LIGHT ANNUAL REPORT 2017

Message from Management

[GRI 102-14]

Dear reader. We are pleased to present our Annual Report for 2017, in which we describe our business model, strategies and initiatives that have reaffirmed our commitment to sustainable development, the Global Compact principles and the UN Sustainable Development Goals (SDGs).

We continue to report "in accordance" with the Global Reporting Initiative (GRI) Standards and the Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC).

The year 2017 has come to a close with a certainty that Light Group is on the right path. It was a particularly challenging year for our distribution and generation businesses. The early tariff review for Light Serviços de Eletricidade S.A. and a new amendment to the concession agreement have enabled us to adjust our electricity rates so they reflect the challenging operating conditions in our concession area, while also creating new commitments by the Company to better quality of service.

Our loss reduction program, with a greater focus on areas in which crews can operate safely, was enhanced in 2017 by incremental Market Discipline efforts, delivering even better results and demonstrating that the new strategy against fraud is truly effective. We improved our receivables renegotiation and collection model and developed increasingly effective metrics to monitor our customer base, supporting gradual improvement of delinquency levels and sustained intensive anti-theft efforts. Field crew fraud-spotting rates remain high at 78%, which shows the size of the problem, but also that we are on the right path. Power recovery in 2017 outperformed 2016 recoveries by 60% at 1,093 GWh. We ended 2017 with total grid losses of 21.92% compared with 22.50% in 2016, just 2.03 p.p. above the regulatory pass-through cap of 19.89% for the period. The loss reductions in 2017 are an especially significant achievement in such a socially and economically adverse market as Rio de Janeiro, which is ranked by the Brazilian electric utility regulator, ANEEL, as the second most complex concession area in Brazil.

Increased efficiency—delivered through improvements in quality of service and better resource management—has also provided dividends in the distribution

business. We invested approximately R$ 227 million in quality improvement initiatives, which have resulted in anDEC (equivalent outage duration) rate of 9.15 hours and an FEC (equivalent outage frequency) rate of 5.26, an improvement of respectively 21.8% and 18.8% over 2016. Both indicators were below the levels agreed with ANEEL—respectively 11.39 hours and 5.99—at year-end 2017.

In the generation business, the biggest challenge was high exposure to hydrological risk, which made spot-purchased electricity costs considerably higher than average costs in 2016. In this context, Light Energia's policy was to purchase electricity to augment capacity and mitigate hydrological risks through our trading business, which reduced our net exposure to changes in the Generation Scaling Factor. This has improved Light Energia's hydrological hedge for 2018 to approximately 14%, providing greater operational security.

In 2018 we will continue to optimize the investment program we initiated in 2016, with a greater focus on the distribution business. Renewed economic and financial balance in our distribution business, combined with the projected economic recovery and gradually declining base interest rate in Brazil, will enable us to reduce costs, lengthen our average debt maturities and strengthen our cash flows.

We again reiterate our commitment to achieving sustainable performance through best practices that are in line with our strategy and will support increasingly efficient management while also ensuring transparency in our relations with shareholders, partners, customers and other stakeholders. Light is among the 10 best places to work in the state of Rio de Janeiro as ranked by Great Place To Work. This directly reflects the value we attach to technical competence and ethics in our employees, on whom the success of each business within Light Group depends.

I hope you find our report useful and informative.

Nelson José Hubner Moreira
Chairman of the Board of Directors

Luis Fernando Paroli Santos
CEO

Highlights

DEC DOWN
21.8%

FEC DOWN
18.8%

REDUCTION **IN ACCIDENTS** INVOLVING THE PUBLIC
28.0%

LIGHT RECYCLING
1.34 metric tons
OF **RECYCLABLE WASTE** COLLECTED

64%
OF BILLING **REMOTELY MANAGED**

R$**158,000**
IN CREDIT TO PARTICIPANTS' ELECTRICITY ACCOUNTS

R$**744**
MILLION **INVESTED**

R$**30**
MILLION IN **ENVIRONMENTAL INVESTMENT**

REDUCTION IN FINANCIAL COMPENSATION
37.4%

REDUCTION IN OUR INJURY FREQUENCY RATE
38.0%

Great Place to Work
RANKED AMONG THE **TOP 10 PLACES** TO WORK IN RIO DE JANEIRO

6,5GWh **REDUCTION**
27.0%
IN FUEL CONSUMPTION

SCHOOLS **TRAINED**
102

R$**482,000**
IN SAVINGS

3,402,927
MWh **GENERATED**

25,846GWh
DISTRIBUTED

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About Light

[GRI 102-1, GRI 102-2, GRI 102-4, GRI 102-5, GRI 102-7, GRI 102-10, GRI 102-45]

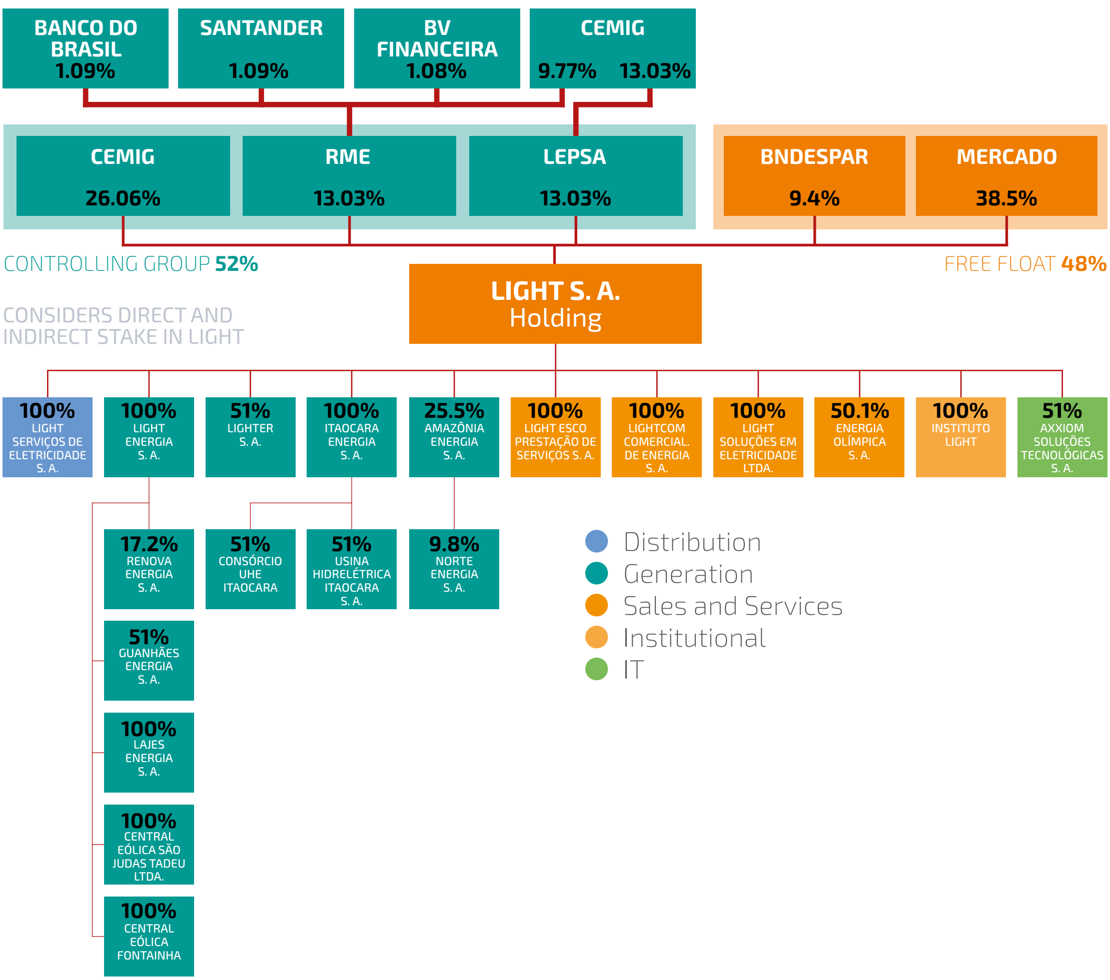
Founded over a century ago, Light Group is headquartered in Rio de Janeiro and has operations in power generation, transmission, trading and distribution and related services.

Light has a workforce of 4,064 direct employees, including 196 people with disabilities, as well as 7,731 third-party employees and 71 interns. In 2017 we hired 531 new employees.

Net revenue in the year was R$ 10.7 billion.

Learn more about Light S.A. and its wholly-owned subsidiaries and associates below.

GROUP STRUCTURE



Holding Co.

Light S. A.

Light S.A. is listed on the B3 (Brasil Bolsa Balcão) Novo Mercado segment under the ticker symbol LIGT3 and on the US OTC market under the ticker symbol LGSXY. Our B3-listed shares were priced at year-end at R$ 16.69 and their market capitalization was R$ 3.4 billion, a decrease of 3.86% compared with December 30, 2016.

Direct Subsidiaries

Light Serviços de Eletricidade S. A.

Light Serviços de Eletricidade is a distribution utility with a concession area comprising 31 municipalities in the state of Rio de Janeiro, including the state capital. It served 4.5 million customers consuming 25,846 GWh in 2017.

Light Energia S. A.

Light Energia designs, plans, builds and operates power generation, transmission and trading systems and provides related services. It operates five power plants—Pereira Passos, Nilo Peçanha, Ilha dos Pombos, Santa Branca and Fontes Nova—with a total installed capacity of 855 MW, which produced 3,403 GWh in 2017. In November 2017, commissioning work began at the Lages Small Hydro Plant (SHP) project, with a nominal capacity of 17 MW, and commercial operation is scheduled for the first quarter of 2018.

Light ESCO Prestação de Serviços S. A.

Light Esco provides energy efficiency services; develops customized cogeneration, distributed generation, energy efficiency and HVAC projects; and provides Operation & Maintenance (O&M) services. Eight plants have retained O&M services from Light ESCO: one industrial plant and seven commercial plants.

Light Com Comercializadora de Energia S.A.

Light Com is a trading business that purchases and sells electricity on the spot and forward markets and free market, as well as providing consulting services to clients in a range of industries.

In 2017 Light Com traded 7,243 GWh of electricity, an increase of 26.8% compared with the previous year driven by electricity purchases to replenish Light Energia's capacity hedge in 2017 (60 average MW between May and December and 60 average MW between September and December) and incentive-backed and conventional electricity sold throughout 2016 and supplied in 2017.

Light Soluções em Eletricidade Ltda.

Light Soluções em Eletricidade provides facilities construction, repair and maintenance services to clients in the low-voltage segment.

Instituto Light para o Desenvolvimento Urbano e Social

Instituto Light para o Desenvolvimento Urbano e Social engages in social and cultural programs supporting the economic and social development of communities.

Associates

Renova Energia S.A.
[17.2% owned by Light Energia]

Renova Energia generates electricity through directly or indirectly owned renewable-source power generation facilities including hydro, wind and solar power generation facilities with a total firm capacity of 627 MW and a current installed capacity of 190 MW;

Guanhães Energia S.A.*
[51% owned by Light Energia]

Guanhães Energia is engaged in the construction and operation of four Small Hydro Plants in the state of Minas Gerais with a total installed capacity of 44 MW;

*Companies preoperational

Lightger S. A.
[51% owned by Light S. A.]
Lightger is a special-purpose entity created to bid for new power plant permits and concessions. It built and now jointly operates the Paracambi Small Hydro Plant, with an installed capacity of 25 MW.

Axxiom Soluções Tecnológicas S. A.
[51% owned by Light S.A. and 49% by Cemig GT]
Axxiom Soluções Tecnológicas provides technology solutions and systems for operations management.

Energia Olímpica S. A.
[50.1% owned by Light S.A. and 49.9% by Furnas Centrais Elétricas S. A.]
Energia Olímpica is a special-purpose entity established to develop the Olympic Village substation and two 138 kV underground transmission lines. Construction of the Olympic Village substation and the two transmission lines has been completed. The liquidation of Energia Olímpica has therefore commenced and no material effects from the process are expected.

Amazônia Energia Participações S. A.
[25.5% owned by Light S. A]
Amazonia Energia has a 9.8% equity interest in, and a material influence on the management of, but without having joint control of, Norte Energia S.A. (NESA). NESA holds a concession for the operation of the Belo Monte Dam.

Itaocara Energia Ltda*.
Itaocara Energia designs, builds, installs and operates electric power plants. The Company has a 51% stake through Light Energia in the Itaocara Hydropower Plant ("Itaocara HPP") joint venture and a 51% stake in UHE Itaocara S.A.*, a joint arrangement with CEMIG GT established for the construction of the Itaocara HPP and to operate the concession for the Itaocara I HPP.

Learn more about our associates in the **Notes to the Financial Statements**[a] , available at the site.

