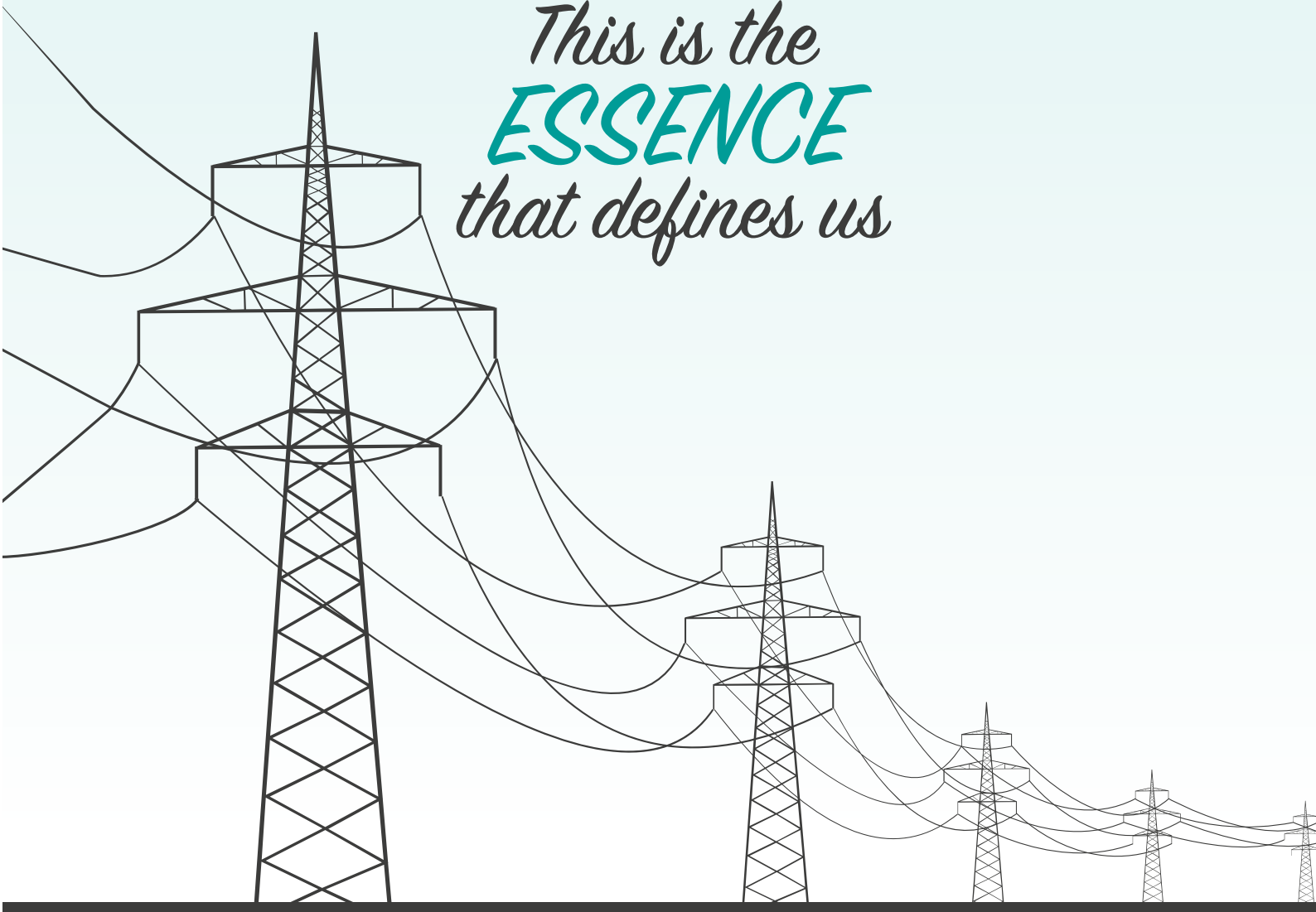
JEITO DE *SER* LIGHT  
LIGHT WAY OF BEING

*Safety*  
ALWAYS PLACE  
LIFE FIRST

*Ethics*  
BASIC PRINCIPLE OF  
EVERY ACTION

*Results*  
WORK FOCUS AND  
SUCCESS

*This is the*  
**ESSENCE**  
*that defines us*



# ORGANIZATIONAL CULTURE

Safety, Ethics and Results are not separate pillars, they are parts of a single force that connects the Company: the organizational culture.

## *Safety*

1. Be responsible for one's own safety by using protection equipment.
2. Be an example of excellence in performing procedures.
3. Look after the safety of colleagues, providing guidance whenever required.
4. Assume the responsibility for the maintenance of a safe environment.
5. Protect the safety of the population.

## *Ethics*

1. Report and repudiate any form of corruption or misbehavior.
2. Do not commit any fraud, bribery, facilitation, extortion or any illegality.
3. Do not commit or tolerate harassment of any type.
4. Do not sell energy products and services to the customers of Light.
5. Follow the Code of Ethics and always act truthfully.

## *Results*

1. Have a sense of ownership.
2. Optimize the company's processes and resources, avoiding rework.
3. Develop one's full potential to overcome challenges.
4. Identify and suggest opportunities for improvement.
5. Have a sense of urgency and simplicity in solving problems.



# COMBAT TO LOSSES

Losses in the last 12-month period ended December 2016 totaled 8,353 GWh, accounting for 22.54% of the grid load, representing a decrease of 0.7 percentage point compared to 2015. Non-technical losses in the low voltage market decreased by 1 percentage point compared to the same period in the previous year.

In 2016, the Losses Program prevented the loss of 957.50 GWh, of which 683.01 GWh refer to recovered energy (REN), 189.55 GWh refer to the incorporation of energy (IEN), and 84.94 GWh refer to the reduction of load. The result of the Program showed a 31.8% increase compared to 2015. It is important to mention the 166% increase in the volume of recovered energy compared to 2015. However, as the combat losses program progresses, the volume of REN tends to be gradually replaced by the incremental consumption incorporated to the billing base, i.e., the Incorporated Energy (IEN).

This result is a reflex of Light’s strategic redirection in the first quarter of 2016, when the entire losses program was remodeled by Light’s new management, including the review of processes and the reformulation of actions already practiced by the Company. Light’s Distribution area was divided in two: the Commercial and the Engineering areas. The new Chief Commercial Executive Officer and Commercial executives have expertise in combating losses, which contributed to the results achieved in 2016.

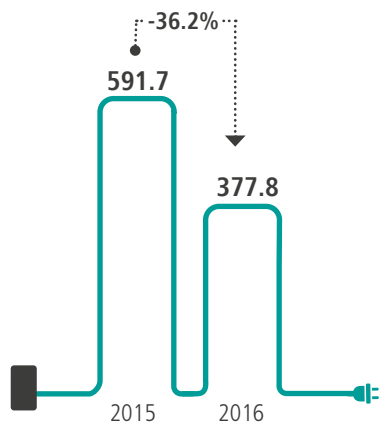
2016 was marked by the establishment of a new model to combat non-technical losses, including the implementation of measures that aimed at recovering a higher volume of energy per customer at a lower cost per MWh. We conducted a new diagnostic analysis to find the causes and sites of losses in order to direct activities to locations that not only presented significant levels of theft, but also allowed field teams to safely conduct combat actions.

EVOLUTION OF TOTAL LOSSES <sup>[EU12]</sup>			
Losses (%)	2014	2015	2016
Total losses over the grid load	23.7	23.2	22.5
Technical losses over the grid load	7.7	7.6	7.2
Non-technical losses over the grid load	16.1	15.6	15.3
Non-technical losses / Low Voltage Market	42.2	40.7	39.6

Considering the macroeconomic conditions and the results of the diagnostic analysis, Light revised its strategy and intensified its initiatives in “possible areas,” which concentrate consumers with medium and high purchasing power. Previously, combating losses was an investment intensive activity and it was conducted in areas with the highest loss rates, i.e., neighborhoods and communities inhabited by lower income consumers and with a higher level of violence, or “risk areas.” We maintained our initiatives in “risk areas,” however at a less intensive pace and with lower investments.

The new initiatives to combat energy theft in 2016 resulted in the recovery and incorporation of higher volumes of energy per customer at a lower cost per MWh, from 591.7 R\$/MWh in 2015 to 377.8 R\$/MWh in 2016, representing a 36.2% decrease.

## Investments Made / Recovered Energy (R\$/MWh) (\*)



(\*) Capex + Opex to combat losses / REN + IEN

We highlight the initiatives described below.

**Operativos.** Also called “blitz”, they are conducted in “possible areas” and target customers selected by the Light Intelligence Center. They take place three times a week, on average, involving approximately 700 professionals, including field teams, lawyers, and the military and civil police. In addition to the police station specialized in delegated services (*Delegacia Especializada de Serviços Delegados – DDSD*), Light relies on the support of neighborhood police stations.

Accordingly, we intensified our operations in areas with a purchasing power that is compatible with the application of the Event and Inspection Notice (*Termo de Ocorrência e Inspeção – TOI*), which translates into recovered energy (REN).

This strategy has had a high level of detection of irregularities, not only in households, but also in restaurants, gyms, and ice cream shops, among others, confirming its efficacy as a market discipline tool and as a way to recover Light’s concession ownership. In certain cases, those responsible for energy theft are imprisoned.

Theft combat operations



In 2016, 119 Operativos and more than 249 thousand inspections were conducted, which identified irregularities in 54% of the cases. As a result of the joint operation with the Public Security Office (*Secretaria de Segurança Pública*), 448 reports were filed and 52 detentions in flagrante delicto were made.

**Review of processes:** Reassessment of loss procedures and inclusion of new technologies to hinder the access of fraudsters to electronic meters, including: (i) the increase in the number of collective shielding in residential buildings; and (ii) training provided to electronic meter reading agents and relationship agents to help identifying frauds.

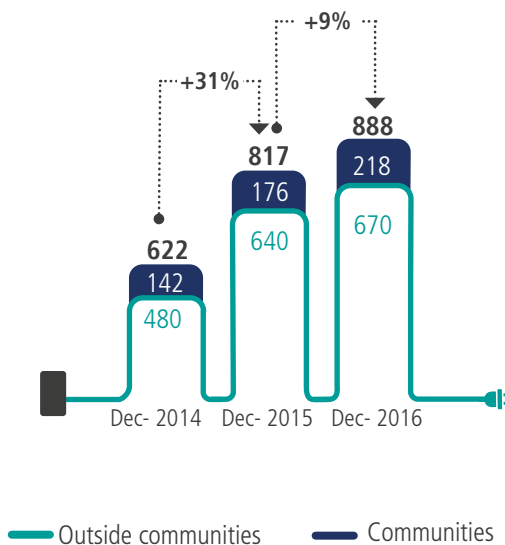
**Advertisement Actions:** The Company launched an advertisement campaign against energy theft directed at the upper, middle, and lower classes, broadcast on TV, radio and billboards. This initiative gave fraudsters the opportunity of correcting irregularities, upon the offer of special conditions. Moreover, the internal channel was reformulated, allowing employees to report irregularities that cause energy losses.

**Zero Loss Area (Área de Perda Zero – APZ):** The APZ project currently includes 850 thousand customers and 39 operating APZs. In units in which Light maintains regular operations, accumulated non-technical losses/grid load totaled 13.7% in 2016, compared to 49% before the implementation of the Company’s initiatives.

Light also changed the management of these areas, intensifying the use of employees for inspection and monitoring of APZ units. The managers of Light went on field to demand results. It is worth noting that the Event and Inspection Notice (*Termo de Ocorrência e Inspeção – TOI*) is also applied in APZs.

For safety reasons, Light had to leave the APZs of Alemão, Cidade de Deus, Tomazinho, and communities located downtown, and reduce the scope of operations of two units, which no longer cover the areas of Mesquita and São Carlos.

## Electronic Meters Complex (thousand units)



In addition to these initiatives, Light continues to invest in normalization initiatives (i.e., the correction of irregularities in the electricity supply of consumer units or Light’s electrical network) and, at a slower pace, in the installation of electronic meters.

NUMBER OF CORRECTIONS*	2015	2016
High / Medium voltage	905	1,135
Low voltage	50,136	134,240
<b>Total</b>	<b>51,041</b>	<b>135,375</b>

\* Number of corrections includes conventional actions, 200 A, indirect Low Voltage, High and Medium Voltage, and Clandestine Connections.



# LIGHT ENERGY THEFT COMBAT



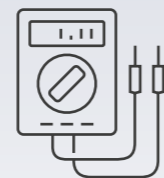
**700 professionals**

on the streets on a daily basis  
to combat energy theft



**54% success rate**

in fraud detection during  
field inspections



**249.9 thousand**

inspections and  
more than

**135 thousand**

corrected  
irregularities

**957 GWh of energy**



recovered and incorporated

=

consumption of 4.8 million  
households in 1 month

**1.04 percentage points**

decrease in commercial losses  
(theft) compared to Dec/15

# CONSCIOUS CONSUMPTION

## Dialogue with the community [G4-EC7, G4-EC8, G4-S01]

In 2016, Rio de Janeiro faced a number of problems related to increased violence, primarily due to the weakening of the security policy of the State and the withdrawal of Pacifying Police Units (*Unidades de Polícia Pacificadora – UPP*) from a number of communities in Rio.

In this scenario of uncertainty and insecurity, Light entered into and expanded partnerships with associations of residents. Dialogue used as a relationship channel and the development of partnerships with local leaderships make the recovery of energy irregularly consumed in these regions easier. It is worth noting that the relationship with associations used to be promoted by outsourced companies. However, since May 2016, Light assumed this function and the starring role.

Accordingly, the Company continues to strengthen its relationship with communities through educational and energy efficiency initiatives. The activities conducted in communities bring information and promote knowledge about conscious energy consumption, the benefit of the Social Tariff, and family budgeting, allowing the correction of consumer irregularities, payment of bills, and sustainable development.

In 2016, the partnership with the Social Assistance Reference Center (*Centro de Referência de Assistência Social – CRAS*) was an important achievement. CRAS started to attend the lectures given at communities. CRAS is responsible for the registration of the Social Identification Number (*Número de Identificação Social – NIS*) of low income families.

Light also started to act in schools located in these communities and their surroundings. Through partnerships with Regional Education Coordination Centers (*Coordenadorias Regionais de Educação – CREs*) and school principals, we are able to give lectures about conscious electricity consumption and the Social Tariff. As a result, meetings with parents, students, and teachers allow the preparation of new multiplying agents.

It is also worth noting the educational and recreational projects developed by Instituto Light in 2016 for schools attended by the residents of communities.

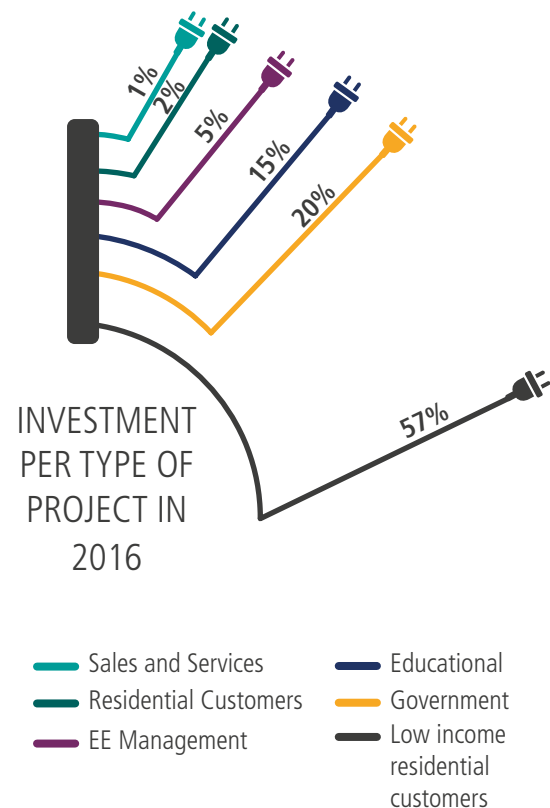
In 2017, we intend to intensify educational initiatives with public schools, disseminating content about conscious electricity consumption to the largest number of people belonging to the school community.

## Energy Efficiency [G4-EN6, G4-EN7, EU7]

Under ANEEL’s Energy Efficiency Program (EEP) (*Programa de Eficiência Energética – PEE*), in 2016, we invested R\$16.8 million in 19 projects, pursuant to regulatory rules.

All challenges faced by Light affected budgeted investments for the year, including the transfer of 20% of funds from EEP to Procel, pursuant to Law No. 13.280/2016, which did not occur in 2016 due to a delay in the approval of the Investment Plan by the Energy Efficiency Management Committee (*Comitê Gestor de Eficiência Energética*)<sup>8</sup>.

In 2016, ten projects were completed, totaling R\$25.8 million invested by EEP and R\$1.6 million invested by third parties during the execution period. As a result of the completed projects, we saved 74 GWh/year and reduced end demand by 21 MW.



<sup>8</sup> Committee established under the Ministry of Mines and Energy (*Ministério de Minas e Energia*), which provides technical, administrative, and financial support to approve the Annual Investment Plan of Procel, monitors the implementation of actions, and annually assesses the results achieved in the application of funds set forth in Law No. 13.280/2016.

## Public Call for Projects (PCP)

Another challenge in 2016 was the operationalization of 22 projects approved at the 2<sup>nd</sup> Public Call, held in 2015. The tables below set forth the projects, by nature (for profit and nonprofit) and segment.

For more information, access our [website](#).

EEP PROJECTS AND INVESTMENTS BY CIVIL PURPOSE			
Nature	Approved projects	EEP Investment (R\$ Thousand)	EEP Investment (%)
For profit	6	3,612.8	35%
Nonprofit	16	6,842.1	65%
<b>Total</b>	<b>22</b>	<b>10,454.9</b>	<b>100%</b>

EEP PROJECTS AND INVESTMENTS BY SEGMENT			
Type	Approved projects	EEP Investment (R\$ Thousand)	EEP Investment (%)
Residential	1	1,273.7	12%
Commercial and Services	12	4,208.5	40%
Government	6	3,195.8	31%
Industrial	1	512.5	5%
Utilities	2	1,264.4	12%
<b>Total</b>	<b>22</b>	<b>10,454.9</b>	<b>100%</b>

In 2016, Light held the 3<sup>rd</sup> PCP, including the registration, accreditation, and remittance of projects by their proponents, totaling 38 proposals received.

The main targets for 2017 include meeting our regulatory commitments regarding Public Calls and implementing demonstration projects aiming at the application of distributed generation technologies and solar heating in social institutions.

In addition, we are also committed to using the Public Call process to service primarily charity and social institutions and reduce delinquency from Government customers, who benefit from EEP.

Moreover, we also intend to publicize the results of projects that have already been implemented to consolidate the image of Light as a company that operates in a sustainable manner through the initiatives and projects it develops. The target is investing R\$42 million to R\$50.4 million in energy efficiency, transferring R\$8.4 million to Procel, and executing all 22 projects of the 2<sup>nd</sup> PCP.

### COMPLETED PROJECTS

- Energy Museum II (*Museu da Energia II*)
- Ronald Mc Donald's Home (*Casa Ronald Mc Donald*)
- Farmanguinhos/Fiocruz
- Court of Justice (*Tribunal de Justiça*)
- National Observatory (*Observatório Nacional*)
- Green Wave (*Onda Verde*)
- Residential I Project (*Projeto Residencial I*)
- Residential II Project (*Projeto Residencial II*)
- Donation of fridges and lamps in Xerém
- Management V (*Gestão V*)

### ONGOING PROJECTS

- Light Recycles II (*Light Recicla II*)
- Efficient Community VIII (*Comunidade Eficiente VIII*)
- Efficient Community IX (*Comunidade Eficiente IX*)
- Educational Planetarium (*Planetário Educativo*)
- Kid's World Daycare (*Creche Mundo Infantil*)
- Management VI (*Gestão VI*)

### PROJECTS LAUNCHED IN 2016

- Creative Favela II (*Favela Criativa II*)
- Energy Museum III (*Museu da Energia III*)
- Municipal Office of Transports III (*Secretaria Municipal de Transportes III*)



## .:Efficient Community (*Comunidade Eficiente*) and Light Recycles (*Light Recicla*) [G4-EC7, G4-EC8, G4-S01]

With funds from EEP, we maintained the actions developed for the Efficient Community (*Comunidade Eficiente*) and Light Recycles (*Light Recicla*) projects, with investments of R\$8 million and R\$1.5 million, respectively.

The strategy of the Efficient Community (*Comunidade Eficiente*) project was reviewed due to the new regulation<sup>9</sup>, which directed energy efficiency actions to all low income customers and made the use of funds more flexible, and no longer mandatory. This change in scenario allowed Light to also act with its customers in general, rather than just with those that benefitted from the Social Tariff.

This regulatory change positively affects the Company because a larger number of customers has been managing to fit consumption in their household budgets through the use of energy efficient equipment and based on information about responsible energy use.

thousand liters of vegetable oil were collected. Recycling generated savings of approximately 5,000 MWh.