* Companies preoperational
a - **http://ri.light.com.br/divulgacoes-e-resultados-/central-de-resultados#2017**

At a glance

	2015	2016	**2017**
MANUFACTURED CAPITAL			
Power plant installed capacity (MW)	955	1,024	**1,023**
Distribution system installed capacity (MVA)	10,340	10,492	**10,522**
Sub-transmission and distribution lines (km)	69,794	79,096	**79,710**
Power outage frequency (no. of outages)	6.4	6.5	**5.3**
Average power outage duration (hours)	12.6	11.7	**9.2**
NATURAL CAPITAL			
Environmental expenditure (R$ million)	34.7	33.4	**30.2**
Direct Greenhouse Gas (GHG) Emissions - Scope 1 (metric tons of CO_2eq.)	31,557	38,727	**40,419**
Indirect GHG Emissions - Scope 2 (metric tons of CO_2eq.)	377,989	230,669	**225,105**
Number of ISO 14000 certifications (Light SESA)	304	304	**304**
HUMAN CAPITAL			
Hours of training per employee/year	41.9	27.2	**42.7**
Total recordable case frequency (TRCF)	3.30	3.16	**1.95**
Fines and penalties (R$ million)	46.1	48.3	**33.1**
INTELLECTUAL CAPITAL			
R&D investment (R$ million)	12.6	8.2	**6.7**
SOCIAL AND RELATIONSHIP CAPITAL			
ANEEL Consumer Satisfaction Rate (IASC) (%)	49.8	63.9	**55.1**
Service Provision Satisfaction Rate (ISES) (%)	91.0	91.0	**90.4**
Perceived Quality Satisfaction Rate (ISQP) (%)	70.1	62.0	**67.7**
Community investment - Energy Efficiency Program (PEE) (R$ million)	40.4	9.5	**5.3**
Nontechnical losses / Low-Voltage (LV) Market (%)	40.7	39.6	**39.0**
Collection rate (%)	94.7	96.3	**92.4**
FINANCIAL CAPITAL			
Net revenue (R$ million)	9,976	8,756	**10,708**
Adjusted EBITDA (R$ million)	1,614	1,427	**1,976**
EBITDA Margin (%)	16.2	16.3	**18.5**
Net income (loss) (R$ million)	38	(313)	**124**
Net debt (R$ million)	6,503	6,220	**7,206**
Capital expenditure (including contributions) (R$ million)	944	953	**895**

About this report

Each year, we report to our stakeholders on the management approach, initiatives and performance of Light S.A (holding company) and its wholly-owned subsidiaries, which we collectively refer to as simply as "Light", for the period from January 1 to December 31 of the relevant financial year. The most recent edition of our annual report was published in May 2017. **[GRI 102-50, GRI 102-51, GRI 102-52]**

Light's annual reports are produced by a multidisciplinary team, evaluated by our Governance & Sustainability Committee, and approved by our Board of Directors. **[GRI 102-32]**

Good sustainability reporting practices

Our Report has been prepared in accordance with best sustainability reporting practices, including:

- The **Global Reporting Initiative (GRI)**[b] Standards: Comprehensive option, including all energy utilities sector disclosures applicable to the Company. **[GRI 102-54]**
- The International **Integrated Reporting**[c] Framework.
- The ANEEL Social, Environmental and Economic Responsibility Reporting Requirements.

In addition, 35 of our sustainability disclosures are incorporated in other annual filings that include our **Reference Form**[d], which is required and regulated by the Securities Commission, and the **Notes**[e] to the Financial Statements, which are required under Act 6.404/1976 (the Brazilian "Corporations Act").

Our Financial Statements[1] conform to International Financial Reporting Standards (IFRS) and are audited by independent auditors Ernst & Young. The financial disclosures in this report and the IBASE Social Balance Sheet are audited as part of the audit on the Financial Statements. In addition, the information in our Reference Form underwent independent assurance in 2017. Other social and environmental disclosures in this report have not been audited. **[GRI 102-56]**

TO LEARN **MORE** ABOUT

- Our stakeholder surveys and materiality matrix at **RI website**[f]

1 - The Financial Statements contain financial information for the companies **[GRI 102-45]**
b - **https://www.globalreporting.org/Pages/default.aspx**
c - **https://integratedreporting.org/**
d - **http://ri.light.com.br/divulgacoes-e-resultados-/documentos-entregues-a-cvm**
e - **http://ri.light.com.br/divulgacoes-e-resultados-/central-de-resultados#2017**
f - **http://ri.light.com.br/sustentabilidade/relatorios**

ENGAGEMENT & MATERIALITY

Since 2009 we have conducted a regular exercise of identifying topics that are material to us both from our own perspective and from the perspective of our stakeholders. This process helps to determine those areas in which we have the greatest potential to create value and contribute to sustainable development, and inform the development of a Materiality Matrix.

Our Materiality matrix was most recently updated in 2016, and the disclosures to be included in this report have been selected on the basis of the capitals identified in the Matrix as being material to our business. The Matrix remained unchanged for 2017 as there have been no significant changes to our strategy or to other aspects covered by the relevant analysis. **[GRI 102-46]**

The disclosures contained in this report cover not only identified material topics, but also our management approach and performance across the Capitals. **[GRI 103-1, GRI 103-2]**

The table below correlates Light's material topics to the relevant GRI material topics and the stakeholders and businesses most affected. **[GRI 102-44]**

To learn more about the GRI disclosures related to each of these topics and where they are found in this report, see the **GRI Content Index**[g]. **[GRI 102-55]**

Any restatements of information contained in a previous report are documented and explained in the current report. In 2017 there were no significant restatements of previous information. **[GRI 102-48, GRI 102-49]**

To request further information about a particular subject or to submit a question about the contents of this report, contact us at:

E-mail: **ri@light.com.br**
Address: Av. Marechal Floriano, 168, Centro, Rio de Janeiro/RJ – CEP: 20080-002. **[GRI 102-53]**

MATERIAL TOPICS ADDRESSED IN THIS REPORT [GRI 102-44, GRI 102-47]

Losses and Delinquency	Loss reduction strategies, including projects in low-income communities.
Regulation and Government Policy	Influence on and relationship with regulators and governments with which Light interacts.
Relations with Customers and Society	Challenges in building closer relationships with customers and impacts on consumer behavior.
Financial Health and the Capital Market	Business results, commitment to shareholders and lenders, and access to finance.
Quality of Service	Quality of power supply to end consumers.
Operating Efficiency	Efficient operation and resource management.
Energy Efficiencies	Demand-side management and other efficiency programs.
Service Area Development	Investments in our concession area and in social and cultural development.
Environment and Climate Change	Environmental impacts and adapting to climate change.
People Management	People management, labor practices and decent work.
Supplier Management	Supplier management in relation to social and environmental practices.
Health & Safety	Health and safety of our workforce and communities.
Ethics and Compliance	Integrity in management, commercial and operational practices.

Veja o detalhamento dos temas materiais na página 81 deste Relatório

g - **http://www.light.com.br/grupo-light/Sustentabilidade/relatorio-de-sustentabilidade.aspx**

Organizational ethos & conduct

[GRI 102-16]

MISSION

To supply high-quality electricity and services in a sustainable manner, contributing to the well-being and development of society.

VISION

To be the industry's leading electric utility, recognized for delivering superior returns, efficient management and quality of service.

VALUES

Respect for Life | Ethics | Sense of Ownership | Simplicity | Meritocracy

LIGHT WAY

Our organizational ethos — the foundation of our business model — is expressed as the **LIGHT WAY** [**Jeito de SER Light**]:

Put **Safety** first

Demonstrate **Éthical** conduct and

Work to deliver **Results**

SAFETY	ETHICS	RESULTS
1 - Be responsible for one's own safety by using protection equipment.	**1 -** Report and repudiate any form of corruption or misbehavior.	**1 -** Have a sense of ownership.
2 - Be an example of excellence in performing procedures.	**2 -** Do not commit any fraud, bribery, facilitation, extortion or any illegality.	**2 -** Optimize the company's processes and resources, avoiding rework.
3 - Look after the safety of colleagues, providing guidance whenever required.	**3 -** Do not commit or tolerate harassment of any type.	**3 -** Develop one's full potential to overcome challenges.
4 - Assume the responsibility for the maintenance of a safe environment.	**4 -** Do not sell energy products and services to the customers of Light.	**4 -** Identify and suggest opportunities for improvement.
5 - Protect the safety of the population.	**5 -** Follow the Code of Ethics and always act truthfully.	**5 -** Have a sense of urgency and simplicity in solving problems.

To strengthen our ethos and align our values and conduct around common objectives, in 2017 we ran extensive initiatives for engagement around the LIGHT WAY:

- Our Management met with all leaders on a quarterly basis to discuss results and enhance engagement around the LIGHT WAY, with more than 1,000 hours of alignment sessions.
- Our leaders, in turn, disseminated educational and awareness content on safety, ethics and organizational results and targets to their teams through our Face-To-Face Program. A total of 150 meetings were held, with 3,282 participants and more than 6,500 hours of training.
- Newly hired employees learned about the LIGHT WAY in induction workshops attended by 428 participants, in a total of 1,284 hours of training.
- Videos, infographics and quizzes emphasized the importance of performance indicators in a results-based culture.
- 21 employees who delivered outstanding results on themes within the LIGHT WAY earned recognition and rewards.

Our ethos and business impact are the basis of our business model, which is underpinned by corporate governance and related[2] management practices.

2 - Learn more about corporate governance at Light at **http://ri.light.com.br/**

Business model & strategy

Our Business

Light's business model is designed specifically for our electric power distribution, generation, trading and services businesses.

Light Energia's generation operations convert the kinetic energy contained in water flowing through the Paraíba do Sul and Ribeirão das Lajes rivers into electric energy at five hydropower plants and two pumped storage plants with an aggregate installed capacity of 855 MW.

Our distribution, trading and energy efficiency services businesses have no power generation operations.

Light's distribution concession area comprises 31 municipalities in the state of Rio de Janeiro, including the state capital, covering approximately 11,000 square kilometers (26% of the total area of the state). The 4.5 million customers in our service area are served by 77,684 km of distribution lines and 37 service offices.

Our trading business comprises electricity trading, brokerage, and agency and consulting services for free consumers.

Market Overview

Regulation

We are subject to extensive regulation imposed by Brazil's Federal Government and electric utility regulator, ANEEL. This gives the government a high level of discretionary power and we are unable to predict how our businesses will be affected by any regulatory changes. In addition, political instability has adversely affected Brazil's economy, our businesses and our results of operations.

Macro economic overview

Brazil's macroeconomic environment affects our operations generally, and especially the level of demand for electricity.

In addition, inflation affects our costs and margins, while Gross Domestic Product (GDP) growth rates affect our business results. An extended economic downturn in Brazil stemming from the global financial crisis, and its effects on the state of Rio de Janeiro, could affect demand for some of our services and ultimately our results of operations.

Industry overview

O cenário do setor no Brasil se deteriorou em relação a 2016, principalmente pela redução das afluências no período úmido, o que aumentou os preços da energia no curto prazo e se refletiu nas nossas despesas de compra de energia, que pressionaram nosso caixa.

Operating conditions in Brazil's electric utility industry deteriorated in relation to 2016 largely as a result of a decline in river discharge volumes during the wet season, which led to an increase in spot prices and, in turn, in purchased electricity prices, stressing our cash flows.

The severe financial crisis, combined with the widespread migration of customers to the Free Contracting Environment (ACL), has also negatively affected projections for our captive market, generating contractual surpluses that exceeded our estimates for

2017. These surpluses, however, will not result in pass-through losses in our tariff review in March 2018, as spot electricity prices in 2017 were generally higher than the average prices under our contracts.

We continually monitored our contract levels throughout 2017 to avoid regulatory penalties and cost pass-through losses. Light worked with the Brazilian Association of Electrical Utilities (ABRADEE), ANEEL and the Ministry of Mining and Energy (MME) to develop solutions to mitigate the risk of economic or financial losses affecting distribution utilities. Loss mitigation was also supported by: studies to inform decision-making in power purchase auctions; the automation of a number of invoice management processes; and improvements to our purchased electricity expense forecasting tools.

Strategic Guidelines

Our strategy informed our initiatives throughout the year and is based on our mission, vision and values; analyses of the external and internal environment; and the critical business risks identified in our Risk Matrix. See the chapter Risk Management for further details.

Strategies are translated into action plans and into strategic and operational success indicators. The targets established for these indicators are agreed in management commitments and are tracked monthly. Key indicators are also reported to the Board of Directors at least on a monthly basis, allowing us to adjust our strategy as necessary. **[GRI 103-3]**

In addition, we have working standards that are documented in internal rules and procedures, with well-defined control points. Business risks are continuously monitored by the Internal Audit (see the chapter Risk Management). This ensures our processes are continually monitored and reviewed, and lessons learned are incorporated throughout the period.

Several of our processes are certified to ISO 9001—which requires that we adopt good practices that ensure we have the ability to provide services that meet customer and regulatory requirements—and we apply quality management principles and guidelines and pursue continual improvement in our day-to-day operations.

In 2017, we undertook efforts to create value for our stakeholders through management process improvements across our power distribution, generation and trading businesses. Light's management approach rests on the following pillars: continuous efforts to achieve maximum operating efficiency, with a focus on increasing revenues while mitigating losses and delinquency; process improvements; sustainable reductions of manageable costs; and prudent investment.

The following strategic guidelines informed our management approach in 2017 and have been maintained for financial year 2018.

1) Extraordinary Tariff Review: an amendment was concluded to our concession agreement, and our Tariff Review was accelerated to 3/15/2017, enabling us to adjust our electricity rates so they reflect the challenging operating conditions in our concession area.

2) Loss reduction: we have continued to implement our strategy in Approachable Areas through lower-cost operations supporting larger per-customer volumes of recovered and incorporated electricity.

3) Collection enhancement and delinquency containment: Light has worked with the federal, state and municipal governments to negotiate delinquent receivables, and has intensified collection initiatives in retail. We have also enhanced our strategy by promoting market discipline.

4) CAPEX & OPEX Optimization: Optimize general and administrative expenses through cost cutting, conventional loss reduction measures (which are less capital intensive) and efficient resource management.

5) Debt management: reduce leverage, roll over our primary debt throughout the year and improve cash generation efficiencies.

6) Reducing exposure to non-core assets: refocus our equity holdings on our core businesses: generation, transmission, distribution and trading.

7) Internal management: redesign processes and craft business development strategies that reflect the LIGHT WAY.

Impacts on the value chain

Recognizing that our infrastructure operations directly affect society and the environment in which we operate, we work to ensure that our strategy creates value for our stakeholders by positively impacting our value chain.

To achieve this, our management and governance framework is designed to ensure we uphold ethical, genuine and transparent relations with all stakeholders and that we fulfill our mission, materialize our vision and build the Light brand in our day to day operations.

The management commitments that translate our strategy are also aligned with the material topics in our Materiality Matrix and the Sustainable Development Goals (SDGs).

The table below correlates our strategy for 2018 with our material topics, the affected SDGs and the indicators we use to assess performance on the relevant topic.

STRATEGY	MATERIAL TOPIC	SDG	INDICATOR
Loss reduction	Losses and Delinquency Service Area Development Relations with Customers and Society	11	Nontechnical losses / Low-voltage market Community Investment
Collection enhancement and delinquency containment	Losses and Delinquency Service Area Development Relations with Customers and Society	11	Collection Rate Customer Satisfaction
Reducing exposure to non-core assets	Financial Health and the Capital Market		Net Revenue
CAPEX and OPEX Optimization	Quality of Service Operating Efficiency	7, 9	Capital Expenditure DEC /FEC
Debt management	Financial Health and the Capital Market		Net Debt
Internal management	People Management Supplier Management Health & Safety	3, 8	Hours of Training Injury Rate Misconduct Reports Climate Survey
Tariff Review	Regulations and Government Policy	17	Rate Increases

Our performance indicators reflect Light's and our stakeholders' interests and can relate to either internal or external factors. Internal indicators relate to aspects such as resource efficiency, training hours and financial results. External indicators are related to the impacts from our operations outside our physical boundaries, such as power supply quality and customer satisfaction.

Of the targets and action plans that are formalized in our management commitments, 36% are related to aspects such as research and development, energy efficiency, professional development, organizational climate, safety, absenteeism, customer satisfaction, compliance, environmental management, quality of service, losses, delinquency, etc. The other 64% are related to financial management aspects including cost reduction, asset management and disposal, etc.

The chart below provides an overview of how our impacts on the value chain affect or support the SDGs. **[GRI 102-15]**

IMPACTS ON THE VALUE CHAIN X SDGs

INPUTS
- Generation and distribution infrastructure
- Efficient use of renewable resources
- Access to water
- R&D investment

SUPPLIERS
- Job creation
- Capacity building
- Workforce safety
- Compliance

OPERATION
- Job creation
- Training
- Workforce safety
- Resource usage
- GHG Emissions
- Waste
- Compliance

DISTRIBUTION
- Quality of service
- Power quality
- Environmental impact
- Urban landscape impacts
- Energy security and power supply availability and reliability

PRODUCT USAGE
- Community safety
- Energy efficiency
- Customer satisfaction
- Higher non-technical losses

RESULTS
- Sustainable cities
- Shareholder returns
- Taxes
- Delinquency
- Investment
- Debt
- Partnerships
- Fines and penalties related to services provided
- Accidents

Corporate governance

AWe have subscribed to a set of formal mechanisms and good practices that ensure our business conduct is at all times aligned with our objectives of creating value for Light and our shareholders. Our Corporate Governance Handbook details these processes and practices and ensures an adequate level of transparency and communication is maintained with the market and other stakeholders.

We are also listed on B3 (Brasil Bolsa Balcão) Novo Mercado, a segment in which listed companies are required to implement good practices adhering to the highest standards of corporate governance.

Learn more about the good practices outlined in our Handbook at: **Governance Handbook**[h].

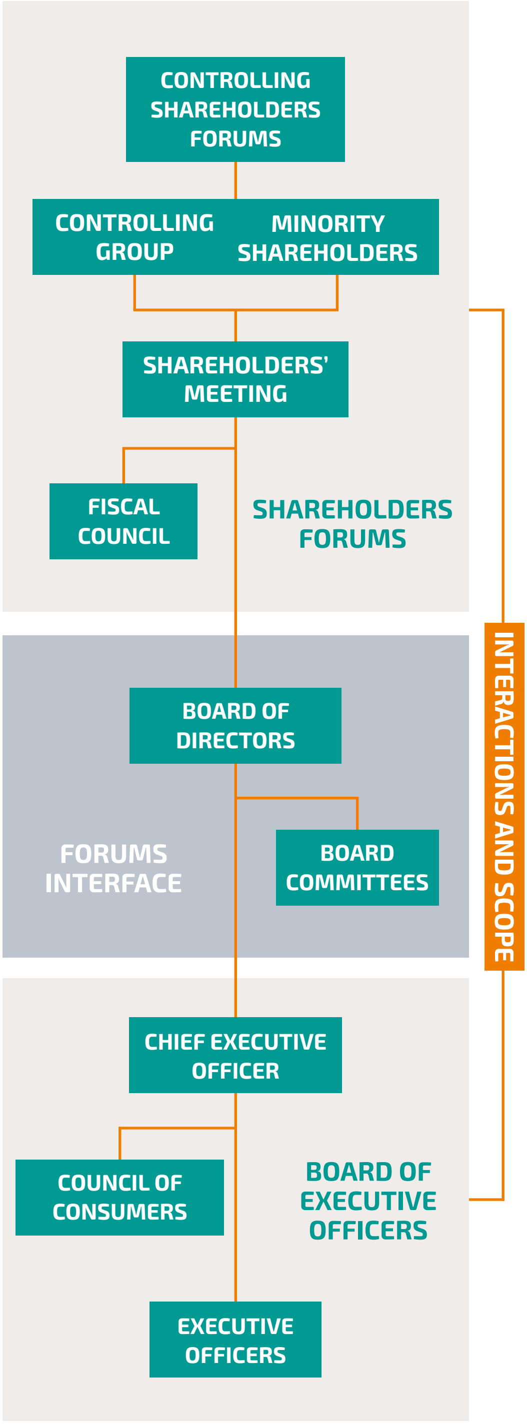
Governance Framework
[GRI 102-18]

Our Shareholders' Forum is the body responsible for consolidating and aligning decisions within the controlling shareholder group. It is formed by the General Meeting members, the Audit Board and the Controlling Shareholders' Forum.

Light's governance framework additionally includes Interface Forums—formed by the Board of Directors and advisory committees—and the Executive Board.

Board Of Directors And Committees
[GRI 102-22, GRI 102-24]

The Board of Directors is composed of a minimum of 5 and a maximum of 13 members and their substitutes, all with a unified and renewable term of two years. The composition of the Board includes independent members and employee representatives.



h - **http://ri.light.com.br/ptb/4487/Manual%20de%20Governana%20-%20L.%20S.A.pd.pdf**

The Board of Directors is responsible for approving and supervising the execution of our Strategic Plan, and for approving our annual Audit Plan as part of our risk management process, which covers economic, social and environmental aspects. Board members are selected using criteria that ensure they have the required background and meet established standards of conduct, while also forming a diversified Board with wide-ranging expertise across economic, social and environmental aspects. **[GRI 102-29, GRI 102-30]**

The Board is supported by five advisory committees without executive or decision-making authority, who meet to discuss matters outlined in Light's Governance Handbook or specific matters specified by the Board of Directors or Executive Board. The five committees are as follows: Audit Committee (CAUDIT), Finance Committee (CFIN), Human Resources Committee (CRH), Management Committee (CGEST) and Governance & Sustainability Committee (CGOV).

The composition and duties of the Board of Directors and its advisory committees are described on our Investor Relations website under **Management**[i], and details about Board members' expertise and membership of other boards, committees, commissions and working groups can be found in our Reference Form CVM filing, which is available on our Investor Relations website under **Reference Form**[j]. **[GRI 102-26]**

Executive Board

As of December 31, 2017 Light's Executive Board consisted of nine members, as follows: 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. Executive Board members are appointed for a term of three years.

For information about the current composition of our Executive Board, visit the Light Investor Relations website under **Management**.

Audit Board

Pursuant to the Brazilian Companies Act, Light's Audit Board is an independent governance body formed of members of management and external auditors. The Board is convened on an annual basis only upon request by shareholders. Its chief responsibilities include auditing management activities, reviewing our financial statements and reporting its conclusions to our shareholders.

Members of the Audit Board are paid fees equivalent to at least 10% of the average amount paid annually to members of the Board of Directors. For information about the current composition of our Audit Board, visit the Light Investor Relations website under **Management**.

Customer Advisory Board

Light's Customer Advisory Board comprises five members (and their substitutes) representing customers in the residential, commercial, industrial, government and rural segments. The Board meets on at least six occasions per year, and extraordinary and Sectoral Chamber meetings can be convened as necessary to address specific matters.

Its mission is to provide a forum for discussion, exercise scrutiny in the collective interest of consumers and liaise between Light and representatives from the various rate classes in seeking amicable solutions to issues related to power supply, rates and the adequacy of services provided to end consumers.

i - **http://ri.light.com.br/governanca/administracao**
j - **http://ri.light.com.br/divulgacoes-e-resultados-/documentos-entregues-a-cvm**

The Board has a channel for direct communication with the Institutional Relations department, which is responsible for the Board's Executive Office. Light welcomes feedback, critiques, suggestions and complaints from the Customer Advisory Board, and members' expectations and needs are documented in minutes, and their proposals are acted and followed up on in subsequent meetings.

The Board has no legal personality, acts in an advisory capacity, and is governed by ANEEL Normative Resolution 715/2016, which sets out general requirements on the establishment, organization and operation of customer advisory boards.

Addressing social and environmental issues [GRI 102-31]

Under our **Corporate Governance Handbook**[k], matters related to sustainability are addressed by our Governance & Sustainability Committee. **[GRI 102-19]**

In addition to this Committee, the members of our Executive Board also have responsibilities related to economic, environmental and social aspects as detailed in our **Bylaws**[l]. **[GRI 102-20]**

Significant economic, social and environmental issues under the responsibility of Executive Board members are referred to the relevant committees, and monitored and evaluated by the Board of Directors. **[GRI 102-33]**

A total of 39 critical economic issues, 14 social issues and 2 environmental issues were discussed at Board of Directors meetings in 2017, and actions were proposed to mitigate existing risks. Around 20% of meeting hours were dedicated to social and environmental matters. Where necessary, stakeholders are consulted through a range of engagements tools (read more in the chapter About This Report). **[GRI 102-21, GRI 102-34]**

Situations posing conflicts of interest or involving related party transactions are addressed in accordance with applicable regulations.

Further details can be found on our Investor Relations website under **Business Model**[m].

Enhancing and assessing performance [GRI 102-28]

Each year, Light's Corporate Governance Office organizes and conducts an assessment on the performance of our Board of Directors, Board members, Committees and Chief Executive Officer.

Performance assessments, which are approved by the Board of Directors, are a self-assessment tool that allows us to evaluate the performance of our government bodies on aspects such as: the flow of information between Executive Officers and the Board, the conduct of and subjects discussed in meetings, timeliness and quality in decision-making, accountability, harmony between Board members, and the personal conduct of members.

Our Corporate Governance Office also organizes and conducts assessments on the extent to which the Board of Directors and Executive Board have incorporated social and environmental aspects into business and operational decisions.

The Chief Executive is assessed on aspects that include vision, strategic planning, leadership, results of operations, external

k - **http://ri.light.com.br/ptb/4487/Manual%20de%20Governana%20-%20L.%20S.A.pd.pdf**
l - **http://ri.light.com.br/ptb/5426/Estatuto%20Social%20LSA%2031%2003%202016%20-%20Anexo%20I%20%20%28v1%29%20Final.pdf**
m - **http://ri.light.com.br/sustentabilidade/modelo-de-negocio**

relations and relations with the Board of Directors, development of key executives, and opportunities created for Light.