The bonus credited in electricity bills had the best annual result since the beginning of the project in 2011: more than R\$280 thousand benefited 2,660 customers and social institutions.

The project maintained all 11 ecopoints in the city of Rio de Janeiro and one ecopoint in the city of Paraíba do Sul. The collection points located in the cities of Mesquita and Japeri were closed.

It is important to mention the change of address of the ecopoint located in Botafogo, which was strategically transferred to a square. The container was renovated and received a graffiti intervention.

RESULTS FROM EFFICIENT COMMUNITY ( <i>COMUNIDADE EFICIENTE</i> )	2014	2015	2016
Consumers benefited by the project	29,251	92,690	11,285
Customers that attended lectures held in communities (*)	-	-	1,667
Efficient lamps donated	21,996	300,014	1,596
Efficient fridges donated	20,608	22,585	2,259
Heat recovery devices	1,858	2,088	559
Temperature controllers	-	1,448	51

(\*) Events are now conducted by the social managers of the area, in the form of lectures

In 2016, the Light Recycles (*Light Recicla*) project received and forwarded a large volume of waste to recycling processes, generating income for a number of families and social nonprofit institutions registered in the project. Results from the collection of waste exceeded 2015 results. Approximately 1.1 thousand tons of waste and 17

LIGHT RECYCLES ( <i>LIGHT RECICLA</i> ) 2016 RESULTS		
Waste	Total collected (ton)	MWh saved
Paper	559.1	2,549.4
Plastic	316.0	1,674.7
Glass	111.2	71.2
Metal	94.2	499.4
Oil	15.5	58.2
Tetrapak	10.1	51.5
<b>Total</b>	<b>1,106.1</b>	<b>4,904.4</b>

In 2017, Light's initiatives in communities in Rio de Janeiro will continue to integrate reduction of losses and incorporation of energy. The relationship established in 2016 will be maintained and additional communities will be contemplated by educational and energy efficiency initiatives.

<sup>9</sup> Law No. 13.203, dated December 2015, and Law No. 13.280, dated May 2016.

# SOCIAL INVESTMENTS

[G4-EC8, G4-S01, EU3]

Using its own funds or through partnerships with cities and the State, Light implements projects that encourage sustainable development and improve the quality of life of the population of its concession area. The decision to invest in certain projects is related to the development of the concession area, generation of income in pacified communities, and the visibility of the Light brand, which also affects the reduction of losses and delinquency. Guided by these criteria, in 2016, Light raised sponsorship funds in the amount of R\$20 million, of which R\$3 million are own funds.

## External Projects<sup>10</sup>

The main projects that received investments from Light were: 2016 Copacabana New Years' Eve (*Copacabana Réveillon 2016*), Refurbishment of Laranjeiras Palace (*Restauração do Palácio Laranjeiras*), Activities in the Park 2016 (*Parque em Movimento 2016*), Favelas' Cup (*Taça das Favelas*), 3<sup>rd</sup> Green Nation Fest, and File On (*Arquivo em Cartaz*). More than one thousand municipal schools received air conditioning, in a joint work of Light and the city of Rio de Janeiro.

SPONSORSHIP BY TYPE (R\$ THOUSAND)	2014	2015	2016
Sports	6,731	4,886	1,500
Culture	7,296	3,975	1,290
Environment	289	307	-
Others	960	1,493	272
<b>Total</b>	<b>15,276</b>	<b>10,661</b>	<b>3,062</b>

## Internal Projects<sup>11</sup>

In 2016, the challenge faced by Light Institute was to unify Light's educational and cultural set of programs, which addresses, in a playful and didactic manner, Light's most significant subjects to be communicated to its audience, primarily young people, including conscious consumption, losses caused by theft of electricity, and precautions that must be adopted regarding the electrical network.

In addition to sponsorships, the Company also supported the Olympic Games with funds from ICMS tax deductions, pursuant to Law No. 7.036/2015 and Decree No. 45.333/2015, which provide for the use of tax incentives to contribute with the 2016 Olympic and Paralympic

Games. Through the Friends of the Games (*Amigos dos Jogos*) category, Light anticipated investments in favor of the Olympic Organizing Committee.

For 2017, Light Institute plans to review sponsorship practices and move towards a structure that results in a consistent and collective social contribution, while allowing the company to get closer to the public.

### PROGRESS AND ACHIEVEMENT OF INTERNAL PROJECTS

#### LIGHT AT SCHOOLS (*LIGHT NAS ESCOLAS*)

- Agreements with the Education Offices (*Secretarias de Educação*) of the city and State or Rio de Janeiro.
- Training given at 104 schools and to 92 teachers.
- More than 16 thousand school-related participants.
- 118 teaching institutions approached by the project.

#### LIGHT ENERGY MUSEUM (*MUSEU LIGHT DA ENERGIA*)

- 18 thousand visitors.

#### WHOLE LOT OF ENERGY (*QUANTA ENERGIA*)

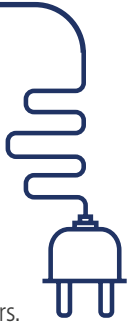
- 43 presentations.
- An audience of 3,990 people.

#### CREATIVE FAVELA (*FAVELA CRIATIVA*)

- 38 projects selected at Creative Favela Exhibition (*Feira Favela Criativa*).
- Nine invitations that will foster more than 130 projects in the concession area.
- New presentations of Whole Lot of Energy (*Quanta Energia*).
- Reactivation of the portal and Facebook page.

#### SÃO JOÃO MARCOS ARCHAEOLOGICAL AND ENVIRONMENTAL PARK (*PARQUE ARQUEOLÓGICO E AMBIENTAL DE SÃO MARCOS*)

- More than ten thousand visitors, totaling 50 thousand visitors since 2011.
- The park is now part of the educational and cultural initiatives of the Light Institute.



<sup>10</sup> Projects, initiatives or activities proposed by public or private institutions or individuals who are not related to Light.

<sup>11</sup> Projects, initiatives or activities developed and proposed by areas, companies or entities related to Light.



# SUPPLIER MANAGEMENT

[G4-LA14, G4-LA15, G4-HR10, G4-HR11, G4-SO9, G4-SO10, G4-EN32]

The formation of a group of company suppliers based on economic, financial, legal, tax, and labor criteria, in line with the rules of conduct of Light, ensures that only companies that share our values become our business partners.

Suppliers are pre-qualified and registered according to their supply category, material/equipment or service, always in order to meet the company's needs.

In 2016, we had 1,690 active suppliers, 183 of which are considered critical. Supplier criticality is related to the economic and strategic impacts on the Company's activities, taking into account those that involve contractors that provide services on behalf of Light. [G4-12]

For more details about the process of supplier selection and registration, access Light's website, at [Sustainability](#).

## Integration with Companies

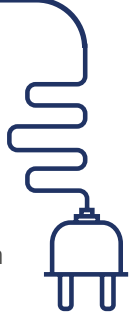
In 2016, Light visited 12 partner companies whose activities involve the Network, REN, Metering and General Services, all of which are large contractors for field services. We exchanged information, primarily about the control of resources used, level of dependency on their agreement with Light, total sales in the past year, and prospects of additional services, among others. The visited companies found this initiative excellent, and considered it a new communications channel. For 2017, we plan to extend the visits under the Partnership and Integration project.

### SELECTION CRITERIA FOR SUPPLIERS

- Acceptance of the Code of Ethics and the Social Responsibility Agreement.
- Technological, technical and productive training.
- Quality.
- Health and safety of workers.
- Environment and social responsibility.
- Financial and economic condition.
- Tax and labor good standing.
- Supplier criticality.

### SERVICE AND QUALITY MONITORING

- Critical suppliers may be monitored and audited.
- Audits encompass subjects related to labor issues, including the payment of FGTS and INSS and the timely payment of paid vacation and overtime.
- Use of questionnaires: Environmental and Social Responsibility.
- The Suppliers Qualification System (*Sistema de Qualificação de Fornecedores – SQF*) sets forth a ranking based on audits, SERASA, tax and labor good standing, and assessment of managers and occupational safety.
- Performance evaluation: assured quality of materials.
- We assess, ratify, and test the materials we receive.



## Audits

Also in 2016, the Company conducted 234 audits in 128 companies. The audits involved labor matters, including the control of payment of taxes (such as FGTS and INSS) and the monitoring of timely payment of paid vacation and overtime. In general, companies had some sort of non-conformity, which directly affects the received invoice.

In general, non-conformities included (i) non-compliance with weekly rest and the 11-hour interval and (ii) overtime payment errors in the Human Resources system.

After the assessment, and in case of non-conformity, we issued a report including an action plan and a term period to solve the problem. Reports regarding companies that scored less than 8.0 are presented in person, in a feedback meeting.

With regards to the payment of INSS and FGTS, 96% of the monitored companies are compliant. The payment of invoices of companies that did not present an updated certificate of payment of taxes is blocked, pursuant to the relevant contractual provision.

The final average audit score was 8.0, the same as in 2015. It is worth noting that we worked to increase the percentage of audits with a score equal to or above 8.0, in order to comply with applicable law, contractual provisions, and the collective bargaining agreement.

## Quality of Materials

We also highlight the initiative regarding the management of quality of materials, which includes an industrial and social and environmental assessment, ratification, and essays of received materials. Performance is assessed for each supply, generating a supplier history, leveling the requirements regarding our presence at the laboratories of manufacturers, and improving inspections to ensure future quality of materials.

In 2016, we conducted industrial assessments and approved 14 suppliers. We assess production capacity, quality control, plant/machinery layout, and social and environmental criteria. We continued to monitor all 12 suppliers that are certified for Assured Quality and five companies that are expected to be certified in the future.

We seek to improve, together with our Engineering area, the process of development of suppliers of materials and other initiatives involved in their work flow.

## Quality of Suppliers

The number of companies and activities assessed by the Suppliers Qualification System (*Sistema de Qualificação de Fornecedores* – SQF) increased, including 16 additional companies and two additional activities and service categories: Maintenance/Transmission Line and Billing/Metering. The activities of Network/REN, Underground, and Power Plants are already part of the SQF.

In 2016, we assessed 50 companies, and the best ones were acknowledged based on the assessment of contract managers, the Occupational Safety Area, and the area responsible for supplier management.

In 2017, we will include activities and service categories regarding Customer Service (stores and call center) and Property Security.

Finally, it is worth noting that we increased the number of companies that are trained and accredited to 192 in our Contractors Integrated Management System (*Sistema de Gestão Integrada das Contratadas* – GEIC) – Outsourced Contractors Module. All stages are completed through the internet. Personal documents and specific training and standards are digitalized and sent to Light. The system undergoes continuous improvement.

In 2017, we intend to increase this number even further and have the Termination and Third Party Certification Updating in place.

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## COMPLIANCE [G4-508]

The Company has a portfolio of 37.7 thousand judicial proceedings, totaling a contingency of R\$6.8 billion, including proceedings whose chance of loss is probable (R\$418 million), possible (R\$4.0 billion), and remote (R\$2.4 billion). The amount provisioned for probable loss is based on the opinion of legal counsel.

These proceedings refer to civil, tax, and labor matters. The main labor issues refer to overtime, accumulated jobs, interval between shifts, secondary liability, hazard pay, equal pay, and pain and suffering.

With regards to the customer, the main issues refer to civil liability (accidents involving the population), complaints about bills, collection of fines due to termination of medium voltage agreements, transfer of ownership excluding debit exemption, non-scheduled power outages, and charges for irregularity.

We decreased the average amount paid under court orders by 12.9% and reduced the inventory of collection suits by 17.7%. Proceedings related to bankruptcy, large customers, and civil liability decreased by 17.8%.

It is worth noting that Light acts proactively in terms of legal issues, making settlements and gathering the elements required to ground its technical defense in court in order to achieve success and/or decrease losses.

For more information about contingencies and provisions, see the [Notes to the Financial Statements](#).

## Voluntary Dismissal Program

The process of Management of Knowledge has three pillars: the first is focused on self-development, the second on training of internal educators, and the third on mapping of critical and fundamental knowledge for our business, as described below.

### 1- Self-development

Light provides its employees with tools and contents that promote self-development, including development trails, books and magazines available at Light's Library, and contents and trainings available at the Knowledge Portal (*Portal do Conhecimento*). In addition, Light enters into agreements and partnerships with a number of educational institutions.

### 2- Training of Internal Educators

Currently, the Company offers the Light Educators Program (*Programa Educadores Light*), which includes a specific training trail for internal educators. However, due to the process of internalization of a large portion of technical and operating trainings, we are reviewing the program's assumptions and scope, giving more emphasis to the technical and operating segment, which accounts for the largest volume of trainings and, as a result, represents the greatest opportunity to reduce costs in the management of knowledge.

### 3- Mapping of Critical Knowledge

With regards to mapping of critical knowledge, we have one single ongoing project in partnership with the High Voltage Superintendence. For 2017, we expect the consolidation of five critical pieces of knowledge, which have already been mapped, and the establishment of a route to transfer them to the four levels of career development previously set forth.

In 2016, Light also launched the Voluntary Dismissal Program for employees who had already retired or were eligible for retirement. Since then, we mapped the criticality of knowledge in the areas of those who accepted the voluntary dismissal program, and indicated actions to transmit this knowledge, as well as to monitor and support the execution of the plan.

We mapped 62 pieces of knowledge that were considered critical for the business, concentrated in 32 people. In order to establish priorities regarding the transfer of knowledge, we took into account the following three factors: time left before leaving, difficulty to find this knowledge in the market, and concentration of knowledge per number of people.

#### REVISION OF RULES

In 2016, Light reviewed its internal policies and procedures that set forth work guidelines and standards. These documents are also ways to store and disseminate information in the Company.

Updating rules was set forth as Light's global target, involving different areas. After the analysis of criticality, including the support of managers of all Superintendencies, 166 rules were considered critical. To exceed this target, 318 additional rules were reviewed or created, totaling 484 documents. All of them are available to the workforce at Light's intranet Portal.



Investments in the R&D Program regulated by ANEEL totaled approximately R\$8 million, of which R\$6 million was invested in Light SESA and R\$2 million in Light Energia. Although investments were below planned due to uncertainties regarding regulatory changes in the new ANEEL Manual, published to take effect as of January 1, 2017, we met the regulatory obligation regarding the balance of the R&D account.

In the distribution segment, represented by Light SESA, investments were directed to two priority aspects, accounting for 64% of funds: (i) metering, billing, and combatting commercial losses (37%); and (ii) quality and reliability of electricity services (27%).

We started a project to combat non-technical losses, the Regulatory Aspects Related to Non-Technical Losses in Risk Areas project, which

will seek to meet the Company's needs in regions where we face significant difficulties to operate due to violence.

62% of Light Energia R&D investment were made in environmental projects, showing Light's concern with an extremely important subject for society. We highlight the project of Development and Implementation of a System to Handle Macrophytes with High Environmental, Social and Economic Sustainability, receiving R\$1.3 million under the R&D program.

The target for 2017 is to invest approximately R\$19 million in projects developed by Light SESA and R\$4 million in projects developed by Light Energia to meet the regulatory requirement.

For more information, see our [website](#).

## KNOW THE SEVEN PROJECTS COMPLETED IN 2016

### LIGHT SESA

- Special connector to interrupt power supply of low voltage customers – serial head and pioneer lot stages.
- Technological development and innovation in the use of photovoltaic technology and its intelligent integration with the distribution network: an initiative focused on Light's Large Customers.
- Manufacturing of the pioneer lot of fiberglass and rectilinear filament polyester resin poles.
- Platform of intelligent networks.
- Serial head for biodegradable oil replacing DDB oil.
- Protective coating for wooden poles – pioneer lot project.

### LIGHT ENERGIA

- Simulator of failures for analysis of protection in generation systems.



## DEBT MANAGEMENT

The Company was successful in its plan to reduce leverage and roll over its main debts in 2016. The main goals achieved include: (i) the amortization of a portion of the debt, as a result of a better operating cash generation in 2016; (ii) the rollover of approximately R\$700 million maturing in 2016; (iii) other debts rollover in the amount of R\$180 million; and (iv) R\$200 million obtained from additional financial institutions.

Light also completed the CAPEX 2015/16 financing transaction with the BNDES, in the amount of R\$475 million, with the first disbursement, in the amount of R\$342 million, occurring in 2016.

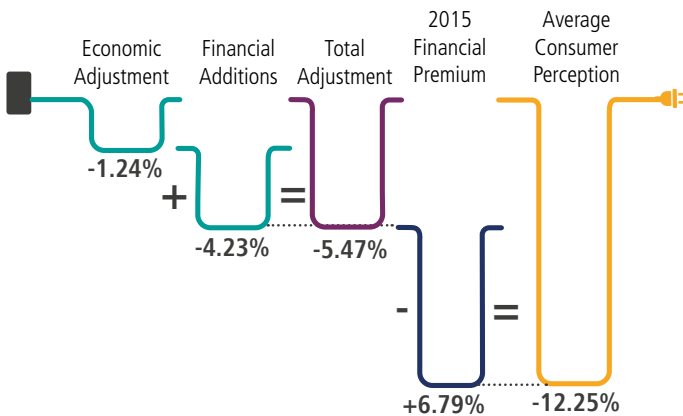
Moreover, we entered into a swap transaction and replaced the CDI rate for the IPCA index regarding a R\$1 billion debt. As a result, the Company had a positive economic result of R\$20 million, representing a cash outflow saving of approximately R\$40 million in 2016.

## REGULATION

### November 2016 Tariff Adjustment

On November 1, 2016, ANEEL approved Light's tariff adjustment, providing an average decrease of 12.25% from November 7, 2016. The chart below sets forth information relating to the main items responsible for the tariff reduction.

#### Average Consumer Perception



### Extraordinary Tariff Review

On February 5, 2016, Light filed its Extraordinary Tariff Review request to restore its economic and financial balance, pursuant to clause 7 of the concession agreement. In short, Light showed that the significant increase in Parcel A in 2015, a factor that is beyond the company's control, affected the Company's equilibrium as follows:

- **Financially**, as the concessionaire was required to increase its indebtedness;
- **Economically**, as it worsened economic losses resulting from energy theft and delinquency, and caused a retraction in the formal market.

Light also showed that the Olympic Games and the allocation of significant funds to combat losses made this scenario even more critical.

In order to restore its economic and financial balance, Light requested the full application of the tariff review methodology ratified by ANEEL through Public Hearing No. 23/2014. Improvements in this methodology include a better match of the social and economic complexity index to the reality faced by Light in combatting non-technical losses and delinquency.

**FINANCIAL  
CAPITAL**



On September 26, 2016, after several interactions with ANEEL, Light requested the suspension of its Extraordinary Tariff Review request and the formal commencement of the contract amendment process, with the anticipation of its 4<sup>th</sup> Tariff Revision, pursuant to Dispatch No. 2.194/2016. In view of the new contractual conditions, the Company determined the *flexibilization* of the DEC target included in the contract amendment as a condition for its signature. In Light's proposal, this target becomes an integral part of the commitment assumed with ANEEL, under the Plan of Results.

By requesting the execution of the contract amendment pursuant to Dispatch No. 2.194/2016, Light intended to anticipate the 4<sup>th</sup> Tariff Revision to November 2016, concurrently with the tariff adjustment. However, due to the processing period of the technical areas of ANEEL, both tariff events could not occur simultaneously, and the 4<sup>th</sup> Tariff Revision was scheduled for the first quarter of 2017.

Accordingly, on December 16, 2016, ANEEL opened Public Hearing No. 89/2016 to gather additional information for the discussion and execution of the contract amendment and for the improvement of Light's 4<sup>th</sup> Tariff Revision. According to this initial proposal, the Tariff Revision should occur on March 15, 2017.

The signature of the concession contract amendment in accordance with the new contractual model, and the anticipation of the Tariff Revision for March 2017 allow a better adjustment of Light's tariff to the reality of its concession area and new sector conditions, according to which Parcel A has a greater weight in tariffs.

While the tariff repositioning will gradually mitigate the economic and financial imbalance faced by Light in past years, the amendment to the agreement provides for a number of requirements to be fulfilled by Light to ensure the quality of services provided and the economic and financial sustainability of the concession. Accordingly, the execution of the amendment unequivocally benefits public interest.

For more information, see [2016 Results Press Release](#).



## CONTEXT

The water crisis and the resulting tariff increases in 2015 strongly affected the economic and financial balance of Light, which motivated it to file its Extraordinary Tariff Review request. In particular, the external adverse scenario brought great challenges to combating losses and delinquency, which were mitigated by the company's operating management.

Additionally, the financial crisis of the State strongly affected its public security policy, especially the pacification initiatives in risk areas. This situation imposed a setback in the plan to reduce energy theft and correct irregularities of customers because the risk to continue initiatives in areas where Light was already present became too high.

## Plan of Results

On July 5, 2016, Light signed a commitment with ANEEL to comply with the Plan of Results, an initiative of the regulatory agency that allows companies whose performance is below supply quality parameters to present a structured improvement plan for the next years.