Performance feedback is discussed in the first Board of Directors meeting in the subsequent year, and significant recommendations are implemented by the Board.

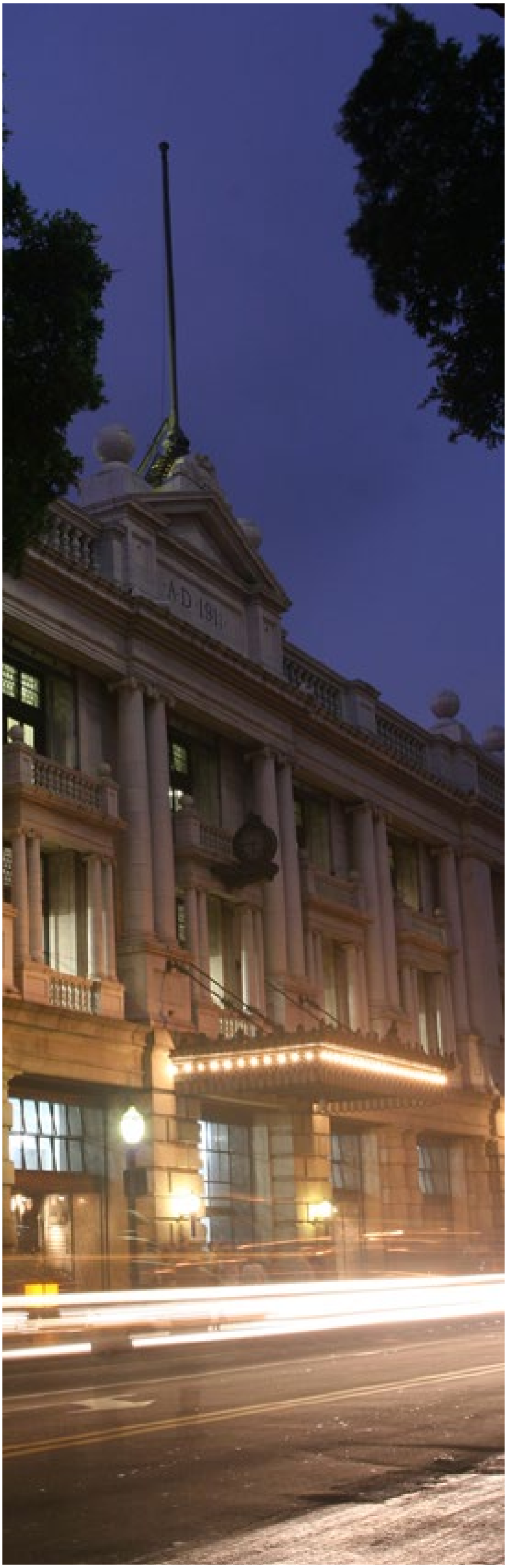
Details on Light's governance framework and tools are provided under **Business Model**, on the Light Investor Relations website.

Compensation policy [GRI 102-35]

Light's compensation policy has been designed using industry best practice to ensure we attract competent and qualified professionals. Our compensation model provides both fixed and variable compensation, but not share-based compensation.

Variable compensation plays an important role in fostering a result-based culture and ensuring shareholders, executives and employees are aligned around business objectives.

Light's compensation policy is detailed under **Business Model** on our Investor Relations website.



Ethics & compliance

[GRI 102-16, GRI 102-17, GRI 103-2]

Supporting our culture of ethics are initiatives to disseminate the LIGHT WAY through our Compliance Program, Ethics & Conduct guidelines and channels for reporting misconduct.

GUIDING PRINCIPLES

Code Of Ethics And Business Conduct

- Aligned with our mission, vision, values and organiza-tional principles.
- Incorporates aspects of Brazil's Anti-Bribery Act.
- Addresses matters related to conflict of interest and other anti-bribery matters.
- Supports our commitment to sustainable development and to our workforce by acting against any form of preju-dice or discrimination.

Ethics Committee

- The Ethics Committee ensures our Code of Ethics is kept current and relevant by discussing and recom-mending changes and revisions for approval by the Executive Board. It also addresses ethics violations and recommends appropriate disciplinary or corrective action.

REPORTING CHANNELS

Workforce

- Direct contact with immediate superiors.
- **Light Ethics Committee**, by email **comitedeeticalight@light.com.br**.
- **Corporate Hotline**[3], by phone 0800 777 0783, via the internet **www.canalcorporativolight.com.br** or by mail Caixa Postal 521 – CEP 06.320-971.

Customers And The General Public

- **Our Virtual Office**, **www.light.com.br**.
- ***Call Center***, by phone 0800 282 0120.
- **Ombudsman's Office**, by phone (0800 284 0182); by mail (Av. Marechal Floriano, 168, 2º andar, Cen-tro, Rio de Janeiro, CEP: 20080-002); by fax ((21) 2211-7584); or via our Mailroom (on the first floor of our headquarters building).

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3 - Our Corporate Hotline is a secure, confidential and, optionally, anonymous reporting service. Each report (except when submitted by snail mail) is assigned a number that can be used to track its progress through the report handling process. All reports are addressed by investigations that are managed by the Compliance department from receipt to closure. Depending on the subject matter, reports may be referred to the Ethics Committee. The Corporate Hotline is managed by an independent, world-leading firm.

n - **http://ri.light.com.br/fck_temp/1019_2/file/LIGHT%20Codigo%20de%20Etica.pdf**

ACTION TAKEN IN RESPONSE TO ANY VIOLATIONS OF OUR CODE OF ETHICS	
For direct employees	**For third-party employees**
• Reports are addressed by the relevant department man-ager, the Ethics Committee or Compliance depending on the case. Employees are subject to disciplinary action under appli-cable internal standards, including a warning, suspension or termination (including termination for cause).	• The matter is referred to the relevant supplier to assess the veracity of the report and take any re-quired action.

Engagement [GRI 205-2, GRI 412-2]

We include anti-bribery clauses in our contracts and provide periodic ethics training both to newly hired employees and interns and to our existing workforce (including direct and indirect employees). This includes classroom-based and online training (a total of 9,000 hours of training were provided in 2017), videos, booklets, messages and memorandums with awareness-raising and educational content.

In 2017 we marked National Ethics Day with a week of awareness activities for all employees:

- We produced an anti-bribery video presented by members of management and employees;
- Employees were encouraged to use our Corporate Hotline to report concerns;
- Light launched an online course on the Brazilian Anti-Bribery Act, which was successfully completed by 4,063 participants;
- We launched a weekly ethics "Pill" (LIGHT WAY) that uses educational content to improve our employees' understanding about the key principles in our Code of Ethics and Conduct, using light and richly illustrated materials. A total of 35 weekly editions of our "Ethics Pills" were released in 2017.

Reports [GRI 205-3, GRI 406-1]

Any suspected misconduct is investigated and the results of the investigation are categorized as either confirmed or not confirmed, by origin and by type, to provide an overview of those areas with the greatest exposure to compliance risks.

In 2017 we received 178 customer reports about misconduct, of which 51 (29%) were confirmed.

The Corporate Hotline received 52 reports, 15 (29%) of which were confirmed. Most confirmed reports were related to labor violations committed by suppliers (5), inappropriate behavior (4) and harassment (3). No bribery cases were reported in 2017.

The Ethics Committee received seven reports, including three related to harassment, two related to unfair advantages or conflict of interest, and two related to electricity theft.

Appropriate action was taken for all confirmed reports.

Compliance

In compliance management, in 2017 we continued to address incoming reports, and identified additional activities to be incorporated in our compliance program to strengthen the internal controls environment. Our primary focus was on raising awareness and providing compliance training to all employees, with support from our Human Resources team.

Risk management

[GRI 102-11, GRI 102-15]

Light works to continually improve our processes for identifying, monitoring and managing the risks to which we are exposed, with risk defined as any factor which could positively or negatively affect our performance and results.

The first stage in risk management is identifying risk factors based on our **Reference Form**[o], which lists our most significant risks. Risk factors are then drilled down into Corporate Risks, and for each Corporate Risk an individual assessment of the level of risk is conducted and this is then input into a Corporate Risk Matrix.

This process, done within our Integrated Risk Management Framework, is based on the methodology and procedures recommended by the Committee of Sponsoring Organizations of the Treadway Comission (COSO) and Enterprise Risk Management (ERM). The methodology comprises:

- Five levels of impact and probability: critical, high, medium, low and very low.
- Three classifications:

  - *Financial risks* – unexpected events which could affect our liquidity and/or undermine our capital structure.

  - *Operating risks* – unexpected actions and events, such as human error, equipment and system failure and actions by external agents which could cause substantial financial and reputational damages to the Company, affecting our customers and our long-term performance.

  - *Compliance risks* – legal and regulatory issues and changes in the political environment which could affect the electric utility industry. More specifically, regulatory changes could create additional legal contingencies for the Company.

Our Risk Matrix is reviewed annually to assess the controls in place, identify emerging risks and ensure risk impacts and probabilities are measured for each process. In our review in 2017, we updated 201 Compliance risks, 101 Financial risks and 120 Operational risks, for a total of 422 risks that have been drilled down from identified risk factors.

Some of our key risk factors include: power outages, debt, legal and administrative proceedings and contingencies, the ability to attract and retain qualified talent, occupational injuries and injuries to members of the public, and environmental damage.

In measuring the impacts from risks, we consider potential statutory and regulatory penalties, financial and operational aspects, potential reputational damage and whether the risk could generate inconsistencies in our financial statements. In measuring the likelihood of a risk materializing, we consider the degree of exposure to fraud and the relevant process' complexity and level of automation.

Individually assessed risks are then aggregated into processes to identify those issues that are most material to the Company and prioritize them in our Annual

o - **http://ri.light.com.br/divulgacoes-e-resultados-/documentos-entregues-a-cvm**

Internal Audit Plan—which is approved by the Board of Directors—to ensure the effectiveness of the relevant controls is evaluated during internal audit procedures. Following the completion of internal audits, we follow up on agreed action plans to completion.

Learn more about our risk factors and the relevant controls that are in place in our **Reference Form**, section 4.

IMPACT	× PROBABILITY	= RESIDUAL RISK
• Damage to Image • Errors in the FSs • Financial Losses • Operating Losses • Legal/Regulatory Sanctions	• Automation • Complexity • Susceptibility to Fraud	• The residual risk weight considers the company's control environment Critical High Medium Low Very Low

Commitment to sustainability

[GRI 102-12]

Light's commitment to sustainability is long-standing, as demonstrated by our listing on B3 (Brasil Bolsa Balcão) Novo Mercado—a listing segment requiring enhanced corporate governance standards—in 2005, and subscribing to the UN Global Compact—which encourages businesses to implement corporate social responsibility practices—in 2007.

Other initiatives to which we have subscribed include the Carbon Disclosure Project (CDP); the Global Reporting Initiative (GRI) reporting guidelines; and the Call to Action: Anti-corruption and the Global Development Agenda. As a further attestation of our commitment to sustainability, Light has been selected as a constituent of the B3 Corporate Sustainability Index, or ISE, and is a member of the Working Group of Sustainability Reporting Pioneers, a component of Brazil's Integrated Reporting Commission.

Notably, in 2017 we were listed for the 11th consecutive year as a constituent of the ISE, which lists companies demonstrating superior corporate sustainability practices; we were again ranked on the Guia Exame de Sustentabilidade list of Brazil's most sustainable companies; and for the fourth year running we were finalists in the ABRASCA Annual Reporting Awards, ranking third among publicly traded companies.

Also in 2017, we participated in the study on integrating the Sustainable Development Goals (SDGs) in Brazil's electric utility industry, which included a survey and a workshop to develop an "ideal" SDG matrix for the electric utility industry. The process was an opportunity to rethink our approach to the SDGs and provided additional inputs to be discussed at Light.

Engaging our people around sustainability

During the year, we developed and disseminated an online course on Sustainability to help ensure that all levels of the organization are aligned on Light's position in addressing Sustainability challenges and that they understand how our business is intrinsically connected to sustainable development, from our ethos to our governance model.

The course also presented our related commitments and policies and how they affect employees' day-to-day activities. In all, 1,187 participants attended a total of 5,250 hours of training.

Important guiding principles on sustainability are also established in the following policies: **[GRI 103-2]**

- Corporate Social Policy
- Environmental Policy
- Environmental and Climate Commitment
- Anti-Bribery Policy
- Communications Policy
- Contractor Management Policy
- Training & Development Policy
- Occupational Health & Safety Policy
- Sponsorship Policy
- Policy on Developing & Protecting Intangible Assets
- Social Responsibility Agreement*
- Code of Business Ethics & Conduct*

* - An integral part of our agreements with employees and suppliers.

Managing our capitals

We rely on essential resources and relationships, known as capitals[4],to conduct our business activities and deliver results. Those capitals, collectively, enable us to create value for all stakeholders and achieve superior results.