The purpose of this plan is to (i) adjust the continuity indicators to regulatory limits (DEC/FEC), (ii) improve the image of the concessionaire perceived by consumers (IASC), (iii) reduce the number of complaints at the Sector Ombudsman, (iv) improve safety indicators of the workforce and population, and (v) ensure economic and financial sustainability.

In August 2016, ANEEL approved Light's Plan of Results, according to which we expect to reach the service quality regulatory limits by December 2019. The plan has been under execution since then and monitoring reports are presented every quarter with the partial results achieved.

Upon the signature of the contract amendment pursuant to Dispatch No. 2.194/2016, a portion of the Plan of Results relating to quality indicators has been incorporated to Light's concession agreement, which allows its monitoring in accordance with the new contractual provisions until the expiration of the concession, expected for 2026, with an emphasis on the first five-year period, from 2018 to 2022.

## Regulatory Loss Target

In Light's 3<sup>rd</sup> Ordinary Tariff Revision that took place in 2013, ANEEL recognized that combatting non-technical losses in Rio de Janeiro is particularly hard and made the level of regulatory losses more flexible. We assumed the commitment to reduce actual non-technical losses from 43.9% to 31.5% in the period between August 2013 and August 2018 in the low voltage market. Metering occurred as of 2015.

The achievement of the August 2015 target is still under discussion at ANEEL, which is assessing the high voltage technical loss to be used in the calculation. We understand that the calculation should take into account the metered technical loss that incorporates external factors, including the reduction of internal generation due to the water crisis. In case our request for reconsideration is accepted, the August 2015 target will be achieved.

The August 2016 target was not achieved due to factors that could not be forecasted in the Periodic Tariff Revision of 2013, when the target was established. The significant increase in Parcel A, resulting in tariff increases well above inflation, and the economic crisis of the State of Rio de Janeiro, resulting in the upsurge of violence, significantly hindered the achievement of the target agreed by Light with ANEEL.

It is important to note that the anticipation of the 4<sup>th</sup> Tariff Revision of Light restores to tariffs the funds prepaid by consumers as a result of the *flexibilization* granted by ANEEL to non-technical losses during Light's 3<sup>rd</sup> Tariff Revision, through a significant decrease in its Regulatory Remuneration Base. Additionally, regulatory non-technical losses to be transferred to tariffs now reflect the accurate application of the social and economic model prepared by ANEEL, without specific targets for losses occurred in each year of the tariff cycle.



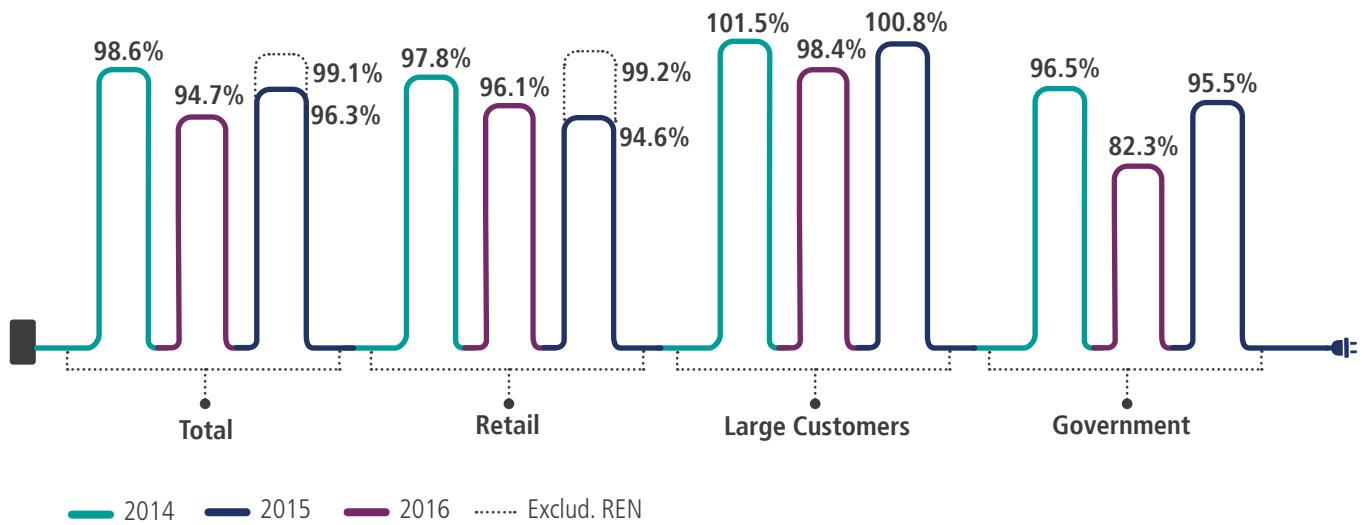
### REGULATORY FINES

In 2016, Light paid R\$ 4.8 million in regulatory fines, corresponding to 69% of the fines imposed by ANEEL, representing a successful 31% decrease as a result of appeals filed under administrative proceedings.

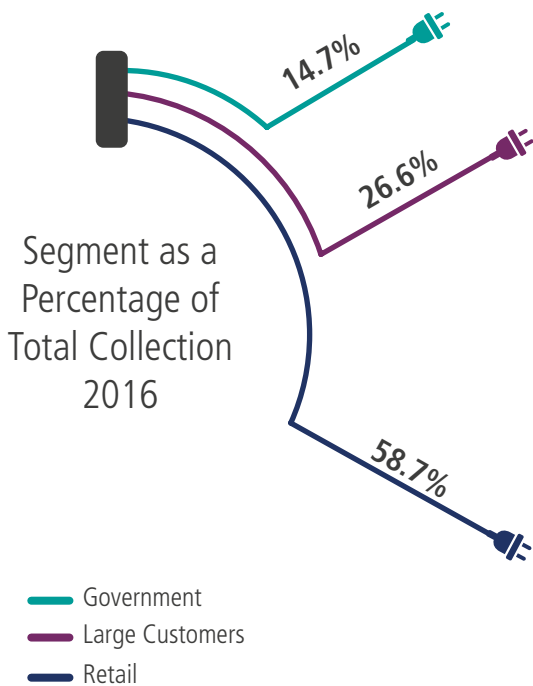
The facts that generated regulatory fines in 2016 include: (i) non-compliance with the Accounting Manual of the Electricity Sector (*Manual de Contabilidade do Setor Elétrico*); (ii) operations telesupervision by the ONS; (iii) power factor of connections with the basic grid; (iv) inspection of commercial quality; and (v) operation of the energy distribution system.

# COLLECTION

## Collection Rate



On one hand, the increase in revenue from REN decreases the global collection rate, as a large portion of these payments is made in installments. On the other hand, it tends to increase revenue and global gross collection. Excluding the effect of REN, the collection rate of the Retail segment was 99.2% and the total collection rate of Light was 99.1% in 2016.



In the Government segment, since the last quarter, a portion of the 2015 bills of a public service concessionaire was assumed by the government of the State through the offsetting of ICMS tax, in the amount of R\$38.9 million, in 12 monthly installments. The remainder of the 2015 debt of this customer, in the amount of R\$48,7 million, was divided in 36 installments, accruing interest, according to which we have been receiving monthly payments of R\$1.6 million since June 2016. In December 2016, this same customer had already accumulated an additional debt of R\$46.0 million.

Regarding the debt of the State government (i.e., unpaid bills from January 2015 to April 2016, in the amount of R\$153.2 million), the decree that allows the offsetting of debt with ICMS tax was published and regulated by the Treasury Office (*Secretaria da Fazenda*) of Rio de Janeiro. This amount is being offset in up to 29 months, and the first installment, in the approximate amount of R\$5.3 million, was offset in August 2016.

In 2016, the collection rate was 96.3%, representing an increase of 1.6 p.p. compared to 2015. The increase in collections in the Government and Large Customers segments reflects stricter collection initiatives and negotiations with customers. The decrease in the Retail segment reflects the increase in revenue from REN.

The amount of accumulated debt of the State totaled R\$99.8 million in December 2016. In both cases, Light has been endeavoring to collect these amounts through collection initiatives and negotiations of the accumulated debt value.

## INVESTMENTS

We made investments in the amount of R\$772.6 million (excluding contributions in subsidiaries), representing a 13.5% decrease compared to 2015. The Distribution segment received 85.3% of all investments, primarily to reinforce and expand the network, including R\$100.1 million related to the Olympic Games, and for the initiatives to combat losses.

We highlight the new strategy implemented to combat losses that allowed us to recover a higher volume of energy, notwithstanding the R\$108.2 million decrease in investments compared to 2015.

Even with the 14.8% decrease in investments in the distribution segment, we improved our quality, losses, and payment indicators.

In 2016, Light Energia made a total investment of R\$45.2 million, representing a 19.7% decrease compared to 2015, due to Lajes small hydroelectric power plant operations postponement to the second semester of 2017.

Including contributions, investments in 2016 totaled R\$953.2 million.

CAPEX (R\$MM)	2016	% Total	2015	% Total	% Var.
<b>Distribution</b>	<b>659.0</b>	<b>85.3%</b>	<b>773.9</b>	<b>86.7%</b>	<b>-14.8%</b>
Reinforcement of network and expansion	379.2	57.5%	408.2	52.7%	-7.1%
Losses	250.7	38.0%	358.9	46.4%	-30.1%
Others	29.2	4.4%	6.9	0.9%	323.2%
<b>Management</b>	<b>66.5</b>	<b>8.6%</b>	<b>52.3</b>	<b>5.9%</b>	<b>27.2%</b>
<b>Commerc./ Energy Efficiency</b>	<b>1.9</b>	<b>0.2%</b>	<b>10.4</b>	<b>1.2%</b>	<b>-81.7%</b>
<b>Generation</b>	<b>45.2</b>	<b>5.9%</b>	<b>56.3</b>	<b>6.3%</b>	<b>-19.7%</b>
<b>Total</b>	<b>772.6</b>	<b>100.0%</b>	<b>892.9</b>	<b>100.0%</b>	<b>-13.5%</b>
<b>Contributions</b>	<b>180.6</b>	<b>-</b>	<b>51.0</b>	<b>-</b>	<b>254.1%</b>
Belo Monte	99.9	-	41.1	-	143.1%
Renova	52.1	-	-	-	-
Itaocara	2.9	-	9.9	-	-70.7%
Guanhães	25.6	-	-	-	-
Água Limpa Project	0.04	-	-	-	-
<b>Total Investments (including contributions)</b>	<b>953.2</b>	<b>-</b>	<b>943.9</b>	<b>-</b>	<b>1.0%</b>

## FINANCIAL PERFORMANCE

### LIGHT S.A.

Financial Highlights (R\$ MM)	2016	2015	% Var.
Net revenue*	8,756	9,976	-12.2%
Adjusted EBITDA**	1,427	1,614	-11.6%
EBITDA margin	16.3%	16.2%	0.7%
Net income/loss	(313)	38	-927.1%
Net debt***	6,220	6,502	-4.3%
Investments (including contributions)	953	944	1.0%

\*Excluding construction revenue.

\*\*Adjusted EBITDA represents CVM EBITDA less equity in the results of subsidiaries and non-operating result. The Company adopted Adjusted EBITDA for the analysis included in this document.

\*\*\*For covenants purposes.

- In 2016, net revenue, excluding construction revenue, decreased 12.2% compared to 2015, totaling R\$8,756 million. Despite the good performance of the generation and commercialization company and the average adjustment of 16.78% in the tariffs of the distribution company in November 2015, the reduction in net revenue is due to, among other factors: (i) the 2.4% decrease in the billed and non-billed market of the distribution company, mitigated by the large volume of recovered energy in the year; (ii) the negative variation of CVA due to the tariff surplus in specific items, which started to be returned to consumers based on an adjustment of -12.25% ratified in November 2016; and (iii) the negative impact in 2016 of the difference between the new replacement value and the value of the concession financial asset due to the new regulatory remuneration base.
- Adjusted EBITDA totaled R\$1,427 million, representing an 11.6% decrease compared to 2015, primarily due to a reduction in the margin of the distribution company as a result of a smaller market.
- In 2016, Light S.A. had a net loss of R\$313 million, primarily due to the decrease in the Adjusted EBITDA of the Distribution company (which excludes equity in the results of subsidiaries and other operating income/expenses) and the negative impact of the Results of Renova and Guanhões, in the amount of R\$336.4 million, as they recognized impairment in 2016.
- As of December 31, 2016, the gross debt of the Company totaled R\$6,944 million, representing an 8.3% decrease, or R\$631 million, compared to 2015. Net debt totaled R\$6,220 million, representing a 4.3% reduction compared to 2015.
- The Net Debt/EBITDA ratio for covenants decreased from 3.85x in September 2016 to 3.72x in December 2016, within the upper limit, which, as of the fourth quarter of 2016, returned to 3.75x. As of December 31, 2016, the EBITDA for covenants/interest expense ratio was 2.35x, above the lower limit of 2.0x. The average maturity term of our debt is 2.43 years and the average nominal cost of debt was 15.42% per year.

## LIGHT SESA

Operating Highlights (GWh)	2016	2015	% Var.
Grid load (own load + network use)	37,062	37,751	-1.8%
Total billed market	25,850	26,446	-2.3%
Billed captive market	20,660	21,361	-3.3%
Transported energy – TUSD	5,189	5,085	2.1%

Financial Highlights (R\$ MM)	2016	2015	% Var.
Net revenue*	7,768.0	9,079.4	-14.4%
Adjusted EBITDA	874.6	1,146.3	-23.7%
EBITDA margin	11.3%	12.6%	-1.3 p.p.
Net income/loss	(184.8)	(39.2)	371.5%
Investments	659	774	-14.8%

\*Excluding construction revenue.

- In 2016, total billed market decreased 2.4% compared to 2015, primarily due to lower temperatures and an unfavorable economic scenario. However, it is important to note the amount of recovered

energy in all classes, totaling 683 GWh in 2016 compared to 256 GWh in 2015, due to Light's new strategy to combat losses.

- Net revenue of the distribution company, excluding construction revenue, totaled R\$7,768 million, representing a 14.4% reduction compared to 2015, due to a contraction in the market and, primarily, the increase in the negative net variation of the CVA (R\$1.05 billion).
- In 2016, Adjusted EBITDA of the distribution company totaled R\$875 million, representing a 23.7% decrease compared to 2015, primarily due to the decrease in revenue of the distribution company.
- The distribution company had a net loss of R\$185 million in 2016 compared to a net loss of R\$39 million in 2015, due to the decrease in Adjusted EBITDA.
- In 2016, net debt totaled R\$5,428 million, representing a 4.5% reduction compared to 2015, due to a significant improvement in cash generation. In 2016, we highlight the following transactions: (i) 11<sup>th</sup> issuance of debentures with Bradesco and Itaú, in the amount of R\$175 million; (ii) issuance of a bank letter of credit (CCB) with Caixa Econômica Federal, in the amount of R\$100 million (the purpose of the transactions described in (i) and (ii) was to roll over the 3<sup>rd</sup> issuance of promissory notes); (iii) execution of a swap agreement for the 9<sup>th</sup> issuance of debentures, pursuant to which we exchanged the CDI rate for the IPCA index, in order to reinforce working capital and reduce our exposure to the CDI rate; (iv) raising of R\$74.4



million under a 4131 transaction with the China Construction Bank; (v) execution of a bank letter of credit (CCB) agreement with Bradesco, in the amount of R\$180 million; and (vi) the disbursement of R\$342.3 million relating to tranches under a BNDES financing for the 2015/2016 CAPEX. The average maturity term of debt is 2.62 years and the average nominal cost of debt was 15.85% per year.

## LIGHT ENERGIA

Operating Highlights	2016	2015	% Var.
Energy sold – Generation (GWh)	4,227	4,102	3.0%
Generation installed capacity (MW)	1,024	955	7.2%

\* Includes proportional equity interest held in affiliates.

Financial Highlights (R\$ MM)	2016	2015	% Var.
Net revenue*	627.7	567.9	10.5%
Adjusted EBITDA	453.0	369.6	22.6%
EBITDA margin	72.2%	65.1%	7.1 p.p.
Net income/loss	(173.9)	15.3	-1,234.3%
Investments	45.2	56.3	-19.7%

\*Excluding construction revenue.

- Energy sold in 2016 was equivalent to 4,227 GWh, representing a 3% increase compared to 2015. The sale of energy in the Free Market (*Ambiente de Contratação Livre – ACL*) continued to grow in 2016 and increased by 8.8% compared to 2015, primarily due to (i) the seasonality strategy combined with the increase in the volume of existing agreements, and (ii) the sale of hydrological hedge in December, which did not occur in 2015.
- In 2016, the generation company had net revenue of R\$628 million, representing a 10.5% increase compared to 2015, due to a larger number of agreements in the Free Market and the sale of hydrological hedge, which totaled R\$59.8 million in 2016.
- In 2016, Adjusted EBITDA of Light Energia totaled R\$453 million, representing a 22.6% increase compared to 2015, due to the increase in revenue.
- In 2016, Light Energia had a net loss of R\$174 million. Despite the increase in EBITDA, this result is primarily due to the recognition of impairment, which affected the equity results of Guanhões (-R\$99 million) and Renova (-R\$234 million).
- Net debt totaled R\$908 million, representing a 4.7% increase compared to 2015. The average maturity term of debt is 1.16 year and the average nominal cost of debt was 14.56% per year.

## LIGHT COM

Operating Highlights	2016	2015	% Var.
Volume sold (GWh)	5,711	5,158	10.7%
Average sales price – net of taxes (R\$/MWh)	166.5	161.1	3.3%

- In 2016, the sale of energy totaled 5,711 GWh, representing a 10.7% increase compared to 2015, due to (i) additional sales with focus on customer service regarding consumers that migrated from the captive market to the free market, (ii) the commencement of commercial operations under the Light II subsidized energy agreement in the fourth quarter of 2016, and (iii) the sale of conventional energy (hydrological hedge) in 2016.

Financial Highlights (R\$ MM)	2016	2015	% Var.
Net revenue*	951.4	816.8	16.5%
Adjusted EBITDA	126.5	114.2	10.8%
EBITDA margin	13.3%	14.0%	-0.7 p.p.
Net income/loss	86.4	80.9	6.8%

\*Excluding construction revenue.

- In 2016, net revenue totaled R\$952 million, representing a 16.5% increase compared to 2015, combined with an increase in the volume of energy sold.
- In 2016, Adjusted EBITDA of the commercialization company totaled R\$127 million, representing a 10.8% increase compared to 2015, due to an increase in the energy sold volume and in operating margins.
- In 2016, the company had a net income of R\$86 million, representing a 6.8% increase compared to 2015.

## LIGHT ESCO

Financial Highlights (R\$ MM)	2016	2015	% Var.
Net revenue*	59.9	53.2	12.4%
Adjusted EBITDA	(15.6)	(3.9)	298.8%
EBITDA margin	-26.1%	-7.4%	-18.7 p.p.
Net income/loss	(23.6)	(0.4)	5,286.1%

\*Excluding construction revenue.

- At the end of 2016, the portfolio of O&M projects of Light ESCO totaled ten installations, of which one was industrial and nine were commercial. Eight of these installations are located in Rio de Janeiro, one in São Paulo, and one in Rio Grande do Sul.
- Light Esco had a net loss of R\$24 million, a worse result compared to 2015, primarily due to the recognition of impairment in one of the projects recorded in Non-Operating Result, as a R\$18 million expense.

## Dividends

On December 29, 2016, dividends were paid as approved at the Shareholders' Meeting held on April 28, 2016, in the amount of R\$10.1 million, corresponding to R\$0.049372368 per share. The distribution proposal approved by the Board of Directors on March 28, 2016, regarding the result for the year ended December 31, 2015, is consistent with the Company's deleveraging strategy and cash reinforcement, in view of the adverse economic scenario and the investment required in distribution.

For more details, see the 4Q16 Press Release and the Complete Annual Financial Statements:

<http://ri.light.com.br/enu/itr-dfp-and-earnings-releases/2016>.

## Capital Markets

On December 31, 2016, the capital stock of Light S.A. comprised 203,934,060 common shares, 78,488,667 of which were outstanding.

The shares issued by Light are listed in the *Novo Mercado* segment of BM&F Bovespa since July 2005. The shares issued by the Company are included in the following indices: IGC, IEE, IBrX, ISE, ITAG, and IDIV. The shares issued by Light are also traded in the U.S. over-the-counter market (OTC), through Level 1 ADRs, under ticker LGSXY.

The shares issued by Light S.A. (LIGT3) appreciated by 75.4% compared to 2015. In December 2016, Light's price per share was R\$17.36 compared to R\$9.90 in 2015. The market capitalization (number of shares x price per share) of the Company totaled approximately R\$3.5 billion at the end of 2016.