MANUFACTURES CAPITAL

Definition The infrastructure, facilities, materials and equipment needed for our operations, such as: power plants, reservoirs, dams, channels, dikes, spillways, substations, transmission and distribution lines, transformers, electrical conductors, breakers, disconnects, protection and control switchgear, vehicles, electrical and electronic testing laboratories and computer systems.

How we create value: By investing to improve our infrastructure and quality of service and through the shared use of concession assets for which we are entitled to collect usage fees.

Value creation indicators: Installed capacity, distribution systems, DEC and FEC.

Relevant stakeholders: Government, suppliers, telecommunications carriers and cable-television broadcasters, and the industry regulator.

NATURAL CAPITAL

Definition Renewable and non-renewable resources and environmental processes that support us in providing goods and services, including water, land, forests and biodiversity.

How we create value: By investing in environmental licensing, maintenance and environmental safety, environmental projects, educational initiatives, reforestation and our Environmental Management System (SGA).

Value creation indicators: environmental investment, greenhouse gas (GHG) emissions, certifications.

Relevant stakeholders: Regulators, academia and surrounding communities.

HUMAN HUMAN

Definition Our people's individual competencies, knowledge and capabilities, which together form our organization's pool of expertise and culture; and initiatives to achieve alignment with our organizational culture and strategies, with a focus on results. Human Capital also includes training, internal communication, talent retention, engagement and Company-wide

4 - As defined in the International Integrated Reporting Framework (learn more at **www.theiirc.org**)

integration to optimize processes.

How we create value: By effectively implementing the standards outlined in our strategic plan in a way that meets established targets and stakeholders' needs.

Value creation indicators: Training hours, Injury Frequency Rate, fines and penalties for non-compliance with laws and regulations.

Relevant stakeholders: workforce, suppliers and peers in our industry.

INTELLECTUAL CAPITAL

Definition Tacit knowledge, organizational standards and procedures, corporate systems, patents and licenses, technologies, research and development (R&D). Intellectual Capital also includes the knowledge management processes that ensure knowledge is preserved for future generations.

How we create value: From new technologies, new services and products, patent revenues, and knowledge retention.

Value creation indicators: R&D investment, patents

Relevant stakeholders: Academia, business partners and the workforce.

SOCIAL AND RELATIONSHIP CAPITAL

Definition The relationships established with stakeholders and networks to share information and enhance individual and collective well-being. Relationships, partnerships, common values, and intangibles such as brand and reputation. Initiatives geared to captive and free customers, including surrounding communities, relations with suppliers and governments, institutional communication and the press.

How we create value: Value creation occurs in several ways, but specifically in relation to our most significant challenges of reducing losses and delinquency, it occurs through regulatory and company-funded investments to establish a new approach to our relationship with communities, which includes meter normalization, donating energy-efficient equipment and raising awareness about energy efficiency. We also create value for our brand and reputation, reflecting trust in the strength of our organization.

Value creation indicators: Customer satisfaction, social investment, losses, collections.

Relevant stakeholders: Government, ANEEL, customers, community, suppliers, shareholders, industry associations and academia.

FINANCIAL CAPITAL

Definition The pool of funds that is available to the organization for use in the provision of services or investment, including return on investment, equity, debt or grants. Financial capital affects virtually all other capitals, as it provides the funds required for construction, training, studies and improvements. In addition, it defines how funds are applied. It is also affected by the results generated by other capitals.

How we create value: Value creation is related to our financial results, regulation, and other aspects and activities.

Value creation indicators: Net revenue, EBITDA, EBITDA margin, net income (loss), net debt, investments.

Relevant stakeholders: Shareholders, investors, financial institutions, market analysts, ANEEL, Federal Government and industry associations.

Intangible assets

The Human, Intellectual, and Social and Relationship capitals are considered intangible assets. These capitals have no physical form or market value separately and are developed through activities such as training, education, innovation and processes, communication campaigns, etc.

Other intangible assets include concession infrastructure and research expenditure recorded as property, plant-plant and equipment: (read more in the **Financial Statements**p , Note 3.

Our approach to managing these capitals takes account of existing interrelationships and impacts and supports our sustainable development, delivering increased value creation both for Light and for our stakeholders and ensuring the continued availability of the capitals over time.

We have identified the resources that are part of each of the capitals within our business and have assessed our performance on each capital against the relevant indicators described above (training hours, financial results, emissions, power quality, customer satisfaction, etc.).

The following chapters describe how we manage our capitals in accordance with the Company's strategic guidance.

We achieve operating efficiency by managing our natural and manufactured capitals, implementing process improvements, deploying new technologies and making targeted investments.

In our loss reduction and collection efforts, we work to improve our social and relationship capital by building closer relations with our customers through customer service improvements, social investment and targeted communications.

Activities addressing our financial capital included the Extraordinary Tariff Review (RTE), debt restructuring and a re-assessment of our equity interests.

All our initiatives in the year were supported by our human and intellectual capital, which we addressed by strengthening our organizational culture (the LIGHT WAY), retaining knowledge, promoting merit-based opportunity, and aligning and preparing our leadership for challenges.

p - **http://ri.light.com.br/divulgacoes-e-resultados-/central-de-resultados#2017**

Operating efficiency

OPERATING & CAPITAL EXPENDITURE

Cost control tools, investment optimization and supplier contract renegotiation all help to ensure our financial resources are used efficiently.

Light has implemented a new cost reduction and smart investment allocation strategy that enabled us to improve our quality and loss indicators despite the reduction in total investment in 2017, demonstrating our commitment to optimize our operational and resource efficiency.

Capital expenditure

Light's capital expenditure is primarily allocated to: new connections and system expansion to provide service to new customers; distribution system maintenance and improvements; non-technical loss reduction activities; and generation asset maintenance. We also make investment contributions into the companies in which we have an interest and which have projects currently in progress.

Our capital expenditure projects are funded by financing provided by the Brazilian Development Bank (BNDES), debenture and promissory note issues; and from our own cash flows.

Total capital expenditure in 2017, not including contributions to subsidiaries, was R$ 743.8 million, down 3.6% from 2016.

Contributions to subsidiaries totaled R$ 151.0 million, a decrease of 16.4% compared with 2016. Contributions were made into Belo Monte (R$ 29.0 million), Guanhães (R$ 101.2 million), Itaocara (R$ 2.8 million) and Renova (R$ 18.0 million) projects.

Not including contributions, the distribution business accounted for the largest share of investment at R$ 627.1 million (84.3% of total investment), although declining by 4.8% compared with expenditure in 2016. Significant investments in the period included: (i) R$ 404.9 million invested in the development of our distribution systems and expansion to accommodate market growth, increase system resilience and improve quality, of which R$ 202.8 million was invested specifically within the Action Plan agreed with the regulator in the most recent periodic tariff review; (ii) R$ 222.3 million invested in the loss reduction program, including a larger number of field crews to intensify low-voltage (LV) customer inspections and normalization, meter upgrades to a more advanced technology, and continued investment in Smart Grid power balancing. Of total capital expenditure in 2017, 79% was allocated to electrical assets (eligible for recognition in the Regulatory Asset Base (BRR)).

R$ MILLION	2015	2016	2017
Capital Expenditure	**892.9**	**772.6**	**743.8**
Distribution	773.9	659.0	627.1
Trading	10.4	1.9	0.9
Generation	56.3	45.2	33.9
Administrative	52.3	66.5	81.9
Contributions to Subsidiaries	**50.8**	**180.6**	**151.0**
TOTAL	**943.9**	**953.2**	**894.8**

Investment in Generation was allocated to the construction of the Lajes SHP and equipment upgrades, dam repairs and civil works.

Operating expenditure
Efforts to improve resource efficiency and smart funding allocation continued in 2017. Actions to reduce non-core and/or administrative expenses enabled us to reallocate resources to our core operations.

At Light SESA, a review of our primary electricity recovery and engineering processes generated OPEX savings of respectively 7% and 4% compared with estimates for the year.

In Power Recovery, we recovered 1,093 GWh to end the year with total grid losses of 21.92%, a 0.62 p.p. improvement from 2016 that has brought us closer to the regulatory threshold.

In Engineering, a process review enabled us to achieve the DEC reduction target agreed with ANEEL, with equivalent outage duration declining by 22% from 2016 to an all-time low of 9.15 hours (compared with the ANEEL limit of 11.39 hours).

In addition to these initiatives, and within our matrix-based expense management model, we successfully optimized Fleet, Facilities, Communications and Collection costs. In Collections, despite the cost reductions, we achieved a collections rate of 96.6% of billed amounts in 2017, exceeding our internal target despite the unfavorable social and economic conditions in our concession area.

At Light Energia, efficiency improvements supported reduced supplier costs and improved crew management without negatively affecting plant equipment maintenance operations.

GENERATION

Our Generation Assets
Our generation assets comprise five hydropower plants (HPPs) in Rio de Janeiro and São Paulo (Fontes Nova, Nilo Peçanha, Pereira Passos, Ilha dos Pombos and Santa Branca) and two pumped storage plants (PSP) in Santa Cecília and Vigário.

Our hydro assets also include reservoirs, dams, channels, dikes, spillways, tunnels, penstocks and water intakes to carry the kinetic energy from the Paraíba do Sul and Ribeirão das Lajes rivers for use at our generation facilities.

Expansion and Upgrades
In 2017 commissioning began on the Lajes Small Hydro Plant (SHP), which will add approximately 17 MW of installed capacity to the current 855 MW within the Lajes Complex. This is a historical project that has been developed at the same site where Brazil's first hydropower plant was built 100 years ago, now with state-of-the-art technology and high-quality equipment entirely designed by Light engineers[5].

The construction of the facility involved a range of challenges, such as the rugged and steep terrain and proximity to century-old buildings, requiring clever engineering solutions to preserve historical heritage sites.

This new addition to Light's generating facilities will improve flood control along the Piraí River and in the Lajes Reservoir and increase water security, operating flexibility and water savings in the Reservoir during dry seasons (learn more in the subsection "Business Environment in 2017").

Following commissioning, the plant is scheduled to begin commercial operation in the first quarter of 2018.

5 - The construction contract includes provisions on the contractor's obligations relating to employee rights. **[GRI 412-3]**

MODERNIZATION AN UPGRADE TARGETS FOR 2018

- Modernize our power plant control and protection systems.
- Upgrade generator A at the Fontes Nova HPP.
- Complete the detail engineering for the Ilha dos Pombos HPP North channel spillway repairs.
- Rehabilitate the Vigário Pumped Storage Plant penstock shafts.
- Upgrade the Unit 1 pump system at the Santa Cecília Pumped Storage Plant.

TO LEARN **MORE** ABOUT

• Learn more about Lights's generation assets **Light Energia**[q].

Operating environment in 2017

The year 2017 presented significant challenges to our industry, including a higher Difference Settlement Price (PLD) and lower Generation Scaling Factor (GSF) driven primarily by temporary changes in Brazil's energy mix caused by increased out-of-merit-order dispatching of thermal power plants, imports and delayed construction of transmission systems to connect generation projects within the Energy Relocation System (MRE).

The water crisis in the Paraíba do Sul River basin continued, in what has become the worst drought in the last 85 years. River discharge volumes in 2017 approximated those recorded in 2014, the worst year on record, which reduced the basin's storage level to 33.9%, less than the 49.4% in 2016.

Among the problems identified was the mixed-use of water resources from the basin, requiring a new management approach with a focus on water supply. As part of our efforts to manage the crisis, periodic Basin Committee meetings were held with the participation of government authorities, the National Grid Operator (ONS), civil society and users (including electric utilities, manufacturing facilities, water supply utilities, irrigated farms, etc.) to ensure that available water resources are managed in a way that minimizes impacts on the population. Hydrology studies were also conducted to optimize flow regulation at our hydropower dams.

Our operations directly affect the quality of water supplies to the Metropolitan Area of Rio de Janeiro—water supply systems and our hydroelectric power generation facilities share the same water resources. Currently, 96% of Rio's water supply flows through the Lajes Complex. Any incidents along the river system could disrupt or affect the quality of water supplied to the region. To provide better control and ensure we continue to meet ONS requirements, in 2018 Light will install state-of-the-art flow meters for all turbines and pumps within the Lajes generation complex.

Because our water intake systems involve a high level of complexity, managing our power plants requires coordination with the different river resource users. Even regular maintenance operations, which for other power plants are a simple process, require coordinated planning for the Lajes facilities.

Water management and plant maintenance

Water is our primary natural capital as a raw material required to generate electricity. Accordingly, Light has an environmental management program in place for the protection of ecosystems and water quality. **[GRI 304-2]**

Our Aquatic Macrophyte Management System project is in its final stages and is expected to be completed in the first half of 2018. The project will support sustainable plant colonization at low maintenance

q - **http://www.light.com.br/grupo-light/Empresas-do-Grupo/light-energia.aspx** costs, improving the landscape while also delivering good quality water for downstream use in power generation, and reducing pumping costs at the Vigário PSP.

Further progress was made on our erosion remediation plan at the Santa Branca dam. The works have progressed on schedule and the last stage of the plan agreed with the Sao Paulo State environmental regulator (CETESB) and Public Prosecutors' Office has been completed. Minor corrections and improvements to the vegetation cover will be carried out in January and February 2018. We also conducted a retrofit of the speed governing system at the plant, which included replacement of controller panels/vibration monitoring systems for the generator units.

In addition, we completed the replacement of pump unit shafts at the Vigário PSP. Replacement of the rotors with higher performance units is currently in progress, and because design changes will be required, the project is expected to be completed only in the first half of 2019. The two best-performing rotors out of a total of four remain in operation. The efficiency improvements delivered by the project have also positively affected flood control in the region.

In 2017 we completed the new overhead crane and grate clearing machine at the Santa Cecília PSP, the flood response plan at the Nilo Peçanha HPP and a new emergency spillway system. We finalized new Dam Safety Plans, including new Emergency Response Plans and the relevant dam inundation maps for all dams operated by Light Energia. These have been delivered within the statutory time frame to civil defense bodies and city halls in all municipalities within the direct area of influence of our dams..

DISTRIBUTION
[GRI 203-1, GRI EU23]

Description of our distribution business

Power distribution is the conveyance of electricity from the boundary of the National Grid to the point of delivery to consumers. As of December 31, 2017 we had 2,026 km of 138 kV power lines. All consumers connecting to these lines—including free consumers and generators—are required to pay a fee for their use of the system.

Our distribution system comprises 2,494 power lines, including 39 6 kV lines, 2,291 13.8 kV lines and 164 25 kV lines. Most of our distribution systems are overhead lines, although we have one of the largest underground distribution systems in Brazil. Wholesale industrial and commercial consumers receive power supply at high voltage, while smaller industrial, commercial and residential consumers receive power at lower voltages.

We supply electricity to more than 4.5 million customers in 31 municipalities in Rio de Janeiro. Continual investment in upgrades and modernization, preventive maintenance, state-of-the-art technology and training helps to improve our quality of supply. Total capital expenditure in Distribution & Transmission was R$ 405.8 million and operating expense was R$ 147.3 million in 2017.

Overhead system

Overhead system improvements in the year included equipment installation and replacement, inspections and tree trimming.

- **1,732** preventive inspections
- **2,685** transformers replaced
- **2,141** corrective inspections
- **241,722** tree trimming operations

SYSTEM INFORMATION [EU4]	2015	2016	2017
Installed capacity (MVA)	10,340	10,492	10,522
Sub-transmission lines (Km)	1,987	2,033	2,026
Total distribution system length (km)	67,807	77,063	77,684
Substations	221	222	222
Distribution transformers (un.)	89,622	90,720	91,741

Tree trimming: significant challenge is planning an optimal schedule for tree trimming operations, as each tree species has its own growth rates and response to climate effects. To minimize the risks of power outages occurring as a result of short-circuits caused by contact between overhead power lines and tree branches, we have intensified our tree trimming efforts and have worked on developing better tree trimming practices to inhibit growth.

System protection: We installed protection equipment at a number of points in the distribution system, some of which have been equipped with communication equipment supporting remote monitoring of electrical variables. In addition, we installed new power line systems to increase flexibility and mitigate impacts from contingencies, and replaced sections of bare (unprotected) overhead lines with robust (protected and insulated) power lines.

Selfhealing systems: In 2017 we invested R$ 11.8 million in Light's first semi-centralized self-healing system involving four distribution feeders. The system supports automatic system recovery without operator intervention in the event of a system fault.

SMART SENSORS

- Smart sensors detect transitory faults and prevent them from becoming permanent faults
- Tests have shown that fault events have been reduced by 60% through preventive inspections
- Permanent fault recovery time has been reduced by 30%

SELF-HEALING

- 23% Internal Rate of Return (IRR), exceeding Light's internal average of 15% for other projects.
- 22% reduction in System Average Interruption Duration Index (SAIDI).

Preventive and corrective maintenance: Light implemented new management initiatives for compliance with the regulatory commitments established in the ANEEL Action Plan, involving investments of R$ 343.6 million.

Underground systems

Light conducted an underground system upgrade in 2017 that exceeded the targets agreed with ANEEL.

Underground system upgrade plan: we replaced 570 oil switches and 573 transformers in 2017, in both cases exceeding the relevant ANEEL targets by 113%. Successful delivery of the plan was supported by the involvement of several functions within the Company, alignment with partner companies, and the implementation of a multi-channel (website, Twitter, Facebook, etc.) communication plan to demonstrate the importance and benefits from the project to the public. In 2017 we allocated about R$ 75 million to this project alone, an increase of about 50% in relation to the average total underground system budget for the two-year period 2015-2016.

Preventive and corrective maintenance: We conducted inspections on all civil structures throughout our concession area to identify non-conformities and the need for preventive maintenance on medium voltage

STRATEGIES 2018

- Enhance reliability and preventive maintenance;
- Prioritize critical feeders and assemblies;
- Improve tree trimming efforts;
- Expand our protection and self-healing assets;
- Increase the number of switching points;
- Respond quickly to recurring outages; and
- Install compact and insulated power systems.

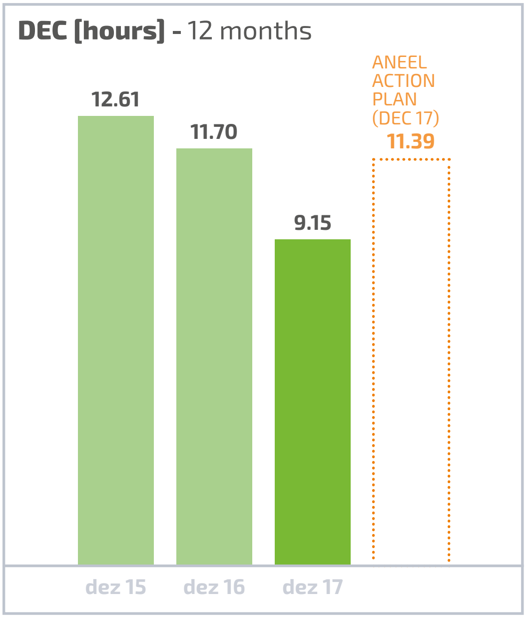
As part of our efforts to address challenges in 2018, we have invested in new technologies, such as: maintenance management software, drones for our system and substation inspections, a tree branch grinder to process tree trimming waste, and smart sensors that quickly detect power system faults and help recover from unscheduled outages.

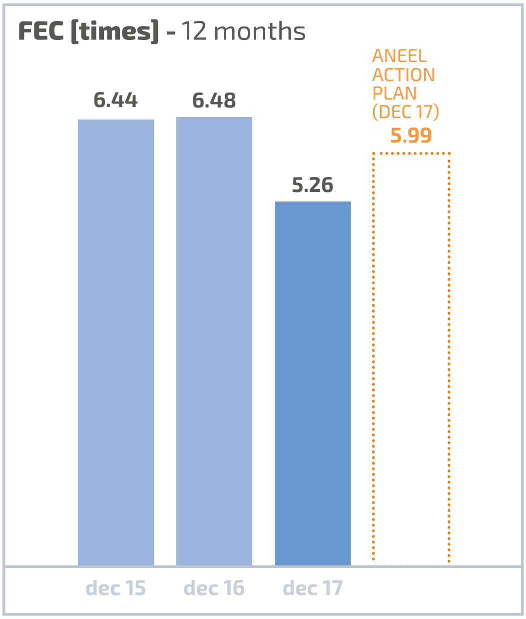
We also purchased medium voltage power line diagnostic systems to help objectively target circuit replacement operations.

systems, equipment, low voltage systems and civil structures, as well as any stolen cables requiring replacement.

Quality of service
[GRI EU6]
As a result of continuing efforts to increase efficiency, we succeeded in 2017—with less investment than in the previous year—to improve our systems' power quality indicators, including Equivalent Outage Duration (DEC), which measures total power outage time in a given area.

Effective Outage Duration (DEC) (12 months) was 9.15 hours at December 2017, an improvement of 21.79% from 11.70 hours as of December 2016. Equivalent Outage Frequency (FEC), which measures the number of outages in a given area, was 5.26 as of December 2017, a significant improvement of 18.83% compared with December 2016 (6.48). **[GRI EU28, GRI EU29]**





OUR TARGET FOR 2018 IS TO REMAIN BELOW | DEC < 9.80h • FEC < 6.01x

Implementation of our Action Plan and Underground System Upgrade Plan helped to achieve the DEC improvement targets agreed with ANEEL. Performance on FEC and financial compensation, in turn, was already compliant with regulatory limits.

These results were supported by enhanced planning and execution monitoring through the following initiatives:

- Implementation of BI (Business Intelligence) tools to monitor daily operations and consolidate indicators;
- Development of quality indicators to inform preventive action (tracked indicators);
- Implementation of a tool to monitor daily operations activities in real time, informing decision making by the Distribution Operations Center (DOC) and regional units;
- Development of a computational tool for modeling and predicting power transformer overloads and detecting overloads in power lines and transformers;
- Implementation of a Maintenance Requisition System (MRS) with a model for calculating potential financial compensation reduction as a result of scheduled medium voltage and low-voltage distribution system maintenance.

Financial compensation: Improvements to our power quality performance resulted in a reduction in financial compensation payments for supply continuity violations to R$ 27 million, a 37.4% decrease. Light also paid R$ 504,000 in compensation for exceeding the regulatory period allowed to respond to commercial service requests. **[GRI 419-1]**

PROCESS REDESIGN AND NEW TECHNOLOGIES **[GRI EU8]**

In 2017 we delivered two strategic, structuring projects—GDIS 2.0 and ÚN1CO—to drive improvement in operating excellence. We also conducted R&D programs to develop innovative solutions across operating efficiency, quality of service, loss reduction and other challenges.

Targeted initiatives are needed to improve our performance indicators, and will require new technologies and process redesign.

Distribution management system (GDIS)

Our Distribution Management System (GDIS) has been redesigned to better support our System Servicing and Operation Management processes. GDIS 2.0 unifies our crew dispatching systems and has incorporated best practice from across Light and Cemig as well as new functionality, such as: geographic dispatching with geospatial functionality, covering the full range of scenarios and system topologies, and integration of all emergency and commercial crew dispatching events into our Customer Relationship Management (CRM) module.

In addition to new functionality, GDIS 2.0 incorporates a major technology upgrade and now features a standardized and modular architecture, with a redesigned user interface for enhanced usability, ease of operation and customer service.

ÚN1CO

ÚN1CO has delivered a step-change upgrade to support our strategy of standardizing billing and CRM systems across LIGHT and CEMIG, as well as an upgrade to our SAP-CCS (Customer Care and Services) system. LIGHT and CEMIG were benchmarked against each other to support process optimization

* - Valor considerando a competência, ou seja, associado às interrupções ocorridas de jan/17 a dez/17.

and operational efficiencies, delivering excellence in customer service across channels.

We prepared well ahead of this project by reviewing our processes, training our teams and ensuring all functions involved were engaged from the design phase through testing to implementation of the new system.

Some the key benefits from the ÚN1CO project include:

- Customer Service improvements: a faster response and better management of service requests through systems integration;
- New controls and business rules for improved security and to prevent operator errors;
- Changes to the Billing process to support simultaneous meter reading and invoice delivery;
- Increased productivity through process automation: Receivables Recovery, Revenue Protection and Loss Reduction;
- Integration with GDIS for crew dispatching and invoice management: Connections, Disconnections, Reconnection, Power Recovery, etc.;
- Industry best practice incorporated in our New Virtual Office, Self-Service Kiosks and Mobile Services, all fully integrated with SAP-CCS.

Project Atlantis

This project will support integration across our business processes, including overhead and underground distribution asset registration, planning, analysis and capitalization. Because Project Atlantis had interdependencies with GDIS 2.0 and ÚN1CO, completion has been postponed to 2018.

Research and Development

Total ANEEL-regulated R&D investment in 2017 was R$ 6.7 million, including R$ 4.2 million invested in projects at Light SESA and R$ 2.5 million at Light Energia.

The level of investment declined under our strategy of planning investments to achieve the target agreed with ANEEL from 2020, when the SELIC balance will be used to determine the R&D accrual limit, increasing the number of projects and investments in the pipeline. As part of the strategy, we organized three public calls for proposals in 2017 to structure a new R&D pipeline that is compliant with regulatory requirements and supports a reduction of our SELIC account balance by 2020. We received a total of 373 proposals, involving an investment of R$ 26 million.

Selected R&D projects involve the development of solutions to some of Light's most significant challenges, such as loss reduction and improving our quality indicators. Out of the 21 projects approved by Management in 2017, 19 are related to these challenges, with seven addressing non-technical losses and 12 addressing power quality (five in distribution and seven for high-voltage systems).

At Light SESA, two significant projects developed in 2017 were a non-invasive delivery point branch connection detection system for underground systems, and a study on regulatory aspects related to non-technical losses in high-risk areas, each involving an investment of respectively R$ 690,000 and R$ 731,000.