## COMMITMENTS FULFILLED IN 2016

- Completion of high voltage works to service the 2016 Olympic Games.
- Continuation of the shielding refurbishment of Santo Antônio Substation.
- Modernization of the Nilo Peçanha-Santa Cabeça 230 kV subtransmission line structure, at the Nilo Peçanha hydroelectric power plant.
- Maintenance of improvement actions in the GDIS System.
- Implementation actions regarding the Atlantis System.
- Execution of the new stage of the Action Plan for Recovery of Areas Affected by Erosion in the reservoir of the Santa Branca hydroelectric power plant.
- Improvement in the process of disposal of water plants removed from reservoirs.
- Evolution of the culture of safety.
- Development of successors mapped in the Career and Succession process.
- Conduction of the Climate Survey.
- Improvement in the ANEEL Index of Consumer Satisfaction (IASC).
- Development of communication actions with emphasis on the reduction of losses and improvement in the safety of the population and workforce.
- Increase in the number of companies and activities assessed by the Suppliers Qualification System (*Sistema de Qualificação de Fornecedores – SQF*).
- Increase in the number of companies trained and accredited in the GEIC System – Outsourced Contractors Module.
- Creation of a new risk management methodology.
- Reduction of liabilities and reversal of legal provisions.

Construction of the Jacarepaguá / Curicica transmission line



## COMMITMENTS FOR 2017

- Investments in intelligent self-healing systems and in the maintenance of automation programs and retrofit of substations.
- Implementation of a new stage of the Action Plan for Recovery of Areas Affected by Erosion at the Santa Branca power plant.
- Implementation of a pilot project of expansion of the Environmental Management System (*Sistema de Gestão Ambiental – SGA*) scope in the medium voltage segment.
- Intensification of the culture of results and safety.
- Improvement in the organizational climate.
- Development of a multichannel customer service platform, fully integrated and functional.
- Increase in the share of virtual and automatic channels.
- Implementation of tools for increased control of requests from large customers.
- Development of the “security” and “smart energy use” concepts in social networks and bills.
- Intensification of the relationship with our customers through social networks and dialogue with the press, improving web interaction and increasing the number of positive reviews about the Company in different communication vehicles.
- Intensification of educational initiatives at public schools.
- Installation of distributed generation technologies and solar heating in social institutions.
- Inclusion of new activities and companies for assessment in the Suppliers Qualification System (*Sistema de Qualificação de Fornecedores – SQF*).
- Increase in the number of companies trained and accredited in the Contractors Integrated Management System (*Sistema de Gestão Integrada das Contratadas – GEIC*) – Outsourced Contractors Module, and implementation of the Termination and Contractor Certification Update modules.
- Investments in R&D in the amount of R\$23 million.
- Actions in accordance with the guidelines of the corporate fraud detection policy.
- Application of the risk management methodology.
- Optimization of resources and processes in favor the company’s financial health.
- Consolidation of the execution process of the Amendment to the Light Concession Agreement and anticipation of its 4<sup>th</sup> Tariff Revision.
- Implementation of Light’s Plan of Results approved by ANEEL, which seeks, among others, to achieve significant improvements in quality targets, pursuant to the amendment to the agreement.

# 2016 SUSTAINABILITY REPORT

## General Coordination

### **Planning and Management Office**

Eduardo Fonseca Coelho  
Regiane Monteiro de Abreu

### **Holdings and Investor Relations Offices**

Luiz Felipe Negreiros de Sá  
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Beatriz Câmara Baitello  
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Renato Mendonça Parentoni

### **Controllership Office**

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## Revision

Agnes Rissardo

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MZ Group"

## Translation

Flow Translations

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# ANNUAL *Sustainability Report* ANNEXES

# 2016



# ANNEX I – GRI INDICATORS – LIGHT SA

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [G4-EC1]

VALUE ADDED STATEMENT (in R\$ thousand)	Consolidated	
	2016	2015 Restated
Revenues	16,894,444	17,840,549
Sale of goods, products and services	16,179,697	17,000,708
Revenues relating to the construction of own assets	931,804	993,029
Provision for/reversal of doubtful accounts	(217,057)	(153,188)
Inputs purchased from third parties	(7,536,297)	(8,683,757)
Cost of products, goods and services	(6,167,503)	(7,160,923)
Materials, energy, outsourced services and others	(1,368,794)	(1,522,834)
Gross value added	9,358,147	9,156,792
Withholdings	(494,907)	(459,401)
Depreciation and amortization	(494,907)	(459,401)
Net value added generated	8,863,240	8,697,391
Value added received from transfer	(188,896)	621,191
Equity in the results of subsidiaries	(336,429)	(126,400)
Financial revenue	147,533	747,591
Total value added to be distributed	8,674,344	9,318,582
Distribution of value added	8,674,344	9,318,582
Personnel	403,727	371,449
Direct remuneration	290,825	281,229
Benefits	65,909	61,270
FGTS	40,294	23,539
Others	6,699	5,411
Taxes, fees and contributions	7,552,438	7,199,286
Federal	3,600,552	3,505,237
State	3,935,841	3,683,047
Municipal	16,045	11,002
Yield on third-party capital	1,031,116	1,710,011
Interest	955,798	1,628,193
Rent	75,318	66,908
Others	-	14,910
Interest on shareholders' equity	(312,937)	37,836
Dividends	-	10,069
Retained earnings (accumulated losses)	(312,937)	27,767

## AVERAGE PLANT AVAILABILITY FACTOR (%) <sup>[EU30]</sup>

	2014	2015	2016
Fontes Nova (FTN)	90,8	97,0	90,5
Nilo Peçanha (NLP)	95,3	91,0	92,3
Pereira Passos (PPS)	98,4	97,0	96,8
Ilha dos Pombos (ILH)	94,3	94,0	97,7
Santa Branca (SBR)	92,8	93,0	97,3

Source: SGI Performance Report

Note: It does not include Paracambi small hydroelectric plant, which belongs to LightGer and in which Light holds 51% of the capital stock.

## NET ENERGY OUTPUT (GWh) <sup>[EU2]</sup>

Power Plant	2014	2015	2016
Fontes Nova (Piraí - RJ)	765	597	690
Nilo Peçanha (Piraí - RJ)	2,229	1,806	2,104
Pereira Passos (Piraí - RJ)	320	239	292
Ilha dos Pombos (Carmo/Além Paraíba RJ/MG)	438	384	581
Santa Branca (Santa Branca/Jacareí SP)	248	76	53
Gross generation (includes losses and internal consumption)	4,000	3,101	3,721
Net generation – Generation delivered to the SIN	3,274	2,542	3,102

Source: 2016 Generation

Note: It does not include Paracambi small hydroelectric plant, which belongs to LightGer and in which Light holds 51% of the capital stock.

## REALIZED DEMAND MET, BROKEN DOWN BY ENERGY SOURCE <sup>[EU10]</sup>

Energy Source	2014		2015		2016	
	GWh	%	GWh	%	GWh	%
Hydroelectric (Water resources)	17,172	60.7	18,084	61.6	19,915	62.9
Thermal (Fossil fuels)	9,588	33.9	9,748	33.2	9,979	31.6
Angra (Electronuclear)	887	3.1	891	3.0	870	2.8
Thermal (Alternative source auction)	124	0.4	124	0.4	125	0.4
Proinfa (Small hydroelectric plant)	310	1.1	312	1.1	337	1.1
Proinfa (Wind)	149	0.5	150	0.5	162	0.5
Proinfa (Biomass)	62	0.2	63	0.2	68	0.2
Wind	0	0	0	0	158	0.5
Total	28,292	100	29,372	100	31,614	100

Note: The purchase of energy to meet projected demand is only made through auctions, according to which the generation source cannot be chosen. No direct negotiation between the generation company and the distribution company of the Light Group is conducted. Adjustment mechanisms are used throughout the year to purchase or rescind agreements, seeking the balance between demand and contracted amounts.

TOTAL WATER WITHDRAWN BY SOURCE FOR THE GENERATION OF ENERGY AND SUPPLY OF THE METROPOLITAN REGION OF RIO DE JANEIRO (m<sup>3</sup>.10<sup>9</sup>/year) <sup>[G4-EN8]</sup>

	2014	2015	2016
Diversion PARAÍBA – GUANDU RIVERS (Average Annual Flow)	127	99	100
Diversion PIRAÍ – GUANDU RIVERS (Average Annual Flow)	8	10	15
<b>TOTAL WITHDRAWALS</b>	<b>135</b>	<b>109</b>	<b>115</b>

Note: Considering the diversion of the Paraíba-Guandu rivers as the average pumping volume of Santa Cecília and the diversion of the Pirai-Guandu rivers as the average annual flow of the hydrological stations V-3-482 Rosário – tunnel exit and v-1-105 Fazenda Nova Esperança.

WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER (AVERAGE ANNUAL FLOW – m<sup>3</sup>/s) <sup>[G4-EN9]</sup>

	2014	2015	2016
Total volume of water supplied to Guandu – Ribeirão das Lajes rivers (Lajes + Transposition)	124.0	98.6	112.6
Total volume of water supplied to the Guandu river – CEDAE trough	5.4	5.4	5.4
<b>Total supply/offer</b>	<b>129.4</b>	<b>104.0</b>	<b>117.0</b>

Note: Considering the total volume of water supplied to the Guandu – Ribeirão das Lajes rivers as the average annual flow of Posto V-3-489 – Pereira Passos downstream. Considering the total volume of water supplied to the Guandu river – CEDAE trough as the average annual flow of Posto V-3-486 – CEDAE trough.

TOTAL NUMBER OF EMPLOYEES, BY TYPE OF JOB, EMPLOYMENT CONTRACT AND REGION <sup>[G4-10]</sup>

Region	2014				2015				2016			
	Grande Rio	Countryside	SP	Total	Grande Rio	Countryside	SP	Total	Grande Rio	Countryside	SP	Total
Fixed-term contract	1	0	0	1	1	7	0	8	3	7	0	10
Indefinite-term contract	3,719	549	13	4,281	3,753	553	13	4,319	3,531	537	7	4,075
<b>Total</b>	<b>3,720</b>	<b>549</b>	<b>13</b>	<b>4,282</b>	<b>3,754</b>	<b>560</b>	<b>13</b>	<b>4,327</b>	<b>3,534</b>	<b>544</b>	<b>7</b>	<b>4,085</b>

Note: all employees are full-time employees.

TOTAL NUMBER OF EMPLOYEES, BY GENDER AND REGION [G4-10]

Region	2014			2015			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Grande Rio	981	2,739	3,720	1,001	2,753	3,754	949	2,585	3,534
Countryside	50	499	549	57	503	560	58	486	544
São Paulo	3	10	13	3	10	13	1	6	7
<b>Total</b>	<b>1,034</b>	<b>3,248</b>	<b>4,282</b>	<b>1,061</b>	<b>3,266</b>	<b>4,327</b>	<b>1,008</b>	<b>3,077</b>	<b>4,085</b>

NUMBER OF EMPLOYEES BY GEOGRAPHICAL LOCATION AND TYPE OF ACTIVITY [G4-10]

Region	2014				2015				2016			
	Grande Rio	Countryside	São Paulo	Total	Grande Rio	Countryside	São Paulo	Total	Grande Rio	Countryside	São Paulo	Total
Nature of the Activity												
Administrative	1,019	129	0	1,148	1,031	128	0	1,159	657	48	0	705
Managerial	210	12	2	224	220	11	2	233	206	10	0	216
Operational	893	192	1	1,086	874	203	1	1,078	1,171	286	0	1,457
Professional	745	32	6	783	763	35	5	803	682	27	3	712
Technical	853	184	4	1,041	866	183	5	1,054	818	173	4	995
<b>TOTAL</b>	<b>3,720</b>	<b>549</b>	<b>13</b>	<b>4,282</b>	<b>3,754</b>	<b>560</b>	<b>13</b>	<b>4,327</b>	<b>3,534</b>	<b>544</b>	<b>7</b>	<b>4,085</b>

NUMBER OF TERMINATIONS BY GENDER, AGE AND REGION [G4-LA1]

Region	Gender	2014				2015				2016			
		Age Group				Age Group				Age Group			
		< 30	> 50	30-50	Grand Total	< 30	> 50	30-50	Grand Total	< 30	> 50	30-50	Grand Total
Grande Rio	W	32	10	46	88	31	10	37	78	23	31	75	129
	M	86	76	132	294	75	47	100	222	64	172	138	374
Total Grande Rio		118	86	178	382	106	57	137	300	87	203	213	503
Countryside	W	1	1	1	3	1	1	0	2	5	0	2	7
	M	3	19	12	34	7	15	8	30	7	31	15	53
Total Countryside		4	20	13	37	8	16	8	32	12	31	17	60
São Paulo	W	0	0	0	0	0	0	0	0	0	0	2	2
	M	1	0	0	1	0	0	1	1	0	2	2	4
Total São Paulo		1	0	0	1	0	0	1	1	0	2	4	6
<b>Grand Total</b>		<b>123</b>	<b>106</b>	<b>191</b>	<b>420</b>	<b>114</b>	<b>73</b>	<b>146</b>	<b>333</b>	<b>99</b>	<b>236</b>	<b>234</b>	<b>569</b>

## TURNOVER RATE BY GENDER, AGE AND REGION [G4-LA1]

Region	Gender	2014				2015				2016			
		Age Group				Age Group				Age Group			
		< 30	> 50	30-50	Grand Total	< 30	> 50	30-50	Grand Total	< 30	> 50	30-50	Grand Total
Grande Rio	W	12%	10%	8%	9%	12%	9%	6%	8%	10%	31%	12%	14%
	M	13%	14%	9%	11%	11%	9%	6%	8%	11%	43%	9%	14%
Total Grande Rio		13%	14%	8%	10%	11%	9%	6%	8%	10%	41%	10%	14%
Countryside	W	9%	25%	3%	6%	6%	33%	0%	3%	28%	0%	5%	12%
	M	3%	16%	4%	7%	7%	13%	3%	6%	7%	32%	5%	11%
Total Countryside		4%	17%	4%	7%	7%	13%	2%	6%	10%	31%	5%	11%
São Paulo	W	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	200%
	M	0%	0%	0%	0%	0%	0%	12%	10%	0%	0%	40%	67%
Total São Paulo		100%	0%	0%	0%	0%	0%	10%	8%	0%	0%	80%	86%
Grand Total		12%	14%	8%	10%	11%	10%	6%	8%	10%	40%	9%	14%

\* FORMULA = Number of terminations in the year / Headcount in the last period of the year (using the number of employees in tens, by region and gender, to calculate the percentage).

## RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER [G4-LA3]

2016	Number* of employees entitled to take leave	Number of employees who took leave	Number of employees who took leave and returned to work	Number of employees who were still employed twelve months after their return to work	Rate of return to work (%)	Retention of employees that took leave (%)
Women	1,008	30	29	28	96.7%	93.3
Men	3,077	135	135	131	100%	97.0
Total	4,085	165	164	159	—	96.4

\* All employees are entitled to take leave. We considered here the total number of employees on December 31, 2016.

## RATIO OF BASIC SALARY OF WOMEN TO MEN (%), BY EMPLOYEE CATEGORY [GA-LA13]

Category	Average Men's Salary / Average Women's Salary		
	2014	2015	2016
Administrative	95	92	111
Managerial	100	107	116
Operational	116	118	117
Professional	120	121	122
Technical	112	110	108



MINIMUM BASIC SALARY AT SIGNIFICANT LOCATIONS OF OPERATIONS, IN R\$ [G4-EC5]

Location of work	2016	
	Number of Employees	Minimum Basic Salary (R\$)
Av. Mal Floriano, 168	1,444	1,119
R. Frei Caneca, 363	702	1,162
Estr. do Tindiba	171	1,162
Cascadura	330	1,084
Barra do Pirai	23	1,816
Nova Iguaçu	281	1,162

TOTAL OUTSOURCED EMPLOYEES, BY TYPE OF EMPLOYMENT, EMPLOYMENT CONTRACT, GENDER AND REGION [G4-10]

Location	2014			2015			2016		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Grande Rio	1,272	7,211	8,483	1,003	6,722	7,725	741	6,356	7,097
Countryside	44	774	818	40	629	669	28	355	383
São Paulo	0	0	0	0	0	0	0	0	0
Total	1,316	7,985	9,301	1,043	7,351	8,394	769	6,711	7,480

Note: full-time employment, under an indefinite term employment contract.

NUMBER OF OUTSOURCED EMPLOYEES BY ACTIVITY AND GEOGRAPHICAL LOCATION [G4-10]

Activities	2014				2015				2016			
	Grande Rio	Countryside	São Paulo	Total	Grande Rio	Countryside	São Paulo	Total	Grande Rio	Countryside	São Paulo	Total
Maintenance, cleaning, security and conservation	403	68	0	471	410	62	0	472	349	23	0	372
Other administrative activities (core activities)	6,004	742	0	6,746	5,330	604	0	5,934	4,631	360	0	4,991
Other administrative activities (supporting activities)	2,075	8	0	2,083	1,985	3	0	1,988	2,117	0	0	2,117
Sales, promotion and marketing	1	0	0	1	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	8,483	818	0	9,301	7,725	669	0	8,394	7,097	383	0	7,480

Note 1: outsourced and subcontracted employees involved in construction, operation and maintenance activities are exclusively dedicated to their activities, during the entire year, according to a schedule set forth in their employment contract. [EU17]

Note 2: security activities are 100% outsourced. Light requires formal training, including with regards to human rights, pursuant to the Code of Ethics. [G4-HR7]

PROPORTION OF SPENDING ON SUPPLIERS BY STATE AND TYPE [G4-EC9]

	2016	
	Number	%
Rio de Janeiro	968	52
São Paulo	475	22
Bahia	8	10
Paraná	39	7
Minas Gerais	84	5
Santa Catarina	25	2
Rio Grande do Sul	28	1
Espírito Santo	6	1
<hr/>		
Total suppliers of materials	645	21
Total suppliers of services	1,045	79
Grand Total	1,690	100

USUAL INJURIES WITH LEAVE IN THE PAST THREE YEARS – INDEPENDENT CONTRACTORS [G4-LA6]

Contractors	2014					2015					2016				
	Resulting in Fatalities		Not Resulting in Fatalities		Total	Resulting in Fatalities		Not Resulting in Fatalities		Total	Resulting in Fatalities		Not Resulting in Fatalities		Total
	Wom-en	Men	Wom-en	Men		Wom-en	Men	Wom-en	Men		Wom-en	Men	Wom-en	Men	
Injuries	0	1	1	60	62	0	4	1	47	52	0	1	3	39	43

ABSENTEE GENERAL RATE (EMPLOYEES) DUE TO MEDICAL LEAVE BY REGION [G4-LA6]

Region	2014		2015		2016	
	Women	Men	Women	Men	Women	Men
Grande Rio	4.00	4.24	2.37	2.51	2.08	2.12
Countryside	0.43	1.74	0.37	0.78	0.69	0.91

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING HEALTH AND SAFETY IMPACTS, INCLUDING LEGAL CASES [G4-PR2, EU25]

	2014	2015	2016
Total number of incidents without fatalities involving the population	22	15	26
Total number of incidents with fatalities involving the population	16	15	13
Legal cases resulting from accidents involving the population – General Litigation Base	433	466	438

NUMBER OF RESIDENTIAL DISCONNECTIONS FOR NON-PAYMENT [EU27]

	2014	2015	2016
Disconnection due to non-payment in the Residential Segment	749,723	736,528	745,840

FINES AND SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION OF SERVICES [G4-PR9]

	2014	2015	2016
Financial compensation DIC/FIC/DMIC/DICRI	29,730	43,865	42,975
Regulatory fines	8,209	1,474	4,837
Payment of credits for non-compliance with commercial service deadlines	592	798	494
<b>TOTAL</b>	<b>38,531</b>	<b>46,137</b>	<b>48,306</b>

CONTINGENCIES AND PROVISIONS [G4-PR9]

Type	Portfolio	Contingency	Provision
	(Number)	(R\$ million)	(R\$ million)
Special civil court	11,609	13	13
Civil	22,174	767	184
Labor	2,469	459	124
Tax	1,445	5,578	76
Others	0	21	21
<b>TOTAL</b>	<b>37,697</b>	<b>6,838</b>	<b>418</b>

EVENTS RECORDED IN THE PAST THREE YEARS – EMPLOYEES OF GRUPO LIGHT - BY REGION <sup>[G4-LA6]</sup>

Regions	2014				2015				2016			
	GRANDE RIO		COUNTRYSIDE		GRANDE RIO		COUNTRYSIDE		GRANDE RIO		COUNTRYSIDE	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Total number of employees	981	2,739	50	499	1,001	2,753	57	503	945	2,595	59	486
Number of accidents - Usual	8	24	0	2	3	34	0	2	6	24	0	4
Lost days	589	390	0	30	68	981	0	16	47	410	0	364
Discounted days	0	0	0	0	0	0	0	0	0	0	0	0
Fatalities – Usual	0	0	0	0	0	0	0	0	0	0	0	0
Number of accidents – Route	11	20	0	0	20	19	0	1	19	22	0	0
Fatalities – Route	0	1	0	0	0	0	0	0	0	0	0	0

PERCENTAGE OF EMPLOYEES ELIGIBLE TO RETIRE IN THE NEXT 5, 10 AND AFTER 10 YEARS, BY JOB CATEGORY AND REGION. 2016 <sup>[EU15]</sup>

Region	Administrative					Managerial					Operational					Professional					Technical				
	Period of time (years)					Period of time (years)					Period of time (years)					Period of time (years)					Period of time (years)				
	< 5	From 5 to 10	> 10	Retired	Grand Total	< 5	From 5 to 10	> 10	Retired	Grand Total	< 5	From 5 to 10	> 10	Retired	Grand Total	< 5	From 5 to 10	> 10	Retired	Grand Total	< 5	From 5 to 10	> 10	Retired	Grand Total
Grande Rio	85.7	93.3	93.3	95.3	93.4	100	100	95.1	91.7	95.3	80.0	69.0	81.4	69.61	80.3	80.0	62.5	83.3	69.5	82.2	100	95.5	95.8	95.7	95.8
Countryside	14.3	6.7	6.7	4.7	6.6	0.0	0.0	4.9	8.3	4.7	20.0	31.0	18.6	30.39	19.7	20.0	37.5	16.2	30.5	17.4	0.0	4.6	3.7	4.3	3.8
São Paulo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4	0	0.4	0	0	0.5	0	0.4

\*Formula = number of employees by region and time / Total number by region  
 \* The Base does not take into account 1,827 employees whose information about retirement we do not have and retired employees and/or employees suspended due to disability.

COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY  
ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF  
DIVERSITY – 2016 [G4-LA12]

Race	Administrative						Managerial						Operational						Professional						Technical						
	Women			Men			Women			Men			Women			Men			Women			Men			Women			Men			
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50	
Yellow	3	4			3			1			3	1	2			6	6	1	1	3			3			1			4	12	1
White	64	142	24	37	62	28	1	33	2	2	82	35	14	34	2	106	227	45	39	150	30	48	165	63	12	23	1	76	268	62	
Indigenous		2				1					1					6	3			2			3			1			3	1	
Brown	41	77	11	26	43	24		7	1		23	5	17	20	2	179	373	44	14	45	10	11	46	12	10	19	1	69	234	35	
Black	8	32	5	6	18	5		2			4	1	16	11	3	81	152	14	6	16	2	3	10	2	5	7		20	78	4	
No Information	1	6	5		4	23		3			5	4	1	1		9	23	59	2	4	4	2	6	10	1	1		3	29	14	
<b>Total</b>	<b>117</b>	<b>263</b>	<b>45</b>	<b>69</b>	<b>130</b>	<b>81</b>	<b>1</b>	<b>46</b>	<b>3</b>	<b>2</b>	<b>118</b>	<b>46</b>	<b>50</b>	<b>66</b>	<b>7</b>	<b>387</b>	<b>784</b>	<b>163</b>	<b>62</b>	<b>220</b>	<b>46</b>	<b>64</b>	<b>233</b>	<b>87</b>	<b>29</b>	<b>51</b>	<b>2</b>	<b>172</b>	<b>624</b>	<b>117</b>	

REMUNERATION POLICY OF THE BOARD OF DIRECTORS, BOARD OF EXECUTIVE OFFICERS AND FISCAL COUNCIL IN % [G4-51]

Realized 2016	Board of Directors	Board of Executive Officers	Fiscal Council	Total
Annual fixed pay	100.0	52.4	100.0	59.3
Salary or <i>Pro Labore</i>	83.3	35.1	83.3	42.0
Direct or indirect benefits	0.0	3.2	0.0	2.8
Committee memberships	0.0	0.0	0.0	0.0
Others (charges)	16.7	14.1	16.7	14.5
Variable pay	0.0	35.4	0.0	30.2
Bonuses	0.0	27.6	0.0	23.6
Profit sharing	0.0	0.0	0.0	0.0
Attendance to meetings	0.0	0.0	0.0	0.0
Commissions	0.0	0.0	0.0	0.0
Others (charges)	0.0	7.8	0.0	6.6
Post-employment	0.0	2.4	0.0	2.1
Termination payments	0.0	9.8	0.0	8.4
Share-based pay	0.0	0.0	0.0	0.0
<b>Total remuneration</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## REMUNERATION OF THE BOARD OF DIRECTORS, BOARD OF EXECUTIVE OFFICERS AND FISCAL COUNCIL

[G4-51]

2016	Board of Directors	Board of Executive Officers	Fiscal Council	Total
NUMBER OF MEMBERS	17.92	9.42	9.33	36.67
NUMBER OF PAID MEMBERS	17.50	7.92	9.33	34.75
ANNUAL FIXED PAY (IN R\$ THOUSAND)	2,262	10,692	936	13,889
Salary or <i>Pro Labore</i>	1,885	7,212	780	9,877
Direct or indirect benefits	0	889	0	889
Committee memberships	0	0	0	0
Others (charges)	377	2,591	156	3,124
VARIABLE PAY IN THE YEAR (IN R\$ THOUSAND)	0	7,189	0	7,189
Bonuses	0	5,615	0	5,615
Profit sharing	0	0	0	0
Attendance to meetings	0	0	0	0
Commissions	0	0	0	0
Others (charges)	0	1,574	0	1,574
POST-EMPLOYMENT	0	502	0	502
TERMINATION PAYMENTS	0	1,976	0	1,976
SHARE-BASED PAY	0	0	0	0
TOTAL REMUNERATION BY BODY (IN R\$ THOUSAND)	2,262	20,359	936	23,557

Note: the number of members of this body equals the annual average number of members of the body assessed at each month, in accordance with CVM'S instruction. The details for 2014 and 2015 are presented in the Reference Form (*Formulário de Referência*) of Light S.A.

## TOTAL WEIGHT OF WASTE, BY TYPE AND DISPOSAL METHOD [G4-EN23]

	Disposal Method	2015	2016
Amount of paper and carton (ton)	Recycling/sale	10.6	5.2
Amount of plastic (ton)	Recycling/sale	7,548.3	8,885.7
Amount of glass (ton)	Recycling/sale	0.34	0.16
Amount of metal (ton)	Recycling/sale	261.5	241.8
Amount of incandescent lamps (ton)	Decontamination/recycling	90.0	0.3
Amount of washable towels (ton)	Decontamination/reuse	3.2	3.2

Note 1: waste included in the above table refers to the waste center of the company. Specifically, incandescent lamps are waste of the energy efficiency project implemented at communities, which disposed fewer lamps in 2016.

Note 2: all waste is disposed through recycling or sale, except washable towels, which are decontaminated and reused.



WEIGHT IN KILOS OF WASTE DEEMED HAZARDOUS UNDER THE TERMS OF THE BASEL CONVENTION – ANNEXES I, II, III, VIII [G4-EN25]

	Disposal Method	2014	2015	2016
Amount of personal protective equipment	Coprocessing	7,420	1,530	1,500
Amount of waste oil	Coprocessing/incineration	70,810	67,763	74,706
Number of fluorescent lamps	Decontamination/recycling	4,357	17,331	6,080
Amount of stationary batteries	Recycling/sale	35,300	---	---
Batteries	Decontamination/recycling	320	1,182	1,057

Note 1: waste reported in the above table has waste manifests that are controlled by the Integrated Environmental Management System of the company.

Note 2: although stationary batteries generated waste in 2015 and 2016, it was not disposed of due to budget restrictions. The volume of waste generated is being appropriately stored for future disposal.

ENVIRONMENTAL EXPENDITURES, IN R\$ THOUSAND [G4-EN31]

Type of expenditure / company	2014			2015			2016		
	SESA	Energia	Total	SESA	Energia	Total	SESA	Energia	Total
Maintenance and environmental safety	2,486	1,672	4,158	1,874	2,012	3,886	2,017	1,596	3,613
Environmental education and projects	19,034	1,299	20,333	11,566	1,598	13,164	14,489	21	14,510
Environmental licensing and compliance with environmental law	325	140	465	385	150	535	529	192	721
Implementation and maintenance of the environmental management system	99	666	766	113	1,085	1,198	79	986	1,065
Reforestation / containment of embankments and slopes	351	9,749	10,100	5,217	7,966	13,183	3,905	6,366	10,271
Removal of water plants	NA	1,534	1,534	NA	2,027	2,027	NA	1,563	1,563
Research and development	182	221	403	466	209	675	377	1,308	1,685
<b>Total</b>	<b>22,477</b>	<b>15,282</b>	<b>37,759</b>	<b>19,621</b>	<b>15,047</b>	<b>34,668</b>	<b>21,396</b>	<b>12,032</b>	<b>33,428</b>

Note: in this report, pruning expenses are considered operating and maintenance expenses, rather than environmental expenditures.

CONSUMPTION OF WATER AT THE FACILITIES OF LIGHT [EN8]

	2014	2015	2015
Consumption of water at the facilities of Light (average in m <sup>3</sup> /day)	463	413	392

ENERGY CONSUMPTION WITHIN LIGHT SCOPE 1 (OWN FLEET), BY PRIMARY ENERGY SOURCE, IN MWh <sup>[G4-EN3]</sup>

Fuel	2014	2015	2016
Diesel	5,669	5,426	5,254
Gasoline	5,211	5,159	5,359
Ethanol	71	63	44
Total	10,951	10,648	10,657

ENERGY CONSUMPTION OUTSIDE THE COMPANY, BY PRIMARY ENERGY SOURCE, IN MWh <sup>[G4-EN4]</sup>

Fuel	2014	2015	2016
Diesel	17,287	19,888	5,805
Gasoline	13,864	11,805	7,613
Ethanol	3,300	2,998	21
Total	34,451	34,691	13,439

## ANNEX II – ANEEL INDICATORS OF LIGHT SESA

### DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [G4-EC1]

VALUE ADDED STATEMENT (in R\$ thousand)	2016	2015 Restated
Revenues	15,652,483	16,706,267
Sale of goods, products and services	14,968,425	15,922,369
Revenues relating to the construction of own assets	889,632	936,829
Provision for/reversal of doubtful accounts	(205,574)	(152,931)
Inputs purchased from third parties	(7,091,602)	(8,259,980)
Cost of products, goods and services	(5,875,922)	(6,830,996)
Materials, energy, outsourced services and others	(1,215,680)	(1,428,984)
Gross value added	8,560,881	8,446,287
Withholdings	(433,603)	(398,371)
Depreciation and amortization	(433,603)	(398,371)
Net value added generated	8,127,278	8,047,916
Value added received from transfer	104,154	545,411
Financial revenue	104,154	545,411
Total value added to be distributed	8,231,432	8,593,327
Distribution of value added	8,231,432	8,593,327
Personnel	362,631	329,813
Direct remuneration	257,836	245,554
Benefits	62,097	57,610
FGTS	36,563	21,498
Others	6,135	5,151
Taxes, fees and contributions	7,194,320	6,899,549
Federal	3,321,782	3,267,296
State	3,859,138	3,622,531
Municipal	13,400	9,722
Yield on third-party capital	859,306	1,403,123
Interest	785,543	1,330,294
Rent	73,763	72,829
Interest on shareholders' equity	(184,825)	(39,158)
Accumulated losses	(184,825)	(39,158)

## PURCHASE OF ENERGY

Purchase of Energy	2014	2015	2016
Purchased energy (GWh) – Total	28,292	29,377	31,614
1) Itaipu	5,239	5,099	5,115
2) Initial agreements	0	0	0
3) Bilateral agreements	6,351	6,351	6,368
3.1) With third parties	6,351	6,351	6,368
3.2) With related parties	0	0	0
4) Auction	0	576	0
5) PROINFA	521	525	534
6) CCEAR	7,768	7,309	8,336
7) Commercialization mechanism regarding energy excess and deficits ( <i>Mecanismo de comercialização de sobras e déficits – MCSD</i> )	86	557	1,683
8) Angra (Electronuclear)	887	891	870
9) Quotas	7,439	8,069	8,550
10) Wind	0	0	158

Note: Light sold 2,070 GWh in the spot market, totaling required energy of 29,544 GWh.

## MARKET

Total energy sold (GWh)	2014	2015	2016
Classes / Total	26,493	26,446	25,849
Residential	8,950	8,778	8,850
Industrial	5,296	5,251	4,901
Commercial	8,328	8,457	8,271
Rural	72	73	67
Government	1,619	1,521	1,488
Public lighting	731	860	746
Public service	1,388	1,388	1,411
Own consumption	109	119	116

Energy sold to captive consumers (GWh)	2014	2015	2016
Classes / Total	21,500	21,361	20,660
Residential	8,950	8,778	8,850
Industrial	1,396	1,274	1,060
Commercial	7,449	7,567	7,149
Rural	72	73	67
Government	1,619	1,521	1,488
Public lighting	731	860	746
Public service	1,174	1,170	1,185
Own consumption	109	119	116

Energy sold to free consumers (GWh)	2014	2015	2016
Classes / Total	4,993	5,085	5,189
Industrial	3,900	3,976	3,841
Commercial	879	890	1,122
Public service	214	218	226

Classes as a percentage (%) of total energy sold	2014	2015	2016
Classes / Total	100.0	100.0	100.0
Residential	32.3	33.2	34.2
Low-income residential	1.5	0.3	1.7
Industrial	20.0	19.9	19.0
Commercial	31.4	32.0	32.0
Rural	0.3	0.3	0.3
Government	6.1	5.7	5.8
Public lighting	2.8	3.3	2.9
Public service	5.2	5.2	5.5
Own consumption	0.4	0.4	0.4

Number of bills (*) in December of each year – captive consumers [EU3]	2014	2015	2016
Classes / Total	4,221,622	4,302,179	4,420,057
Residential	3,864,608	3,942,220	4,058,527
Industrial	7,807	7,366	7,060
Commercial	322,852	325,873	326,839
Rural	11,740	12,054	12,160
Government	11,870	11,857	12,361
Public lighting	782	741	659
Public service	1,516	1,603	1,991
Own consumption	447	465	460

(\*) includes bills with and without consumption

Number of free consumers(*) [EU3]	2014	2015	2016
Classes / Total	202	206	353
Industrial	41	44	67
Commercial	158	159	282
Public service	3	3	4

(\*) number of installations per customer

General Data	2014	2015	2016
Sale of energy per installed capacity (GWh/MVA*No. of hours/year)	2.61	2.56	2.46
Energy sold per employee (MWh)	6,612	6,522	6,710
Number of consumers per employee	1,054	1,061	1,147
Value added / GWh sold	208,271	324,939	318,443

## CONSUMERS

Excellence in service	2014	2015	2016
<b>Call Center</b>			
Number of calls received	4,112,557	4,018,755	3,715,774
Average number of operators	80	78	58
Level of Service index (%)	88.71	92.03	88.94
Abandonment Rate (%)	2.03	0.82	1.19
Rate of calls receiving a busy signal (%)	0.66	0.16	0.41
Average call time (seconds)	254	257	277
<b>Indemnification for Electrical Damage</b>			
Number of requests	5,647	5,813	8,016
Number of accepted requests	1,972	2,044	2,377

Excellence in service	2014	2015	2016
<b>Indicators of Complaints (*)</b>			
Number of accepted complaints	103,579	93,469	82,171
Grievances time equivalent ( <i>Duração Equivalente de Reclamação</i> – DER) (hours) (**)	174.78	200.46	174.98
Grievances frequency equivalent ( <i>Frequência Equivalente de Reclamação</i> – FER) per 1,000 Consumer Units (**)	27.70	24.64	21.05
<b>Non-compliance with commercial service deadlines (In compliance with the specific regulatory rule REN 414/2010 in effect).</b>			
Number of complaints responded	902,159	978,439	967,894
Number of complaints responded after the term period	22,627	18,605	14,083
Service efficiency (%)	97.5	98.1	98.5
<b>Number of consumer complaints forwarded to</b>			
ANEEL – State / regional agencies	13,820	10,002	7,032
The Company (excluding complaints regarding Power Outages, Electrical Damage and Supply Voltage)	210,019	219,816	245,885
Courts of law	33,980	36,466	42,256
PROCON	2,216	3,676	3,941

(\*) Excluding complaints regarding Power Outages, Voltage Variation and Electrical Damage, which, pursuant to REN 414/2010, must not be included in DER and FER as they are subject to rules and term periods set forth in specific regulations.

(\*\*) Set forth in Normative Resolution 414/2010.



	2014	2015	2016
<b>General Information</b>			
Total number of employees	4,007	4,055	3,852
Turnover rate (%)	9.9	8.4	10.7
Average overtime per employee/year (in hours)	79.4	74.4	107.7
Employees up to 30 years old (%)	28.7	27.8	27.7
Employees between 31 and 40 years old (%)	34.1	35.1	38.0
Employees between 41 and 50 years old (%)	20.3	20.5	20.5
Employees above 50 years old (%)	16.9	16.6	13.7
Women as a percentage of total employees (%)	24.5	25.0	25.1
Women in managerial positions as a percentage of total managerial positions (%)	23.1	23.5	24.5
Black (black and brown) female employees as a percentage of total employees (%)	9.1	9.5	9.8
Black (black and brown) male employees as a percentage of total employees (%)	37.1	37.0	38.2
Black (black and brown) employees in managerial positions as a percentage of total managerial positions (%)	15.9	21.6	21.9
Trainees as a percentage of total employees (%)	3.0	3.1	1.1
Employees from the apprentice hiring program (%)	2.7	2.8	2.4
Employees with disabilities	196	201	178
<b>Remuneration (R\$ thousand)</b>			
Gross payroll	263,859	304,617	338,355
Mandatory social charges	44,866	59,918	66,939
<b>Total Benefits (R\$ thousand)</b>			
Education	916	862	812
Food	24,851	27,354	29,604
Transportation	2,902	3,159	3,830
Health	13,548	15,642	17,438
Foundation	7,306	8,337	8,211
Occupational health and safety	847	832	646
Culture	0	0	0
Professional training and development	5,964	5,151	2,750
Daycare or daycare allowances	955	1,166	1,284
Others	1,324	1,343	2,135
<b>Profit sharing</b>			
Total investment in the profit sharing program (R\$ thousand)	23,125	22,151	23,739
Amounts distributed as a percentage of the gross payroll (%)	8.8	7.3	7.0
Highest remuneration divided by the lowest remuneration paid in cash by the company (includes profit sharing and bonuses)	61.8	56.4	44.9
Highest remuneration divided by the minimum wage in effect (includes profit sharing and bonuses)	1.5	1.5	1.4
<b>Remuneration profile per category – average salary (R\$)</b>			
Managerial positions (superintendents, managers and coordinators)	12,146	12,982	13,301
Administrative positions	2,699	2,896	3,556
Production positions	2,704	2,873	2,772

	2014	2015	2016
<b>Managing Career Endings</b>			
Number of participants of the supplementary social security program	3,821	3,866	3,725
Number of participants of the managing career endings program	0	0	0
<b>Professional Development</b>			
<b>Education Profile (percentage in relation to total employees)</b>			
Illiterate employees (%)	0	0	0
Elementary education (%)	6.14	5.33	4.39
High school education (%)	65.96	66.21	67.76
Higher education (%)	22.79	23.28	23.05
Post-graduation (specialization, master's degree, PhD) (%)	4.59	4.69	4.31
Amount invested in education and professional development (% of net operating revenue)	0.08	0.06	0.04
<b>Number of hours spent on professional development per employee/year (HH), per job category</b>			
Administrative level	22.2	15.7	14.3
Managerial level	47.3	52.2	19.9
Operational level	59.6	57.2	34.0
Professional level	40.9	36.8	23.0
Technical level	40.0	58.1	32.6
General	42.0	41.9	24.8
<b>Employment Claims (employees)</b>			
Contingent liabilities provisioned for the year (R\$ thousand)	94,926	79,418	68,904
Number of employment claims filed against the company in the year (*)	68	95	99
Number of employment claims granted in the year (**)	192	24	113
Number of employment claims denied in the year (**)	42	40	27
Total amount of indemnifications and fines paid pursuant to court orders in the year (R\$ thousand)	4,410	12,052	5,659

(\*) We considered new claims filed in the year regarding our employees.

(\*\*) We considered the active headcount at the end of the year regarding our employees.