Significant projects at Light Energia include an innovative hydro generator heat exchanger cleaning system (Fontes Nova) and a testing method for generator protection systems, each involving an investment of respectively R$ 886,000 and R$ 194,000.

In 2017 we completed seven R&D projects as outlined below:

Light Energia

- Light Energia R&D Program Management 2016;
- Construction of a 3MWp Solar Farm and assessment of technical and economic performance under different climate conditions within the Brazilian energy mix;
- Technical and commercial arrangements for incorporation of solar energy into Brazil's energy matrix;

Light SESA

- Light SESA R&D Program Management 2016;
- Prototype - Development of load switch condition control system methodology and pilot;
- Simulight - Experimental prototype development;
- Dynamic modeling to evaluate impacts from alternative sources on power distribution systems.

In 2017 we filed for international (US) patents for two projects: "Development of an interoperable smart grid platform integrating distribution metering and automation systems and using digital certification to support the Smart Grid program" and "Corrosion detection system for live line ACSR cables".

TO LEARN **MORE** ABOUT

- Learn more about our **Research & Development Program**[r] and projects.

Our challenge in 2018 will be to monitor and control the roughly 50 R&D projects as of year-end 2017, involving an estimated investment of R$ 33.0 million at Light SESA and R$ 4.4 million at Light ENERGIA, under a strategy designed to reduce our SELIC balance to below the regulatory limit by 2020.

SUPPLIER MANAGEMENT [GRI 102-9, GRI 308-1, GRI 414-1, GRI 414-2]

Suppliers are categorized in our vendor database by type (materials and equipment or services) and criticality (economic and strategic impact on our business). In 2017 we had 1,502 active suppliers, including 113 critical suppliers.

Critical material and equipment suppliers are those supplying products required for our core business activities, including electrical conductors, transformers, metering equipment and switches. Critical services related to power distribution include expansion, maintenance, emergency response, connections, power recovery and meter readings. Critical corporate services include IT services and equipment, facilities maintenance, fleets, health insurance, communication services and legal services.

Selection

SUPPLIER SELECTION CRITERIA

- Compliance with our Code of Ethics and Social Responsibility Agreement.
- Technological, technical and production capabilities.
- Quality.
- Occupational health and safety.
- Environment and social responsibility.
- Economic and financial health.
- Tax and social security contribution compliance.
- Criticality.

r - **http://www.light.com.br/grupo-light/Quem-Somos/pesquisa-e-desenvolvimento.aspx**

Monitoring

All service providers that have employees registered with Light were audited for compliance with labor regulations and good practice. In all, 184 labor due diligence audits were conducted on 104 companies, of which 28 also underwent financial audits. Depending on the number of employees and their activities, audits can be either on-site or desktop-based.

Following the assessment, a report is issued on any nonconformities directly affecting the supplier's score. If a supplier's score is less than eight, a feedback meeting is held to discuss the details of the report, formally serve notice on the supplier, and develop an action plan with a time frame to correct the nonconformities.

Out of 184 audits, 60% resulted in an average score equal to or greater than 8.0 and out of 104 suppliers, 90% had one or more nonconformities.

Significant nonconformities included: failure to meet weekly rest requirements; failure to provide at least 11 hours of rest between workdays; HR system errors related to overtime payments;

Supplier quality

In 2017 we included 22 new suppliers in our Supplier Qualification System (SQF) and incorporated new activities, including service offices, call centers and smart grid services. We also implemented the 2nd SQF due diligence wave on contracts involving materials. Using oversight and management tools such as SQF and supplier audits, we have supported our suppliers' development by providing structured feedback. We conducted 66 contract reviews involving 39 suppliers, and created a ranking that has been distributed to our managers.

We also incorporated 34 new suppliers into the Outsourced Workforce Module of our Integrated Supplier Management System (GEIC), for a total of 226 trained and qualified suppliers. Implementation of the Supplier Termination and Certification Update modules has been postponed to 2018 due to server storage issues.

Quality of materials

In 2017 we conducted 11 on-site assessments of new materials manufacturers for aspects such as production capacity, quality control, plant layout, machinery, tooling and social and environmental criteria—all assessed manufacturers were approved.

We also continually monitored our suppliers through social and environmental assessments during these inspections. In 2017 light conducted 88 social and environmental assessments, all of which had positive results.

QUALITY & SERVICE MONITORING PRACTICES

- Critical suppliers are subject to oversight and audits.
- Audits cover labor-related matters such as Sever-ance Indemnity Fund (FGTS) and social security payments, vacation pay and overtime pay.
- Environmental and Social Responsibility question-naires.
- Our Supplier Qualification System, which ranks our suppliers based on audit findings, credit ratings, tax and social security contribution compliance, and as-sessments of management and occupational safety.
- Performance assessment: quality assurance.
- All materials are evaluated and tested on receipt.

All 12 suppliers were confirmed to have Quality Assurance (QA) certification, expiring in November. Revalidations will be conducted throughout 2018 during scheduled on-site assessments to evaluate not only existing certification, but also new entrants.

Our plans for 2018 include a transformation process at the Supplier Management function to extend the scope of its risk management activities to include supporting the Procurement team in mapping out the supplier market to populate our Vendor List, and in minimizing financial and labor risks.

TO LEARN **MORE** ABOUT

- Learn more about our relations with suppliers at **Relações Sustentáveis**[s].

ENVIRONMENTAL MANAGEMENT

We are committed to using natural resources efficiently and sustainably, addressing climate change risks, and mitigating impacts, as expressed in our environmental policy and the Environment and Climate Commitment detailed in Light's **Commitment to the Environment**[t].

In 2017 we invested approximately R$ 30 million in environmental initiatives involving environmental maintenance and safety, environmental licensing and compliance, Environmental Management System (EMS) implementation and maintenance, reforestation and slope stabilization, aquatic plant removal, and R&D.

We implemented good environmental management practices across the organization within our EMS system and in accordance with the requirements outlined in ISO 14001, which establishes environmental management standards for power generation and distribution operations. Plans for 2018 include migration to the latest edition of ISO 14001.

Environmental management systems support organizations in managing natural resources efficiently, and preventing impacts, fines, site closure, accidents, legal proceedings and reputational damage.

In 2017 we initiated a program to expand the scope of our EMS system to include the medium voltage segment, and completed the environmental aspect and impact identification phase. The next step will be to identify the environmental regulations applying to the processes involved, and required action and new management procedures.

In addition, we conducted environmental inspections at 120 substations and prepared status reports in order to mitigate any environmental risks.

Our hydropower plants are also certified to OHSAS 18001 (occupational health and safety) and to ISO 9001 (quality) within our Integrated Management System (IMS). Currently 83% of Light SESA's sites (304 sites) and 100% of Light Energia's hydropower plants are certified. This is supported by a continual improvement strategy. **[GRI 416-1]**

s - **http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx**
t - **http://ri.light.com.br/sustentabilidade/compromissos-com-o-desenvolvimento-sustentavel**

Operating efficiency

Improvements in operating efficiency are also reflected in environmental management as they enable us to identify and manage environmental impacts and risks related to the business more effectively, and support efforts across efficient and sustainable resource usage, waste management, reverse logistics and recycling.

Risk factors

[GRI 102-11]

Through inspections, internal and third-party audits, and training, we continually manage the environmental risks affecting our business, stakeholders and/or environmental and climate change, and establish operations management actions and targets as well as emergency response plans for potential impacts and risks.

Read our **Reference Form**[u], sections 4.1 and 4.3, for further details on our environmental risk factors, their sub-components and the environmental processes in place at the company..

Climate change

[GRI 201-2, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5]

Our business results can be negatively affected by unfavorable hydrological conditions, power outage risks, and water rationing in Brazil. Climate change affects both Light Energia—which is 100% reliant on hydropower—and Light SESA, which is affected by rising temperatures and weather extremes, which can result in higher electricity consumption, non-technical losses, delinquency and overloading of our distribution system.

Risks and opportunities related to climate change are detailed in the Carbon Disclosure Project (CDP) questionnaire available on our Investor Relations website under **Reports**[v].

Our annual Greenhouse Gas Emissions Inventory reported total emissions of 265,525.87 tCO_{2eq}, a decrease of 1.4% compared with the previous year.

Greenhouse gas emissions intensity, a measure that is relative to gross revenue, was 0.00001427 tCO_{2eq}/R$ for Light SESA; 0.00001229 tCO_{2eq}/R$ for Light Energia; and 0.00072587 tCO_{2eq}/R$ for Light ESCO. Emissions intensity refers to Scope 1 + 2.

Within Scope 1, our primary emission source is natural gas combustion (fixed source), which accounts for 68% of total emissions in this scope. These emissions are produced by Light ESCO's cogeneration plant, which captures and markets part of the carbon dioxide generated by natural gas combustion.

We have worked to continually reduce emissions of Sulfur Hexafluoride (SF_6), a gas used as an insulator in electrical equipment. We expect SF_6 emissions to continue to decline over the following years as a result of efficiency improvements in our processes and substations.

In accounting for Scope 2 emissions, or indirect emissions from purchased electricity and transmission and distribution losses, a National Grid emission factor is applied that covers all power plants (hydro, fossil and wind) in operation in Brazil.

Our goal for 2018 will be to reduce Scope 1 emissions by 6%.

Carbon footprint

In 2017 Light SESA's carbon footprint was 1.0475 kg of CO2eq/MWh, a significant decrease compared with 2016. The largest impact on reducing Light SESA's carbon footprint was through reduced use of fuels. Raw materials primarily account for the emissions contributing to Light SESA's carbon footprint.

u - **http://ri.light.com.br/divulgacoes-e-resultados-/documentos-entregues-a-cvm**
v - **http://ri.light.com.br/sustentabilidade/relatorios**

Light Energia's carbon footprint was 1.9683 kg of CO_{2eq}/MWh in 2017. The largest impact on emissions affecting Light Energia's carbon footprint is related to waste materials generated by our operations, and especially aquatic plants (macrophytes). Light has continued to invest in improvements to reduce these emissions.

TO LEARN **MORE** ABOUT

- Learn more about our **Environmental Programs**[x].

Waste management

We have procedures in place to ensure waste materials are properly segregated, stored, transported and disposed of (through reutilization, salvaging and recycling) at licensed facilities. Waste management activities are conducted under a Waste Management Plan and we have a licensed facility for temporary storage of class I hazardous waste.

Waste movement records are entered in the environmental regulator's Waste Manifest System.

We also monitor aspects that include: the use of mineral oils, waste segregation efficiency, water consumption, municipal and industrial wastewater treatment, and regulatory compliance.

Natural resource efficiency
[GRI 302-3]

Light's total electricity consumption in 2017 was 135 GWh, down 4% from the previous year, and our resulting energy intensity was 0.00725 kWh per R$ of gross revenue. The reduction is a result from our fleet optimization efforts and a 27.1% decrease in fuel combustion, generating fuel cost savings of R$ 482,000 in the year.

Water consumption at our facilities decreased by 3.3% compared with the previous year as a result of process improvements.

x – **http://www.light.com.br/grupo-light/Sustentabilidade/compromisso-com-o-meio-ambiente.aspx**

People management

In 2017 we retained our focus on cost reduction, redesigning our processes for optimization while maintaining the effectiveness, work-life balance, quality of life and development of our human capital.

Engagement efforts across the organization helped us to achieve important progress: we intensively disseminated the three LIGHT WAY pillars (Safety, Ethics and Results) across the Company; we supported merit-based opportunity and worked to align and prepare our leadership to take on new challenges; we intensified our efforts to select skilled employees and to train and engage our teams; and we further strengthened our safe work practices by encouraging positive behaviors and mindsets among employees, supporting a zero-accident culture.

WORKFORCE PROFILE

4,064 employees

- 3,064 men
- 1,000 women

7,731 third-party workers

- 7,224 men
- 507 women

71 interns

196 employees with disabilities

531 new hires in the year

Diversity & equity

We support diversity and provide equal opportunity to men and women, providing a work environment that is free of discrimination in promotions to management positions and in compensation paid for equivalent work.

Currently 22% of our management positions are held by women.

In addition to Collective Bargaining Agreements and our Profit-Sharing Plan, we have undertaken a commitment to our industry's unions to adhere to a Social Responsibility Agreement for the protection and defense of human rights recognized by the United Nations, to the fundamental conventions of the International Labor Organization (ILO), and to the principles established in labor legislation.

Programa Iluminar

Programa Iluminar—an internship program created in 2005 to include young people with intellectual disabilities in the labor market—has increasingly provided an important opportunity for inclusion. In 2017, after two participants successfully completed their two-year internship, our intern team had six participants.

For the first time, one of our interns was assigned to work at the Marechal Floriano commercial office and provided a high-quality service that exceeded the expectations of one of our customers. This customer entered a complement in our suggestions book, and the intern was named by the office manager as a candidate in the Recognition program and was honored in the Excellence and Results category.

Also in 2017, we expanded our arrangements with educational institutions for students with intellectual disabilities, to support recruitment of new interns over the age of 18.