## HEALTH AND SAFETY

	2014	2015	2016
Total FR (frequency rate) of the company in the year, for employees	4.92	5.52	4.69
Total SR (severity rate) of the company in the year, for employees	146	154	113
Total FR (frequency rate) of the company in the year, for outsourced employees/independent contractors	2.97	2.38	2.44
Total SR (severity rate) of the company in the year, for outsourced employees/independent contractors	629	1,358	503
Total FR (frequency rate) of the company in the year, for the workforce (employees + outsourced employees)	3.47	3.20	3.15
Total SR (severity rate) of the company in the year, for the workforce (employees + outsourced employees)	504	1,042	379
Fatalities – employees	0	0	0
Fatalities – outsourced employees	1	4	1

## SUPPLIERS

	2014	2015	2016
Number of outsourced employees	8,893	7,916	6,832

## COMMUNITY

Low-income tariff <small>[G4-EC4]</small>	2014	2015	2016
Number of low-income households served	237,158	156,975	238,834
Total low-income households as a percentage of total households served (customers/residential consumers) (%)	7	5	7
Revenue from the low-income residential subclass (R\$ thousand)	89,853	107,632	156,611
Total revenue from the low-income residential subclass as a percentage of revenue from the residential class (%)	3,1	2,8	3,5
Subsidies received (Eletrobrás) regarding low-income consumers (R\$ thousand)	34,323	46,555	69,481

Involvement of the company in cultural, sports and other projects (Rouanet Law)	2014	2015	2016
Amount of funds allocated to cultural, sports and other projects (Rouanet Law) (R\$ thousand) – includes all companies	2,585	3,070	1,450
Amount of funds allocated to the main cultural, sports and other projects (Rouanet Law) (R\$ thousand) – includes all companies	600	1,000	700

Involvement of the company in social actions (Sponsorships – all companies)	2014	2015	2016
Funds invested in education (R\$ thousand)	0	0	0
Funds invested in health and sanitation (R\$ thousand)	0	0	0
Funds invested in culture (R\$ thousand)	7,296	3,975	1,290
Funds invested in sports (R\$ thousand)	6,731	4,886	1,500
Funds invested in other social actions (R\$ thousand)	1,250	1,800	272
Employees who do voluntary work in communities outside the company / total employees (%)	NA	NA	NA
Number of monthly hours contributed by the company for voluntary work of its employees (released from normal working hours)	0	0	0

## ENVIRONMENT

	2014	2015	2016
Isolated protected network (ecological network or green line) in the urban area (in km)	4,945	4,648	4,577
Percentage of the isolated protected network / total distribution network in the urban area (%)	29	28	31
Annual volume of greenhouse gases (CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFC, PFC, SF <sub>6</sub> ) emitted in the atmosphere (in tons of CO <sub>2</sub> equivalent) – Scopes 1 and 2	417,345	380,809	234,494
Annual volume of ozone-depleting substances emitted (in tons of CFC equivalent)	Non-significant amounts		
Annual amount (in tons) of solid waste generated (trash, waste, rubble, etc.) (*)	1,027	6,756	806 (*)
Total consumption of energy by source (in MWh)			
Fossil fuels	NA	NA	NA
Alternative sources (gas, wind, solar, etc.)	NA	NA	NA
Hydroelectric	NA	NA	NA
Total consumption of energy (in MWh)	108,465	118,691	115,657
Consumption of energy per kWh distributed (sold)	0.001	0.001	0.001
Total direct consumption of energy by primary energy source (MWh)			
Ethanol	66	60	43
Diesel	5,421	5,186	5,089
Natural gas	0	0	0
Gasoline	5,062	5,018	5,191
Total consumption of water by source (m <sup>3</sup> )			
Supply (public network)	156,158	139,334	133,071
Superficial catchment (watercourses)	NA	NA	NA
Underground source (well)	NA	NA	NA
Total consumption of water (m <sup>3</sup> )	156,158	139,334	133,071
Consumption of water per employee (m <sup>3</sup> )	38.97	34.36	34.55
Number de employees trained according to environmental education programs	367	286	143
Employees trained according to environmental education programs / total employees (%)	9.2	7.1	3.7
Number of hours of environmental education training to employees / total number of hours of training (%)	0.65	0.10	0.29

(\*) considering only waste with a Waste Manifest.

## RESEARCH AND DEVELOPMENT

By research themes (Research and Development Manual – ANEEL)	2014		2015		2016	
	Amount (R\$ thousand)	(%)	Amount (R\$ thousand)	(%)	Amount (R\$ thousand)	(%)
FA - Alternative Sources of Generation of Electricity	1,826	18.1	203	1.7	4	0.1
GT – Thermoelectric Generation						
GB – Management of Basins and Reservoirs						
MA – Environment	1.3	0.1				
SE – Security	101	1.0	237	2.0	310	5.8
EE – Energy Efficiency						
PL – Planning of Electricity Systems	196	2.0	859	7.2	763	14.3
OP – Operation of Electricity Systems	370	3.6	1,089	9.1	413	7.7
SC – Supervision, Control and Protection of Electricity Systems	2,429	24.0	249	2.1		
QC – Quality and Reliability of Electricity Services	2,152	21.3	988	8.3	1,435	26.9
MF – Metering, Billing and combat to commercial losses	2,280	22.6	592	5.0	1,982	36.9
OU – Other	750	7.3	7,702	66.6	446	8.4
<b>Total</b>	<b>10,105</b>	<b>100.0</b>	<b>11,919</b>	<b>100.0</b>	<b>5,352</b>	<b>100.0</b>

Note: in 2016, in addition to the funds invested in the projects, R\$668 thousand were invested in the Management Project.

## INVESTMENTS IN R&D – CLASSIFICATION OF PROJECTS BY STAGE IN THE INNOVATION CHAIN

	2015		2016	
	Number of projects	Investments (R\$ thousand)	Number of projects	Investments (R\$ thousand)
Directed Basic Research				
Applied Research	12	8,509	7	1,978
Experimental Development	4	510	1	43
Head of Series	6	1,916	4	2,089
Pioneer Lot	3	973	3	1,242
Market Insertion				
<b>TOTAL</b>	<b>25</b>	<b>11,919</b>	<b>15</b>	<b>5,352</b>

## INVESTMENTS IN R&D – CLASSIFICATION OF PROJECTS BY TYPE OF PRODUCT GENERATED

	2015		2016	
	Number of projects	Investments (R\$ thousand)	Number of projects	Investments (R\$ thousand)
Concept or Methodology	8	7,729	3	618
Software	3	1,146	3	805
System or Process	4	1,325	2	777
Material or Substance	5	1,382	3	413
Component or Device	4	352	3	2,430
Machinery or Equipment	1	-16	1	310
<b>TOTAL</b>	<b>25</b>	<b>11,919</b>	<b>15</b>	<b>5,352</b>

ENERGY EFFICIENCY PROGRAM INVESTMENTS  
MADE (DISBURSEMENTS IN THE YEAR)

Type of project	2014					2015					2016				
	Investment		Source of Funds			Investment		Source of Funds			Investment		Source of Funds		
			(R\$ thousand)					(R\$ thousand)					(R\$ thousand)		
	Total (R\$ thousand)	(%)	Own	Third-party	Client	Total (R\$ thousand)	(%)	Own	Third-party	Client	Total (R\$ thousand)	(%)	Own	Third-party	Client
Industrial	-	-	-			-	-	-							
Commercialization and Services	6	0.01	6			38	0.06	38			109	0.59	109		
Government	1,091	2.82	1,091			6,129	9.77	5,634		495	3,375	18.28	3,330		45
Utility	5	0.01	5			-	-	-							
Rural	-	-	-			-	-	-							
Residential	9,262	23.95	9,262			4,535	7.25	4,535			390	2.11	390		
Low-Income Residential	24,210	62.60	24,210			38,320	62.52	38,320			9,547	51.71	9,547		
Public Lighting	-	-	-			-	-	-							
Municipal Energy Management	0.02	-	0.02			-	-	-							
Education	3,728	9.64	3,728			11,291	18.04	2,034	9,256		4,117	22.30	2,515	1,602	
EE Management	374	0.97	374			1,485	2.37	1,485			923	5.00	923		
<b>TOTAL</b>	<b>38,676</b>	<b>100.0</b>	<b>38,676</b>			<b>61,797</b>	<b>100</b>	<b>52,046 (*)</b>	<b>9,256</b>	<b>495</b>	<b>18,460</b>	<b>100</b>	<b>16,813</b>	<b>1,602</b>	<b>45</b>

(\*) We made an accounting adjustment of -R\$814.6 thousand regarding the CE VII project. This adjustment reduces the amount realized in 2015 and has an accounting impact on the amount recorded for 2016. In 2016, Light disbursed R\$16,813 thousand, but recorded R\$15,999 thousand due to a credit in the amount of R\$814.6 thousand.

ENERGY EFFICIENCY PROGRAM RESULTS  
OBTAINED (REGARDING THE PROJECTS COMPLETED IN THE YEAR)

Type of project	2014			2015			2016		
	Units Served	Energy Saved (MWh/year)	Reduction in Final Demand (kW)	Units Served	Energy Saved (MWh/year)	Reduction in Final Demand (kW)	Units Served	Energy Saved (MWh/year)	Reduction in Final Demand (kW)
Industrial	0	0	0	0	0	0			
Commercialization and Services	0	0	0	0	0	0	2	71	24
Government	0	0	0	3	16,846	2,641	3	4,462	1,830
Utility	0	0	0	0	0	0			
Rural	0	0	0	0	0	0			
Residential	0	0	0	2,350	0	0	478,721**	69,020	18,682
Low-Income Residential	0	0	0	118,323	28,059 *	19,599 *			
Public Lighting	0	0	0	0	0	0			
Municipal Energy Management	0	0	0	0	0	0			
Education	1	0	0	1	0	0			
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>120,677</b>	<b>44,905 *</b>	<b>22,241 *</b>		<b>73,553</b>	<b>20,536</b>

(\*) Adjustments to the M&V report of CE VII.

(\*\*) Residential I Project: 64,816 units and Residential II Project: 413,905 units.



# ANNEX III – ANEEL INDICATORS OF LIGHT ENERGIA

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [G4-EC1]

VALUE ADDED STATEMENT (in R\$ thousand)	Consolidated	
	2016	2015
Revenues	778,642	705,321
Sale of goods, products and services	736,470	649,121
Revenues relating to the construction of own assets	42,172	56,200
Inputs purchased from third parties	(189,202)	(222,897)
Cost of products, goods and services	(123,341)	(146,676)
Materials, energy, outsourced services and others	(65,861)	(76,221)
Gross value added	589,440	482,424
Withholdings	(55,448)	(55,353)
Depreciation and amortization	(55,448)	(55,353)
Net value added generated	533,992	427,071
Value added received from transfer	(305,090)	71,135
Financial revenue	27,664	188,983
Equity in the results of subsidiaries	(332,754)	(117,848)
Total value added to be distributed	228,902	498,206
Distribution of value added	228,902	498,206
Personnel	25,705	25,795
Direct remuneration	19,993	21,462
Benefits	2,620	2,590
FGTS	2,570	1,483
Others	522	260
Taxes, fees and contributions	200,842	154,705
Federal	198,639	154,255
State	1,340	5
Municipal	863	445
Yield on third-party capital	176,293	302,371
Interest	174,879	300,719
Rent	1,414	1,652
Interest on shareholders' equity	(173,938)	15,335
Dividends	-	3,834
Retained earnings (accumulated losses)	(173,938)	11,501

## ENERGY GENERATED

	2014	2015	2016
Total gross energy generated (GWh)	4,000	3,101	3,721
Total net energy generated (GWh)	3,274	2,542	3,102

Note: does not include the Paracambi small hydroelectric plant, which belongs to LightGer and in which Light holds 51% of the capital stock.

## INTERNAL AUDIENCE

	2014	2015	2016
<b>General Information</b>			
Total number of employees	213	213	191
Turnover rate (%)	4.8	5.4	9.3
Average overtime per employee/year (in hours)	79.9	78.1	61.8
Employees up to 30 years old (%)	24.9	25.4	27.2
Employees between 31 and 40 years old (%)	19.3	20.7	22.0
Employees between 41 and 50 years old (%)	21.6	16.9	16.2
Employees above 50 years old (%)	34.3	37.1	34.6
Women as a percentage of total employees (%)	13.6	13.6	13.6
Women in managerial positions as a percentage of total managerial positions (%)	14.3	13.3	0.0
Black (black and brown) female employees as a percentage of total employees (%)	3.8	3.3	4.2
Black (black and brown) male employees as a percentage of total employees (%)	22.1	22.1	24.1
Black (black and brown) employees in managerial positions as a percentage of total managerial positions (%)	0.0	0.0	0.0
Trainees as a percentage of total employees (%)	4.2	4.7	2.6
Employees from the apprentice hiring program (%)	1.4	0.9	0.5
Employees with disabilities	7	7	5
<b>Remuneration (R\$ thousand)</b>			
Gross payroll	18,584	19,652	20,466
Mandatory social charges	4,140	4,196	4,035
<b>Total Benefits (R\$ thousand)</b>			
Education	294	262	283
Food	1,275	1,286	1,339
Transportation	58	57	48
Health	607	636	646
Foundation	617	552	531
Occupational health and safety	0	0	0
Culture	0	0	0
Professional training and development	0	0	0
Daycare or daycare allowances	16	22	18
Others	36	36	25
<b>Profit sharing</b>			
Total investment in the profit sharing program (R\$ thousand)	2,272	1,746	1,977
Amounts distributed as a percentage of the gross payroll (%)	12.2	8.9	9.7
Highest remuneration divided by the lowest remuneration paid in cash by the company (includes profit sharing and bonuses)	30.1	28.4	32.3
Highest remuneration divided by the minimum wage in effect (includes profit sharing and bonuses)	2.73	1.49	1.4
<b>Remuneration profile per category – average salary (R\$)</b>			
Managerial positions (superintendents, managers and coordinators) – R\$	16,365	16,236	15,911
Administrative positions – R\$	3,571	3,761	3,978
Production positions – R\$	4,096	4,442	4,757

	2014	2015	2016
<b>Managing Career Endings</b>			
Number of participants of the supplementary social security program	196	197	180
Number of participants of the managing career endings program	0	0	0
<b>Professional Development</b>			
<b>Education Profile (percentage in relation to total employees)</b>			
Illiterate employees (%)	0	0	0
Elementary education (%)	7.0	7.0	7.9
High school education (%)	56.3	54.9	53.4
Higher education (%)	28.6	30.1	29.8
Post-graduation (specialization, master's degree, PhD) (%)	7.5	7.5	8.4
Amount invested in education and professional development (% of net operating revenue)	0.04	0.04	0.04
<b>Number of hours spent on professional development per employee/year (HH), per job category</b>			
Administrative level	17.0	21.6	16.6
Managerial level	34.9	32.9	20.7
Operational level	26.6	12.4	15.7
Professional level	48.1	36.0	26.7
Technical level	37.8	35.7	29.6
General	32.9	31.7	21.9
<b>Employment Claims (employees)</b>			
Contingent liabilities provisioned for the year (R\$ thousand)	2,047	1,442	1,590
Number of employment claims filed against the company in the year (*)	4	3	2
Number of employment claims granted in the year (**)	2	0	0
Number of employment claims denied in the year (**)	2	2	2
Total amount of indemnifications and fines paid pursuant to court orders in the year (R\$ thousand)	-	-	5

## HEALTH AND SAFETY

	2014	2015	2016
Total FR (frequency rate) of the company in the year, for employees	0	2.94	0
Total SR (severity rate) of the company in the year, for employees	0	6	0
Total FR (frequency rate) of the company in the year, for outsourced employees/ independent contractors	3.96	5.73	4.13
Total SR (severity rate) of the company in the year, for outsourced employees/ independent contractors	230	1,762	78
Total FR (frequency rate) of the company in the year, for the workforce (employees + outsourced employees)	2.70	5.05	3.27
Total SR (severity rate) of the company in the year, for the workforce (employees + outsourced employees)	156	1,331	61.39
Fatalities – employees	0	0	0
Fatalities – outsourced employees	0	0	0

## SUPPLIERS

	2014	2015	2016
Number of outsourced employees	405	476	647

## ENVIRONMENT

	2014	2015	2016
Annual volume of greenhouse gases (CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFC, PFC, SF <sub>6</sub> ) emitted in the atmosphere (in tons of CO <sub>2</sub> equivalent) – Scopes 1 and 2	3,951	10,787	9,031
Annual volume of ozone-depleting substances emitted	Non-significant amounts		
Annual amount (in tons) of solid waste generated (trash, waste, rubble, etc.)	41.9	864	498
Amount of waste contaminated by PCB	0	0	0
Total consumption of energy by source (in kWh)			
Fossil fuels	NA	NA	NA
Alternative sources (gas, wind, solar, etc.)	NA	NA	NA
Hydroelectric	NA	NA	NA
Total consumption of energy (in kWh)	201,423	204,776	191,985
Total direct consumption of energy by energy source			
Ethanol	4,253	2,834	985
Diesel	248,248	239,890	164,698
Natural gas	0	0	0
Gasoline	148,984	141,759	167,749
Total consumption of water by source (m <sup>3</sup> )			
Supply (public network)	8,301	7,319	6,598
Superficial catchment (watercourses)	NA	NA	NA
Underground source (well)	NA	NA	NA
Total consumption of water	8,301	7,319	6,598
Consumption of water per employee	38.97	34.36	34.55
Consumption of electricity from generation and ancillary units (maximum consumption in MWh defined by hydroelectric plant)	672,780	513,424	568,820
Consumption of water per kWh generated (maximum flow consumption – m <sup>3</sup> /s – per kWh delivered)	7.81	7.81	7.81
Restoration of ciliary forest (ha)	87.83	67.78	64.58
Fish rescue in turbines (kilo of fish per machinery stoppage)	NA	NA	NA
Fish restocking (number of fingerlings released in reservoirs per year)	NA	NA	NA
Release of untreated sanitation effluents and leakage of lubricating and hydraulic oil in turbines (ton/year)	NA	NA	NA
Number of employees trained according to environmental education programs	10	6	6
Percentage of employees trained according to environmental education programs / total employees (%)	4.69	2.82	3.14
Number of hours of environmental education training to employees / total number of hours of training	1.13	0.04	0.38

## RESEARCH AND DEVELOPMENT

By research themes (Research and Development Manual – ANEEL)	2014		2015		2016	
	Amount (R\$ thousand)	(%)	Amount (R\$ thousand)	(%)	Amount (R\$ thousand)	(%)
FA - Alternative Sources of Generation of Electricity	533	45.2	117	16.1	415	19.7
GT – Thermoelectric Generation						
GB – Management of Basins and Reservoirs	59	5.0				
MA – Environment	162	13.7	197	27.2	1,308	62.2
SE – Security						
EE – Energy Efficiency						
PL – Planning of Electricity Systems						
OP – Operation of Electricity Systems	301	25.1	290	40.1	380	18.1
SC – Supervision, Control and Protection of Electricity Systems						
QC – Quality and Reliability of Electricity Services						
MF – Metering, Billing and combat to commercial losses	111	9.4	51	7.1		
OU – Other	14	1.2	69	9.5		
<b>Total</b>	<b>1,180</b>	<b>100.0</b>	<b>725</b>	<b>100.0</b>	<b>2,103</b>	<b>100.0</b>

Note: in 2016, in addition to the funds invested in the projects, R\$38 thousand were invested in the Management Project.

## INVESTMENTS IN R&D – CLASSIFICATION OF PROJECTS BY STAGE IN THE INNOVATION CHAIN

	2015		2016	
	Number of projects	Investments (R\$ thousand)	Number of projects	Investments (R\$ thousand)
Directed Basic Research				
Applied Research	8	673	4	1,725
Experimental Development	1	51		
Head of Series			1	378
Pioneer Lot				
Market Insertion				
<b>Total</b>	<b>9</b>	<b>725</b>	<b>5</b>	<b>2,103</b>

## INVESTMENTS IN R&D – CLASSIFICATION OF PROJECTS BY TYPE OF PRODUCT GENERATED

	2015		2016	
	Number of projects	Investments (R\$ thousand)	Number of projects	Investments (R\$ thousand)
Concept or Methodology	7	645	3	1,723
Software			1	2
System or Process	2	80	1	378
Material or Substance				
Component or Device				
Machinery or Equipment				
<b>Total</b>	<b>9</b>	<b>725</b>	<b>5</b>	<b>2,103</b>

# ANNUAL FINANCIAL STATEMENTS /2016

COMPANY: CONSOLIDATED

1 – Calculation Basis	2016 Amount (thousand reais)			2015 Amount (thousand reais)		
Net revenue (NR)	9,645,237			10,912,673		
Operating result (OR)	514,539			978,534		
Gross payroll (GP)	373,352			338,246		
2 – Internal Social Indicators	Amount (thousand R\$)	% of GP	% of NR	Amount (thousand R\$)	% of GP	% of NR
Food	31,335	8%	0%	29,139	9%	0%
Mandatory social charges	72,784	19%	1%	65,518	19%	1%
Private pension plan	9,068	2%	0%	9,261	3%	0%
Health	18,324	5%	0%	16,419	5%	0%
Occupational health and safety	615	0%	0%	821	0%	0%
Education	812	0%	0%	828	0%	0%
Culture	0	0%	0%	0	0%	0%
Professional training and development	3,033	1%	0%	5,411	2%	0%
Daycare or daycare allowance	1,311	0%	0%	1,198	0%	0%
Profit sharing	26,859	7%	0%	25,088	7%	0%
Others	6,092	2%	0%	4,677	1%	0%
Total Internal Social Indicators	170,233	46%	2%	158,360	47%	1%
3 - External Social Indicators	Amount (thousand R\$)	% of OR	% of NR	Amount (thousand R\$)	% of OR	% of NR
Education	5,402	1%	0%	6,814	1%	0%
Culture	11,028	2%	0%	36,255	4%	0%
Health and sanitation	3,330	1%	0%	5,619	1%	0%
Sports	8,924	2%	0%	37,621	4%	0%
Hunger combat and food security	0	0%	0%	0	0%	0%
Others	18,389	4%	0%	56,276	6%	1%
Total contributions to society	47,073	9%	0%	142,585	15%	1%
Taxes (excluding social charges)	5,255,339	1021%	56%	5,130,134	524%	47%
Total External Social Indicators	5,302,412	1031%	55%	5,272,719	539%	48%
4 – Environmental Indicators	Amount (thousand R\$)	% of OR	% of NR	Amount (thousand R\$)	% of OR	% of NR
Investments related to production / operation of the company	51,574	6%	1%	50,507	6%	1%
Investments in external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investments	51,574	6%	1%	50,507	6%	1%
With regards to the establishment of “annual targets” to minimize waste, overall consumption in production / operation and to increase the efficiency in the use of natural resources, the company	( ) does not have targets	( ) meets 51% to 75%	( ) does not have targets	( ) meets 51% to 75%		
	( ) meets 0% to 50%	(X) meets 76% to 100%	( ) meets 0% to 50%	(X) meets 76% to 100%		
5 – Employment Indicators	2016		2015			
Number of employees at the end of the year	4,085		4,327			
Number employees hired in the year	327		378			
Number of outsourced employees	7,480		8,394			
Number of trainees	49		138			
Number of employees above 45 years old	986		1,172			
Number of women working at the company	1,008		1,061			
% of management positions held by women	23.10%		23.60%			
Number of black employees	1,910		1,953			
% of management positions held by black employees	19.90%		19.30%			
Number of disabled employees or employees with special needs	183		208			



6 – Material information on corporate citizenship	2016			2017 Targets		
Relation between the highest and the lowest remuneration paid by the company	78.6			ND		
Total number of occupational accidents	34			0		
Social and environmental projects developed by the company set forth by:	( ) officers	(X) officers and managers	( ) all employees	( ) officers	(X) officers and managers	( ) all employees
The occupational health and safety standards in the work environment were set forth by:	( ) officers and managers	( ) all employees	(X) all + Cipa	( ) officers and managers	( ) all employees	(X) all + Cipa
With regards to freedom of association, the right to collective negotiation and internal representation of workers, the company:	( ) is not involved	(X) follows ILO standards	( ) promotes and follows ILO standards	( ) will not be involved	(X) will follow ILO standards	( ) will promote and follow ILO standards
Private pension plan includes:	( ) officers	( ) officers and managers	(X) all employees	( ) officers	( ) officers and managers	(X) all employees
Profit sharing includes:	( ) officers	( ) officers and managers	(X) all employees	( ) officers	( ) officers and managers	(X) all employees
When selecting suppliers, the same ethical standards, social and environmental responsibility that are adopted by the company:	( ) are not taken into account	( ) are suggested	(X) are required	( ) will not be taken into account	( ) will be suggested	(X) will be required
With regards to the participation of employees in voluntary work programs, the company:	( ) is not involved	( ) supports it	(x) organizes and encourages it	( ) will not be involved	( ) will support it	(X) will organize and encourage it
Total number of complaints and criticisms from consumers:	At the company: 251,158	At Procon: 3,941	At court: 42,256	At the company: 10% reduction	At Procon: 10% reduction	At court: 10% reduction
% of complaints and criticisms responded or solved:	At the company: 85%	At Procon: 85%	At court: 57%	At the company: 100%	At Procon: 100%	At court: 100%
Total value added to be distributed (in R\$ thousand):	In 2016: 8,674,344			In 2015: 9,318,582		
Distribution of Added Value (DVA):	87.07% government 4.65% employees 0.00% shareholders 11.89% third parties 3.61% retained			77.26% government 3.99% employees 0.11% shareholders 18.35% third parties 0.30% retained		

1 – Calculation Basis	2016 Amount (thousand reais)			2015 Amount (thousand reais)		
Net revenue (NR)	8,657,674			10,016,227		
Operating result (OR)	387,955			697,070		
Gross payroll (GP)	338,355			304,617		
2 – Internal Social Indicators	Amount (thousand R\$)	% of GP	% of NR	Amount (thousand R\$)	% of GP	% of NR
Food	29,604	9%	0%	27,354	9%	0%
Mandatory social charges	66,939	20%	1%	59,918	20%	1%
Private pension plan	8,211	2%	0%	8,337	3%	0%
Health	17,438	5%	0%	15,642	5%	0%
Occupational health and safety	646	0%	0%	832	0%	0%
Education	812	0%	0%	862	0%	0%
Culture	0	0%	0%	0	0%	0%
Professional training and development	2,750	1%	0%	5,151	2%	0%
Daycare or daycare allowance	1,284	0%	0%	1,166	0%	0%
Profit sharing	23,739	7%	0%	22,151	7%	0%
Others	5,964	2%	0%	4,503	1%	0%
Total Internal Social Indicators	157,387	47%	2%	145,916	48%	1%
3 – External Social Indicators	Amount (thousand R\$)	% of OR	% of NR	Amount (thousand R\$)	% of OR	% of NR
Education	5,136	1%	0%	6,579	1%	0%
Culture	9,578	2%	0%	19,299	3%	0%
Health and sanitation	0	0%	0%	0	0%	0%
Sports	8,924	2%	0%	29,432	4%	0%
Hunger combat and food security	0	0%	0%	0	0%	0%
Others	19,803	5%	0%	64,275	9%	1%
Total contributions to society	43,441	11%	1%	119,585	17%	1%
Taxes (excluding social charges)	5,144,698	1326%	59%	4,878,854	700%	49%
Total External Social Indicators	5,188,139	1337%	60%	4,998,439	717%	50%
4 – Environmental Indicators	Amount (thousand R\$)	% of OR	% of NR	Amount (thousand R\$)	% of OR	% of NR
Investments related to production / operation of the company	39,542	10%	0%	35,362	5%	0%
Investments in external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investments	39,542	10%	0%	35,362	5%	0%
With regards to the establishment of “annual targets” to minimize waste, overall consumption in production / operation and to increase the efficiency in the use of natural resources, the company	( ) does not have targets	( ) meets 51% to 75%	( ) does not have targets	( ) meets 51% to 75%		
	( ) meets 0% to 50%	( X ) meets 76% to 100%	( ) meets 0% to 50%	( X ) meets 76% to 100%		
5 – Employment Indicators	2016		2015			
Number of employees at the end of the year	3,852		4,055			
Number employees hired in the year	314		361			
Number of outsourced employees	6,832		7,916			
Number of trainees	44		125			
Number of employees above 45 years old	896		1,062			
Number of women working at the company	965		1,013			
% of management positions held by women	24.49%		23.53%			
Number of black employees	1,847		1,887			
% of management positions held by black employees	21.94%		21.57%			
Number of disabled employees or employees with special needs	178		201			

6 – Material information on corporate citizenship	2016			2017 Targets		
Relation between the highest and the lowest remuneration paid by the company	67.9			ND		
Total number of occupational accidents	34			0		
Social and environmental projects developed by the company set forth by:	( ) officers	( X ) officers and managers	( ) all employees	( ) officers	( X ) officers and managers	( ) all employees
The occupational health and safety standards in the work environment were set forth by:	( ) officers and managers	( ) all employees	( X ) all + Cipa	( ) officers and managers	( ) all employees	( X ) all + Cipa
With regards to freedom of association, the right to collective negotiation and internal representation of workers, the company:	( ) is not involved	( X ) follows ILO standards	( ) promotes and follows ILO standards	( ) will not be involved	( X ) will follow ILO standards	( ) will promote and follow ILO standards
Private pension plan includes:	( ) officers	( ) officers and managers	( X ) all employees	( ) officers	( ) officers and managers	( X ) all employees
Profit sharing includes:	( ) officers	( ) officers and managers	( X ) all employees	( ) officers	( ) officers and managers	( X ) all employees
When selecting suppliers, the same ethical standards, social and environmental responsibility that are adopted by the company:	( ) are not taken into account	( ) are suggested	( X ) are required	( ) will not be taken into account	( ) will be suggested	( X ) will be required
With regards to the participation of employees in voluntary work programs, the company:	( ) is not involved	( ) supports it	( x ) organizes and encourages it	( ) will not be involved	( ) will support it	( X ) will organize and encourage it
Total number of complaints and criticisms from consumers:	At the company: 251,158	At Procon: 3,941	At court: 42,256	At the company: 10% reduction	At Procon: 10% reduction	At court: 10% reduction
% of complaints and criticisms responded or solved:	At the company: 85%	At Procon: 85%	At court: 57%	At the company: 100%	At Procon: 100%	At court: 100%
Total value added to be distributed (in R\$ thousand):	In 2016: 8,231,432			In 2015: 8,593,327		
Distribution of Added Value (DVA):	87.74% government 4.41% employees 0.00% shareholders 10.44% third parties - 2.25% retained			73.65% government 5.58% employees 1.50% shareholders 14.45% third parties 4.82% retained		

1 – Calculation Basis	2016 Amount (thousand reais)			2015 Amount (thousand reais)		
Net revenue (NR)	627,738			567,931		
Operating result (OR)	60,614			196,477		
Gross payroll (GP)	20,466			19,652		
2 – Internal Social Indicators	Amount (thousand R\$)	% of GP	% of NR	Amount (thousand R\$)	% of GP	% of NR
Food	1,339	7%	0%	1,286	7%	0%
Mandatory social charges	4,035	20%	1%	4,196	21%	1%
Private pension plan	531	3%	0%	552	3%	0%
Health	646	3%	0%	636	3%	0%
Occupational health and safety	0	0%	0%	0	0%	0%
Education	283	1%	0%	262	1%	0%
Culture	0	0%	0%	0	0%	0%
Professional training and development	0	0%	0%	0	0%	0%
Daycare or daycare allowance	18	0%	0%	22	0%	0%
Profit sharing	1,977	10%	0%	1,746	9%	0%
Others	72	0%	0%	94	0%	0%
Total Internal Social Indicators	8,901	43%	1%	8,794	45%	2%
3 - External Social Indicators	Amount (thousand R\$)	% of OR	% of NR	Amount (thousand R\$)	% of OR	% of NR
Education	248	0%	0%	194	0%	0%
Culture	750	1%	0%	473	0%	0%
Health and sanitation	0	0%	0%	0	0%	0%
Sports	0	0%	0%	0	0%	0%
Hunger combat and food security	0	0%	0%	0	0%	0%
Others	1,912	2%	0%	962	0%	0%
Total contributions to society	2,910	3%	0%	1,629	1%	0%
Taxes (excluding social charges)	147,277	248%	23%	116,232	59%	20%
Total External Social Indicators	150,187	248%	24%	117,861	60%	21%
4 – Environmental Indicators	Amount (thousand R\$)	% of OR	% of NR	Amount (thousand R\$)	% of OR	% of NR
Investments related to production / operation of the company	12,032	20%	2%	15,146	8%	3%
Investments in external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investments	12,032	20%	2%	15,146	8%	3%
With regards to the establishment of “annual targets” to minimize waste, overall consumption in production / operation and to increase the efficiency in the use of natural resources, the company	( ) does not have targets	( ) meets 51% to 75%	( ) does not have targets	( ) meets 51% to 75%		
	( ) meets 0% to 50%	( X ) meets 76% to 100%	( ) meets 0% to 50%	( X ) meets 76% to 100%		
5 – Employment Indicators	2016		2015			
Number of employees at the end of the year	191		213			
Number employees hired in the year	7		12			
Number of outsourced employees	647		476			
Number of trainees	5		10			
Number of employees above 45 years old	88		104			
Number of women working at the company	26		29			
% of management positions held by women	0.00%		13.30%			
Number of black employees	54		54			
% of management positions held by black employees	0.00%		0.00%			
Number of disabled employees or employees with special needs	5		7			

6 – Material information on corporate citizenship	2016			2017 Targets		
Relation between the highest and the lowest remuneration paid by the company	32			ND		
Total number of occupational accidents	0			0		
Social and environmental projects developed by the company set forth by:	( ) officers	( X ) officers and managers	( ) all employees	( ) officers	( X ) officers and managers	( ) all employees
The occupational health and safety standards in the work environment were set forth by:	( ) officers and managers	( ) all employees	( X ) all + Cipa	( ) officers and managers	( ) all employees	( X ) all + Cipa
With regards to freedom of association, the right to collective negotiation and internal representation of workers, the company:	( ) is not involved	( X ) follows ILO standards	( ) promotes and follows ILO standards	( ) will not be involved	( X ) will follow ILO standards	( ) will promote and follow ILO standards
Private pension plan includes:	( ) officers	( ) officers and managers	( X ) all employees	( ) officers	( ) officers and managers	( X ) all employees
Profit sharing includes:	( ) officers	( ) officers and managers	( X ) all employees	( ) officers	( ) officers and managers	( X ) all employees
When selecting suppliers, the same ethical standards, social and environmental responsibility that are adopted by the company:	( ) are not taken into account	( ) are suggested	( X ) are required	( ) will not be taken into account	( ) will be suggested	( X ) will be required
With regards to the participation of employees in voluntary work programs, the company:	( ) is not involved	( ) supports it	( x ) organizes and encourages it	( ) will not be involved	( ) will support it	( X ) will organize and encourage it
Total number of complaints and criticisms from consumers:	At the company:	At Procon:	At court:	At the company:	At Procon:	At court:
% of complaints and criticisms responded or solved:	At the company:	At Procon:	At court:	At the company:	At Procon:	At court:
Total value added to be distributed (in R\$ thousand):	In 2016: 228,902			In 2015: 498,206		
Distribution of Added Value (DVA):	87.74% government 11.23% employees 0.00% shareholders 77.02% third parties 75.99% retained			31.05% government 5.18% employees 0.77% shareholders 60.69% third parties 2.31% retained		



# ANNUAL *Sustainability Report* GRI CONTENT *2016*





The 2016 Sustainability Report 2016 follows the criteria of the GRI G4 Guidelines, Comprehensive option, including all specific indicators of the electricity sector applicable to the company.

The GRI Content Index "in accordance" with the Comprehensive option presented below sets forth the relationship between GRI indicators and the Principles of the Global Compact and the Sustainable Development Goals.

## Principles of the Global Compact



### .: Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights;
2. Make sure that they are not complicit in human rights abuses.

### .: Labor

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labor;
5. The effective abolition of child labor;
6. The elimination of discrimination in respect of employment and occupation.

### .: Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility;
9. Encourage the development and diffusion of environmentally friendly technologies.

### .: Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.





General Standard Disclosures	Page	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>STRATEGY AND ANALYSIS</b>					
G4-1	Sustainability Report, page 3	Not applicable	No	8, 9	
G4-2	Sustainability Report, pages 19,28 <a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>	Not applicable	No		
<b>ORGANIZATIONAL PROFILE</b>					
G4-3	Sustainability Report, page 4	Not applicable	No		
G4-4	Sustainability Report, page 4	Not applicable	No		
G4-5	Av. Marechal Floriano, 168 - Centro - Rio de Janeiro	Not applicable	No		
G4-6	Sustainability Report, page 4	Not applicable	No		
G4-7	Sustainability Report, page 4	Not applicable	No		
G4-8	Sustainability Report, page 35	Not applicable	No		
G4-9	Sustainability Report, page 4	Not applicable	No		
G4-10	Annexes, pages 4, 5, 7	Not applicable	No		
G4-11	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-a-forca-de-trabalho.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-a-forca-de-trabalho.aspx</a>	Not applicable	No	3	
G4-12	Sustainability Report, page 50	Not applicable	No		
G4-13	Sustainability Report, page 4	Not applicable	No		
G4-14	Sustainability Report, page 19	Not applicable	No		
G4-15	Sustainability Report, page 6	Not applicable	No	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	
G4-16	We are members of some entities of the electricity sector, including the Brazilian Association of Electricity Distributors ( <i>Associação Brasileira de Distribuidores de Energia Elétrica – Abradee</i> ), the Brazilian Association of Energy Trading Agents ( <i>Associação Brasileira dos Agentes Comercializadores de Energia – Abraceel</i> ), and the Brazilian Association of Large Energy Generation Companies ( <i>Associação Brasileira de Grandes Companhias Geradoras de Energia – Abrage</i> ).		No		
EU1	Sustainability Report, page 22		No		
EU2	Annexes, page 3		No		
EU3	Annexes, page 19		No		
EU4	Sustainability Report, page 23		No		
EU5	Sustainability Report, page 30		No	7, 8, 9	

General Standard Disclosures	Page	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>					
G4-17	Sustainability Report, page 4	Not applicable	No		
G4-18	Sustainability Report, pages 6, 7, 8 <a href="http://ri.light.com.br/enu/reports">http://ri.light.com.br/enu/reports</a>	Not applicable	No		
G4-19	Sustainability Report, pages 9, 10 <a href="http://ri.light.com.br/enu/reports">http://ri.light.com.br/enu/reports</a>	Not applicable	No		
G4-20	Sustainability Report, page 8	Not applicable	No		
G4-21	Sustainability Report, page 8	Not applicable	No		
G4-22	Sustainability Report, page 7	Not applicable	No		
G4-23	Sustainability Report, page 7	Not applicable	No		
<b>STAKEHOLDER ENGAGEMENT</b>					
G4-24	<a href="http://ri.light.com.br/enu/reports">http://ri.light.com.br/enu/reports</a>	Not applicable	No		
G4-25	<a href="http://ri.light.com.br/enu/reports">http://ri.light.com.br/enu/reports</a>	Not applicable	No		
G4-26	<a href="http://ri.light.com.br/enu/reports">http://ri.light.com.br/enu/reports</a>	Not applicable	No		
G4-27	Sustainability Report, page 8	Not applicable	No		
<b>REPORT PROFILE</b>					
G4-28	Sustainability Report, page 7	Not applicable	No		
G4-29	Sustainability Report, page 6	Not applicable	No		
G4-30	Sustainability Report, page 6	Not applicable	No		
G4-31	Sustainability Report, page 10	Not applicable	No		
G4-32	GRI Summary	Not applicable	No		
G4-33	Sustainability Report, page 10	Not applicable	No		
<b>GOVERNANCE</b>					
G4-34	Sustainability Report, page 16	Not applicable	No		
G4-35	Sustainability Report, page 17 <a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-36	Sustainability Report, page 17		No		
G4-37	Sustainability Report, page 17		No		
G4-38	Sustainability Report, page 16 <a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-39	<a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-40	Sustainability Report, page 16 <a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-41	<a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No	10	

General Standard Disclosures	Page	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>GOVERNANCE</b>					
G4-42	Sustainability Report, page 16		No		
G4-43	In 2016, Light did not offer to its Board of Directors any type of additional specialization on social and environmental subjects.		No		
G4-44	Sustainability Report, page 17		No		
G4-45	Sustainability Report, page 16 <a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-46	Sustainability Report, page 16 <a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-47	Sustainability Report, page 16 <a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-48	Sustainability Report, page 7		No		
G4-49	Sustainability Report, page 17		No		
G4-50	Sustainability Report, page 17		No		
G4-51	Sustainability Report, page 18 Annexes, pages 12, 14 <a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-52	<a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-53	<a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
G4-54	1.127%. The calculation basis took into account total remuneration (salary, hazard pay, premium for unhealthy work, on-call pay, night-shift premium, shift premium, overtime premium) + variable remuneration; and only employees who worked for the 12-month period at the company and received variable remuneration.		No		
G4-55	None. In 2016, the highest salary included a variable remuneration that was lower than that of the previous year. Accordingly, total remuneration did not present a percentage increase, as the base salary remained at the same level. In turn, the average percentage increase in the total annual remuneration of employees was not significant.		No		

General Standard Disclosures	Page	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>ETHICS AND INTEGRITY</b>					<b>16</b>
G4-56	Sustainability Report, pages 12, 18	Not applicable	No	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	
G4-57	Sustainability Report, page 18		No	10	
G4-58	Sustainability Report, page 18		No	10	
Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>CATEGORY: ECONOMIC</b>					
<b>Material Aspect: ECONOMIC PERFORMANCE</b>					
G4-DMA	Sustainability Report, pages 54 to 61		No	1, 7, 8, 9	
G4-EC1	Annexes, pages 2, 17, 28		No		
G4-EC2	Sustainability Report, page 28		No	7, 8, 9	
G4-EC3	<a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No	1	
G4-EC4	Annexes, page 23		No		
<b>Material Aspect: MARKET PRESENCE</b>					
G4-DMA	Non-material aspect		No		
G4-EC5	Annexes, page 7		No	1	
G4-EC6	<a href="http://ri.light.com.br/enu/business-model">http://ri.light.com.br/enu/business-model</a>		No		
<b>Material Aspect: INDIRECT ECONOMIC IMPACTS</b>					
G4-DMA	Sustainability Report, pages 46 to 49		No		
G4-EC7	Sustainability Report, pages 23, 46, 48		No		
G4-EC8	Sustainability Report, pages 46, 48, 49		No		
<b>Material Aspect: PROCUREMENT PRACTICES</b>					
G4-DMA	Non-material aspect		No		
G4-EC9	Annexes, page 8		No		
<b>Material Aspect: AVAILABILITY AND RELIABILITY</b>					
G4-DMA	Sustainability Report, pages 24 to 26		No		
EU6	Sustainability Report, page 24		No		
EU10	Annexes, page 3		No		
<b>Material Aspect: DEMAND-SIDE MANAGEMENT</b>					<b>12</b>
G4-DMA	Sustainability Report, pages 46 to 48		No		
EU7	Sustainability Report, page 46		No		
<b>Material Aspect: RESEARCH AND DEVELOPMENT</b>					<b>9</b>
G4-DMA	Sustainability Report, page 53		No		
EU8	Sustainability Report, page 53		No		

Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>Material Aspect: PLANT DESCOMMISSIONING</b>					
G4-DMA	Non-material aspect		No		
EU9	The company does not have nuclear or thermal power plants.		No		
<b>Material Aspect: SYSTEM EFFICIENCY</b>					
G4-DMA	Sustainability Report, pages 41 to 43		No		
EU11	The company does not have nuclear or thermal power plants.		No		
EU12	Sustainability Report, page 41		No		
<b>CATEGORY: ENVIRONMENTAL</b>					
<b>Material Aspect: MATERIALS</b>					
G4-DMA	Non-material aspect		No		
G4-EN1	Non-material aspect		No		
G4-EN2	Non-material aspect		No		
<b>Material Aspect: ENERGY</b>					<b>12</b>
G4-DMA	Non-material aspect		No		
G4-EN3	Annexes, page 16		No		
G4-EN4	Annexes, page 16		No		
G4-EN5	Sustainability Report, page 27		No		
G4-EN6	Sustainability Report, page 46		No	7, 8, 9	
G4-EN7	Sustainability Report, pages 5, 46		No	8, 9	
<b>Material Aspect: WATER</b>					<b>6</b>
G4-DMA	Sustainability Report, page 27		No		
G4-EN8	Annexes, pages 4, 15		No	8	
G4-EN9	Annexes, page 4		No	8	
G4-EN10	Non-significant volume.		No	8	
<b>Material Aspect: BIODIVERSITY</b>					<b>15</b>
G4-DMA	Non-material aspect		No	9	
G4-EN11	Sustainability Report, page 28		No	8	
G4-EN12	Sustainability Report, page 27		No	8	
G4-EN13	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/compromisso-com-o-meio-ambiente.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/compromisso-com-o-meio-ambiente.aspx</a>		No		
G4-EN14	Light does not have studies or surveys on this specific group of species. No specific study is expected to be made in the next years.		No		
EU13	Sustainability Report, page 28		No	7, 8, 9	



Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>Material Aspect: EMISSIONS</b>					<b>13</b>
G4-DMA	Sustainability Report, pages 29 to 30		No		
G4-EN15	Sustainability Report, page 30		No	8, 9	
G4-EN16	Sustainability Report, page 30		No	8, 9	
G4-EN17	In 2016, we chose not to report Scope 3 emissions, which report is considered voluntary, due to the reorganization of the area that collects information.		No	8, 9	
G4-EN18	Sustainability Report, page 30		No	8, 9	
G4-EN19	Sustainability Report, page 29		No	7, 8, 9	
G4-EN20	Sustainability Report, page 29		No	8	
G4-EN21	Sustainability Report, page 30		No	8	
<b>Material Aspect: EFFLUENTS AND WASTE</b>					<b>12</b>
G4-DMA	Non-material aspect		No	8	
G4-EN22	Non-significant volume, relating only to administrative activities.		No	8	
G4-EN23	Annexes, page 14		No	8	
G4-EN24	No significant spills were recorded in recent years.		No	8	
G4-EN25	Annexes, page 15		No	8	
G4-EN26	None.		No	8	
<b>Material Aspect: PRODUCTS AND SERVICES</b>					
G4-DMA	Non-material aspect		No		
G4-EN27	Sustainability Report, page 28		No	7, 8, 9	
G4-EN28	0%, energy generation, distribution and commercialization activities do not use packaging materials.		No	8, 9	
<b>Material Aspect: COMPLIANCE</b>					
G4-DMA			No		
G4-EN29	For the company, significant fines are those that, individually or together, total at least R\$1 million. Accordingly, in 2016, the sum of sanctions related to non-compliance with environmental laws and regulations did not reach this amount.		No	8	

Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>Material Aspect: TRANSPORT</b>					
G4-DMA	Non-material aspect		No		
G4-EN30	Sustainability Report, page 30		No		
<b>Material Aspect: OVERALL</b>					
G4-DMA	Sustainability Report, page 28		No		
G4-EN31	Sustainability Report, page 28 Annexes, page 15		No	7, 8, 9	
<b>Material Aspect: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>					
G4-DMA	Sustainability Report, pages 50 to 51		No		
G4-EN32	Sustainability Report, page 50 <a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx</a>		No		
G4-EN33	There is no specific study on significant environmental impacts on the entire supply chain.		No		
<b>Material Aspect: ENVIRONMENTAL GRIEVANCE MECHANISMS</b>					
G4-DMA	Non-material aspect		No		
G4-EN34	In 2016, the company recorded 21,923 grievances relating to a number of environmental issues, including fallen tree branches on the electrical system, oil leakage in transformers, and windstorm, among others. All occurrences were treated in accordance with the operating procedures and closed in the system.		No		
<b>CATEGORY: SOCIAL</b>					
<b>SUBCATEGORY: LABOR PRACTICES AND DECENT WORK</b>					
<b>Material Aspect: EMPLOYMENT</b>					<b>8</b>
G4-DMA	Sustainability Report, pages 31 to 32		No		
G4-LA1	Annexes, pages 5, 6		No	6	
G4-LA2	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx</a>		No		
G4-LA3	Annexes, page 6		No		
EU14	Sustainability Report, page 31, 32		No		
EU15	Annexes, page 10		No		
EU16	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx</a>		No		
EU17	Annexes, page 7		No		
EU18	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx</a>		No	1, 2	

Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>Material Aspect: LABOR/MANAGEMENT RELATIONS</b>					<b>8</b>
G4-DMA	Sustainability Report, page 31		No		
G4-LA4	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-a-forca-de-trabalho.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-a-forca-de-trabalho.aspx</a>		No	3	
<b>Material Aspect: OCCUPATIONAL HEALTH AND SAFETY</b>					<b>3</b>
G4-DMA	Sustainability Report, pages 32 to 33		No		
G4-LA5	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-a-forca-de-trabalho.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-a-forca-de-trabalho.aspx</a>		No	3	
G4-LA6	Annexes, pages 8, 10		No	1	
G4-LA7	Sedentary and overweight: Risk factors raised in 2015.		No	1	
G4-LA8	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-a-forca-de-trabalho.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-a-forca-de-trabalho.aspx</a>		No		
<b>Material Aspect: TRAINING AND EDUCATION</b>					
G4-DMA	Sustainability Report, pages 31 to 32		No		
G4-LA9	Sustainability Report, page 32		No		
G4-LA10	Sustainability Report, page 31		No		
G4-LA11	Sustainability Report, page 31		No		
<b>Material Aspect: DIVERSITY AND EQUAL OPPORTUNITY</b>					
G4-DMA	Non-material aspect		No		
G4-LA12	Annexes, page 12		No	6	
<b>Material Aspect: EQUAL REMUNERATION FOR WOMEN AND MEN</b>					
G4-DMA	Non-material aspect		No		
G4-LA13	Annexes, page 6		No	6	
<b>Material Aspect: SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>					<b>8</b>
G4-DMA	Sustainability Report, pages 50 to 51		No		
G4-LA14	Sustainability Report, page 50 <a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No		
G4-LA15	Sustainability Report, page 50 <a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No		

Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>Material Aspect: LABOR PRACTICES GRIEVANCE MECHANISMS</b>					8
G4-DMA	Non-material aspect		No		
G4-LA16	In 2016, 642 new labor cases were filed, 135 of which were closed in the same year. In addition to those, 426 cases filed in previous years were closed in 2016.		No		
<b>SUBCATEGORY: HUMAN RIGHTS</b>					
<b>Material Aspect: INVESTMENT</b>					
G4-DMA	Non-material aspect		No		
G4-HR1	Sustainability Report, page 23		No		
G4-HR2	Sustainability Report, page 19		No		
<b>Material Aspect: NON-DISCRIMINATION</b>					
G4-DMA	Non-material aspect		No		
G4-HR3	Sustainability Report, page 19		No	1, 2, 3	
<b>Material Aspect: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>					
G4-DMA	Non-material aspect		No		
G4-HR4	None.		No	3	
<b>Material Aspect: CHILD LABOR</b>					
G4-DMA	Non-material aspect		No		
G4-HR5	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No	1, 2, 5	
<b>Material Aspect: FORCED OR COMPULSORY LABOR</b>					
G4-DMA	Non-material aspect		No		
G4-HR6	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No	1, 2, 4	
<b>Material Aspect: SECURITY PRACTICES</b>					
G4-DMA	Sustainability Report, pages 32 to 33		No		
G4-HR7	Annexes, page 7		No	1, 2	
<b>Material Aspect: INDIGENOUS RIGHTS</b>					
G4-DMA	Non-material aspect		No		
G4-HR8	In 2016, we received and addressed 80 grievances related to impacts on society and/or local communities.		No		
<b>Material Aspect: ASSESSMENT</b>					
G4-DMA	Non-material aspect		No		
G4-HR9	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No		

Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>Material Aspect: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>					<b>8</b>
G4-DMA	Sustainability Report, pages 50 to 51		No		
G4-HR10	Sustainability Report, page 50 <a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No	1, 2, 4, 5	
G4-HR11	Sustainability Report, page 50 <a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No		
<b>Material Aspect: HUMAN RIGHTS GRIVANCE MECHANISMS</b>					
G4-DMA	Non-material aspect		No		
G4-HR12	Sustainability Report, page 19		No		
<b>SUBCATEGORY: SOCIETY</b>					
<b>Material Aspect: LOCAL COMMUNITIES</b>					
G4-DMA	Sustainability Report, pages 46 to 49		No		
G4-SO1	Sustainability Report, pages 46, 48, 49		No	8	
G4-SO2	None.		No		
EU19	The participation of stakeholders, including shareholders, the government, and regulatory agencies in the execution of the company's strategy is presented in the report.		No		
EU20	No communities were displaced.		No	1, 2	
EU22	None.		No	1, 2	
<b>Material Aspect: ANTI-CORRUPTION</b>					<b>16</b>
G4-DMA	Sustainability Report, pages 18 to 19		No		
G4-SO3	As a result of all initiatives described in its report, Light considers that 100% of operations are submitted to risk analysis relating to corruption.		No	10	
G4-SO4	Sustainability Report, page 19		No	10	
G4-SO5	Sustainability Report, page 19		No		
<b>Material Aspect: PUBLIC POLICY</b>					
G4-DMA	Sustainability Report, page 49		No		
G4-SO6	Law No. 9,096, dated September 19, 1995, prohibits the financing of political campaigns.		No		

Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>Material Aspect: ANTI-COMPETITIVE BEHAVIOR</b>					
G4-DMA	There was no lawsuit filed by unfair competition, trust and monopoly practices.		No		
G4-S07			No		
<b>Material Aspect: COMPLIANCE</b>					
G4-DMA	Sustainability Report, page 51		No		
G4-S08	Sustainability Report, page 51		No		
<b>Material Aspect: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b>					<b>8</b>
G4-DMA	Sustainability Report, pages 50 to 51		No		
G4-S09	Sustainability Report, page 50 <a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No		
G4-S010	Sustainability Report, page 50 <a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-fornecedores.aspx</a>		No		
<b>Material Aspect: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY</b>					
G4-DMA	In 2016, we received and addressed 80 grievances related to impacts on society and/or local communities.		No		
G4-S011			No		
<b>Material Aspect: DISASTER/EMERGENCY PLANNING AND RESPONSE</b>					
G4-DMA	Sustainability Report, pages 28, 32 to 33		No		
EU21	Sustainability Report, pages 28, 32		No		
<b>SUBCATEGORY: PRODUCT RESPONSIBILITY</b>					
<b>Material Aspect: CUSTOMER HEALTH AND SAFETY</b>					<b>3</b>
G4-DMA	Sustainability Report, page 33		No		
G4-PR1	Sustainability Report, page 28		No		
G4-PR2	Annexes, page 9		No	1	
EU25	Annexes, page 9		No		
<b>Material Aspect: PRODUCT AND SERVICE LABELING</b>					
G4-DMA	Sustainability Report, pages 37 to 38		No		
G4-PR3	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-clientes.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-clientes.aspx</a>		No		
G4-PR4	None.		No		
G4-PR5	Sustainability Report, page 37		No		

Specific Standard Disclosures	Disclosures on Management Approach and Indicators	Omissions	External Assurance	Principle of the Global Compact	SDG
<b>Material Aspect: MARKETING COMMUNICATIONS</b>					
G4-DMA	Sustainability Report, page 38		No		
G4-PR6	Light does not sell products that are banned in certain markets or subject to stakeholder questions or public debate.		No		
G4-PR7	None.		No		
<b>Material Aspect: CUSTOMER PRIVACY</b>					
G4-DMA	Light complies with the rules set forth by ANEEL and in the Consumer Protection Code. Confidentiality is set forth in the Code of Ethics of the company and is part of the commitments assumed by the workforce.		No		
G4-PR8	None.		No		
<b>Material Aspect: COMPLIANCE</b>					
G4-DMA	Sustainability Report, page 25		No		
G4-PR9	Sustainability Report, page 25 Annexes, page 9		No		
<b>Material Aspect: ACCESS</b>					<b>7</b>
G4-DMA	Sustainability Report, pages 35 to 37		No		
EU23	Sustainability Report, page 36		No		8
EU26	0%		No		
EU27	Annexes, page 9		No		
EU28	Sustainability Report, page 24		No		
EU29	Sustainability Report, page 24		No		
EU30	Annexes, page 3		No		
<b>Material Aspect: PROVISION OF INFORMATION</b>					
G4-DMA	Sustainability Report, pages 35 to 37		No		
EU24	<a href="http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-clientes.aspx">http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis-compromisso-com-os-clientes.aspx</a>		No	6	



## KEY TO GRI G4 GUIDELINES

GRI	KEY
G4-1	Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy
G4-2	Description of key impacts, risks, and opportunities
G4-3	Name of the organization
G4-4	Primary brands, products, and/or services
G4-5	Location of organization's headquarters
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report
G4-7	Nature of ownership and legal form
G4-8	Markets served
G4-9	Scale of the reporting organization
G4-10	Total workforce by employment type, employment contract, and region
G4-11	Percentage of employees covered by collective bargaining agreements
G4-12	Description of the organization's supply chain
G4-13	Significant changes during the reporting period regarding the organization's size, structure or ownership
G4-14	Whether and how the precautionary approach or principle is addressed by the organization
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses
G4-16	Memberships in associations and/or national or international advocacy organizations
G4-17	Organization's operating structure, including major divisions, operating units, subsidiaries and joint ventures
G4-18	Process for defining the report content
G4-19	Material aspects identified in the process for defining report content
G4-20	Boundary of the material aspect within the organization
G4-21	Boundary of the material aspect outside the organization
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries or methods of measurement used in the report
G4-24	List of stakeholder groups engaged by the organization
G4-25	Basis for identification and selection of stakeholders with whom to engage
G4-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns
G4-28	Reporting period for information provided
G4-29	Date of most recent previous report
G4-30	Reporting cycle

GRI	KEY
G4-31	Contact point for questions regarding the report or its contents
G4-32	Table containing the index of the information in the report
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report
G4-34	Governance structure of the organization, including committees of the highest governance body
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics
G4-38	Report the composition of the highest governance body and its committees
G4-39	Report whether the chair of the highest governance body is also an executive officer
G4-40	Selection processes and the criteria used to determine the qualification of directors
G4-41	Processes to ensure conflicts of interest are avoided
G4-42	The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics
G4-44	Processes for self-assessment of the highest governance body's performance especially with respect to governance of economic, environmental and social topics
G4-45	The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities
G4-46	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are covered
G4-49	Process for communicating critical concerns to the highest governance body
G4-50	The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them
G4-51	The remuneration policies for the highest governance body and senior executives
G4-52	The process for determining remuneration
G4-53	How stakeholders' views are sought and taken into account regarding remuneration
G4-54	The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)
G4-55	The ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)
G4-56	The organization's values, principles, standards and norms of behavior
G4-57	The internal and external mechanisms for seeking advice on ethical and lawful behavior

GRI	KEY
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity
G4-EC1	Direct economic value generated and distributed
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change
G4-EC3	Coverage of the organization's defined benefit plan obligations
G4-EC4	Financial assistance received from government
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation
G4-EC7	Development and impact of infrastructure investments and services supported
G4-EC8	Significant indirect economic impacts, including the extent of impacts
G4-EC9	Proportion of spending on local suppliers at significant locations of operation
G4-EN1	Materials used by weight or volume
G4-EN2	Percentage of materials used that are recycled input materials
G4-EN3	Energy consumption within the organization
G4-EN4	Energy consumption outside of the organization
G4-EN5	Energy intensity
G4-EN6	Reduction in energy consumption
G4-EN7	Reductions in energy requirements of products and services
G4-EN8	Total water withdrawal by source
G4-EN9	Water sources significantly affected by withdrawal of water
G4-EN10	Percentage and total volume of water recycled and reused
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas
G4-EN13	Habitats protected or restored
G4-EN14	Total number of iucn red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2) from purchased power
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)
G4-EN18	Greenhouse gas (GHG) emissions intensity
G4-EN19	Reduction in greenhouse gas (GHG) emissions
G4-EN20	Emissions of ozone-depleting substances (SDG)
G4-EN21	NOx, SOx, and other significant air emissions
G4-EN22	Total water discharge by quality and destination

GRI	KEY
G4-EN23	Total weight of waste by type and disposal method
G4-EN24	Total number and volume of significant spills
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff
G4-EN27	Extent of impact mitigation of environmental impacts of products and services
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce
G4-EN31	Total environmental protection expenditures and investments by type
G4-EN32	Percentage of new suppliers that were screened using environmental criteria
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation
G4-LA3	Return to work and retention rates after parental leave, by gender
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation
G4-LA8	Health and safety topics covered in formal agreements with trade unions
G4-LA9	Average hours of training per year per employee by gender, and by employee category
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

GRI	KEY
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained
G4-HR3	Total number of incidents of discrimination and corrective actions taken
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments
G4-HR10	Percentage of new suppliers that were screened using human rights criteria
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs
G4-SO2	Operations with significant actual and potential negative impacts on local communities
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified
G4-SO4	Communication and training on anti-corruption policies and procedures
G4-SO5	Confirmed incidents of corruption and actions taken
G4-SO6	Total value of political contributions by country and recipient/beneficiary
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes
G4-PR5	Results of surveys measuring customer satisfaction
G4-PR6	Sale of banned or disputed products

GRI	KEY
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services
EU1	Installed capacity, broken down by primary energy source and by regulatory regime
EU2	Net energy output broken down by primary energy source and by regulatory regime
EU3	Number of residential, industrial, institutional and commercial customer accounts
EU4	Length of above and underground transmission and distribution lines by regulatory regime
EU5	Allocation of CO <sub>2</sub> e emissions allowances or equivalent, broken down by carbon trading framework
EU6	Management approach to ensure short and long-term electricity availability and reliability
EU7	Demand-side management programs including residential, commercial, institutional and industrial programs
EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development
EU9	Provisions for decommissioning of nuclear power sites
EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime
EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime
EU12	Transmission and distribution losses as a percentage of total energy
EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas
EU14	Programs and processes to ensure the availability of a skilled workforce
EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region
EU16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors
EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities
EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training
EU19	Stakeholder participation in decision making processes related to energy planning and infrastructure development
EU20	Approach to managing the impacts of displacement
EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans
EU22	Number of people physically or economically displaced and compensation, broken down by type of project
EU23	Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services
EU24	Practices to address language, cultural, low literacy and disability related barriers to access and safely use electricity and customer support services
EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases
EU26	Percentage of population unserved in licensed distribution or service areas
EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime

GRI	KEY
EU28	Power outage frequency
EU29	Average power outage duration
EU30	Average plant availability factor by energy source and by regulatory regime