OCCUPATIONAL HEALTH AND SAFETY AND QUALITY OF LIFE

We continuously invest in health promotion and accident prevention through Programa

Vida! (described below), which works on four fronts to build a safety culture. **[GRI EU21]**

Raise awareness

- Awareness campaigns and a continuous communication plan;
- 72 employees received recognition for reaching ten safety inspections with no nonconformities;
- Toolbox Talks for all operational teams;
- Oversight of safety behavior, with 463 manager visits to field teams;
- Caravanas da Vida workshops with internal facilitators, with approximately 1,500 participants;
- A "Safety D-Day" event was held on National Occupational Accident Prevention Day, with activities addressing the right to refuse unsafe work and risk awareness;
- Internal Accident Prevention Week (SIPAT), with 3,415 participants; and
- Four integration workshops were held for suppliers' Specialized Occupational Health and Safety Service (SESMT) teams, with an average of 70 occupational health and safety professionals attending each workshop.

Train

- We conducted crew leader training to develop team leadership skills with a focus on safety, customer service and improving operational results;
- We provided in-house training on regulatory standards (NR10, NR35 and NR33), including refresher training, to provide a better training experience to participants; and
- Operational training programs were customized to meet specific safety and process needs.

Measure

- Exams to test employees' knowledge about regulatory standards (NRs) 10, 33 and 35 (multiple-choice and theoretical) were taken by all newly hired assistants, electricians and managers at Light's distribution partners, to evaluate training quality;
- Additional proactive indicators were developed, including nonconformities identified in inspections and the Light Risk Index (IRL);
- Occupational Health and Safety (OHS) performance metrics for all functions and contractors include 14 metrics related to health and safety management;
- Light implemented a "days without injuries" monitoring system, with 30 out of a total of 51 monitored teams completing 365 days with no lost-time injuries. These crews received recognition in the form of a celebration organized at each function; and
- Work safety management audits were conducted at eight contractors in 2017, using systematic due diligence and monitoring procedures to identify needed OHS management improvements and develop individual action plans.

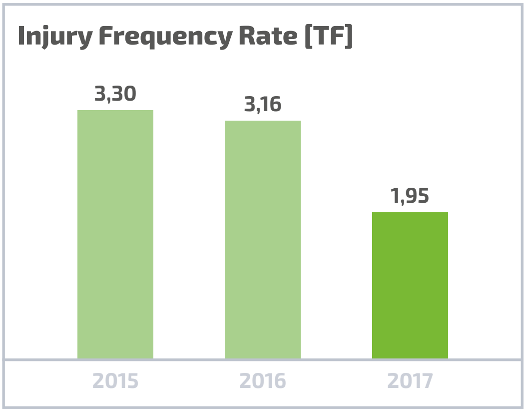
Process review

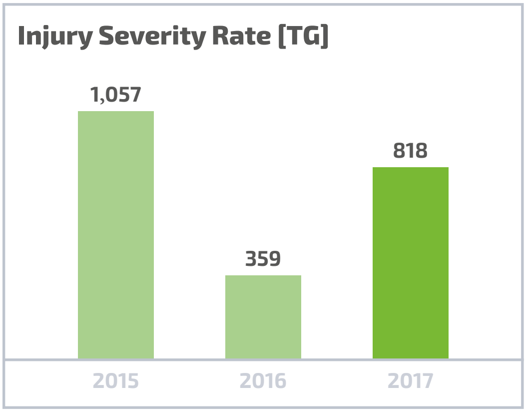
- We reviewed our occupational injury investigation process to improve our root cause analysis methodologies;
- Vida! Program governance committees/subcommittees were created to discuss occupational safety issues with operations leadership, with a focus on accountability and action plans; and
- A procedure was created for reviewing/updating technical, operational and safety procedures to include step-by-step work instructions.

Health and safety indicators

We assessed our health and safety performance using proactive indicators, such as the Light Risk Index (IRL), Injury Frequency Rates, Injury Severity Rates, and Absenteeism.

IRL is a preventive indicator that denotes the degree of risk in our operations. In 2017 this indicator was included in the overall Profit-Sharing target, demonstrating our





commitment to consistently promoting safe processes and practices, safe work and protecting human life. Our IRL score in the year was 17 (within the "Tolerable" range of 13 to 24, a step above our target "acceptable" range of 1 to 12), a 29% improvement from 2016 reflecting the results from our operational team inspections of the workforce.

Light's injury frequency rate was 1.95, an important milestone for us as it exceeded our target for the period (3.0), declining by 38% compared with 2016 and setting a new standard for our industry, which averaged 4.48 in 2016 according to data from the Brazilian Electric Utility Association (ABRADEE).

Despite our efforts to promote safe work and protect the integrity of our employees, and despite the 38% reduction in lost-time injuries compared with 2016, our Injury Severity Rate was 818 in the year and therefore above target, as a result of three fatal injuries.

Our Absenteeism Rate in 2017, was 1.54, 25% less than in the previous year and below our target of 1.96. Key initiatives supporting this result included: **GRI 403-3]**:

- Preventive action with a focus on employee safety and quality of life;
- On-site inspections in the event of recurring lost-time injuries;
- Improving our understanding of the working environment, to better target actions to the real-world conditions at the jobsite; and
- First- aid care provided by our own physicians.

Quality of Life Program

In 2017 we implemented a number of initiatives to improve employee satisfaction and quality of life. As part of these initiatives, we refurbished our cafeterias and replaced the catering suppliers at our head offices and the Frei Caneca business unit; we changed the open hours and expanded available activities at our fitness center; and we organized workplace exercise activities at some departments at our head offices.

A highlight in the year was the new format for our nutrition coaching service within the Active Living Program. A total of 30 employees were invited to an opening workshop with a nutrition expert, and were then individually evaluated by a physical education expert and a nutritionist. All employees received an individual diet plan and were monitored over a 6-month follow-up period, during which they received in-person and remote feedback about healthy nutrition, dietary habits and exercise.

PUBLIC SAFETY
[GRI EU21]

A disseminação de dicas de segurança e Providing information about electrical safety and energy efficiency to our stakeholders is a long-standing and important tradition at Light. This information is provided through a range of communication initiatives throughout the year. This helped to reduce the number of accidents involving members of the public by 28%.

Special occasions (Carnival, June festivals, Electrician Day, etc.), customer satisfaction surveys and summer campaigns, for example, provide a unique opportunity to address subjects such as safe practices near power systems and energy efficiency—on social media, on our website, on our light bills and in the press. For employees, we have also used our corporate TV broadcasting services, special events, e-mail messages and routine activities such as Toolbox Talks to address these topics.

In addition to communication campaigns, Light has implemented the following initiatives:

- We provide a quick response to reports on life-threatening situations. Motorcycle responders quickly assess the risk, secure the area and decide on the appropriate emergency response;
- Community initiatives help to raise awareness about safety and provide information about the primary causes of accidents and how to prevent them;
- The Light Circuit program for young students uses age-appropriate activities to teach them how to prevent accidents involving power systems; and
- The appropriate authorities are notified of any serious or imminent hazard created by unauthorized structures within the power system safety clearance boundaries.

KNOWLEDGE MANAGEMENT

The specific expertise required in our industry makes knowledge management a continuous effort at Light to ensure our employees are continually developed and kept up-to-date. We encourage our employees to seek self-development through tools such as our Knowledge Portal, which features up-to-date content and skill-specific development pathways.

Our technical procedures are disseminated and kept up to date through our "Light Facilitator" program, in which professionals update and develop operational procedures and work as training facilitators. In 2017, special emphasis was given to employees who subscribed to our Voluntary Redundancy Program to identify those employees who possessed critical skills and to find ways to retain their knowledge within the organization.

Light has an extensive database with 1,399 procedures, policies and instructions, which are kept up to date and disseminated across the organization. In addition to supporting knowledge management, the database also helps us manage risk factors inherent to our business to ensure they are effectively monitored and mitigated.

Training & development
[GRI EU14]

In 2017 we redesigned our Knowledge Portal, which has increasingly become one of our primary learning platforms, accounting for 46% of completed Light Academy training courses, 14% of total training hours, approximately 77,000 individual accesses and more than 37,000 course completions. Some of the key courses available on the Knowledge Portal include Anti-bribery, Corporate Sustainability and Excellence in Service, with a total of 6,000 participants in the year.

AVERAGE HOURS OF TRAINING – DIRECT EMPLOYEES [GRI 404-1]						
AVERAGE TRAINING MAN HOURS	2015		2016		2017	
	W	M	W	M	W	M
Administrative	16.6	15.0	14.7	13.8	19.9	19.8
Middle management	49.0	51.7	18.7	21.1	45.6	49.6
Operational	13.2	57.2	37.0	33.4	29.3	57.7
Professional	28.8	44.0	17.9	27.1	22.7	28.4
Technical	65.5	55.0	31.3	32.4	43.1	50.7
AVERAGE	**26.1**	**46.4**	**23.9**	**25.5**	**32.1**	**41.2**

The Corporate Communication, Intern Development and Energy Journey training pathways were taken by approximately 5,900 participants, providing opportunities for self-development and learning about our businesses. In addition to our training pathways, we also supported initiatives to disseminate knowledge on different business-related subjects through courses developed by our own professionals. A total of 30 training assets were available on commercial processes, and 10 assets on technical and corporate systems, providing more than 5,700 hours of training.

Capacity building

In 2017 we further strengthened our in-house training on Regulatory Standards (NR10, NR33 and NR35), 138kV live line training, and PIC 138 underground splice training, in partnership with Eletropaulo, which trained 16 Light facilitators to deliver these courses.

Providing the training in-house has enabled us to optimize and customize the training content to field crews' needs, develop more flexible training schedules, considerably reduce costs and improve the quality of our training programs, with a focus on safety.

Contractor training

Our contractors also participated in initiatives designed to improve alignment with our safety culture, as well as refresher training on commercial processes. Classroom-based and on-line training for contractors delivered a total of 52,392 training hours to 49.007 participants.

A highlight in the year was our crew leader training program to develop team leadership skills with a focus on safety, customer service and improving operational results.

All newly hired assistants, electricians and crew leaders at distribution contractors took exams to test their knowledge about, and assess the quality of training provided on, Brazil's regulatory safety standards (NRs 10, 33 and 35). Training on the standards is required be provided, whether by Light or otherwise.

CAREER DEVELOPMENT

Leadership Development Program

Through our Leadership Development Program, we continue to focus on developing leadership skills reflecting current developments, business needs and the results of Competencies, Career & Succession Assessments. Throughout the year, all leaders attended training programs developed by independent consultants and our own professionals. At the end of the year, we organized a Management Summit to discuss business results and challenges in an event dedicated to networking and sharing experience.

Individual Development Plans

Individual Development Plans prepared as a deliverable from competency assessments included more than 50 development activities for employees, including online and classroom training courses, book recommendations, and other self-development activities. Formal development activities included 18 online training courses that provided a total of more than 1000 training hours to 500 employees, and classroom training with a total of 432 hours of professional development training delivered to 108 employees.

Performance management **[GRI 404-2, GRI 404-3]**

Our performance management process uses an integrated approach to develop a culture of merit-based opportunity, feedback, self-career management and organizational transitions to prepare our talents to take on new challenges. Employees are assessed on their competencies, performance and potential, and on how well they are performing against our management commitments and targets.

Our Leadership and "Y Career" cycle began with a Competencies Assessment in 2016 that informed the Career & Succession cycle in 2017, which included Career Committees, Calibration and Master stages followed by feedback sessions to build Individual Development Plans based on identified skill gaps.

The results from the process inform decisions on promotions and merit-based opportunities, as well as our corporate leadership development strategy.

Also in 2017, we conducted an employee assessment cycle that included Self-Assessment, Leader Assessment and Feedback Stages followed by the preparation of Individual Development Plans. Following the feedback stage, Human Resources representatives worked with managers to monitor employees' progress on their Individual Development Plans and recommend development activities based on skill gaps.

The next Competencies Assessment Cycle will be conducted in 2018 for all employees, leaders and Y Career professionals.

Climate surveys

Our Climate Survey in 2016 provided leaders with information about their strengths and opportunities for improvement based on the perception of their reports. Leaders received climate survey results by function and were asked to use this tool to structure their action plans based on identified gaps. Key opportunities were included in a corporate action plan that was implemented throughout 2017. These opportunities included:

- A publicly-announced special bonus for field crews at all regional business units;
- Employee promotion letters are now delivered in person by managers, strengthening our culture of merit-based opportunity;
- The Recognition Program rules were reviewed and republished;
- Mandatory training on regulatory safety standards is now provided in-house, improving the quality of training for our field crews;
- Light Opportunities (in-house recruiting) have been expanded;
- We revised our restaurant service model to provide more varied and higher quality meal options.

Further information is available on the Light Portal under **Our People**[w].

> Light was named one of the 10 best places to work in the state of Rio de Janeiro as ranked by Great Place To Work.

w - **http://www.light.com.br/grupo-light/Nossa-Gente/default.aspx**

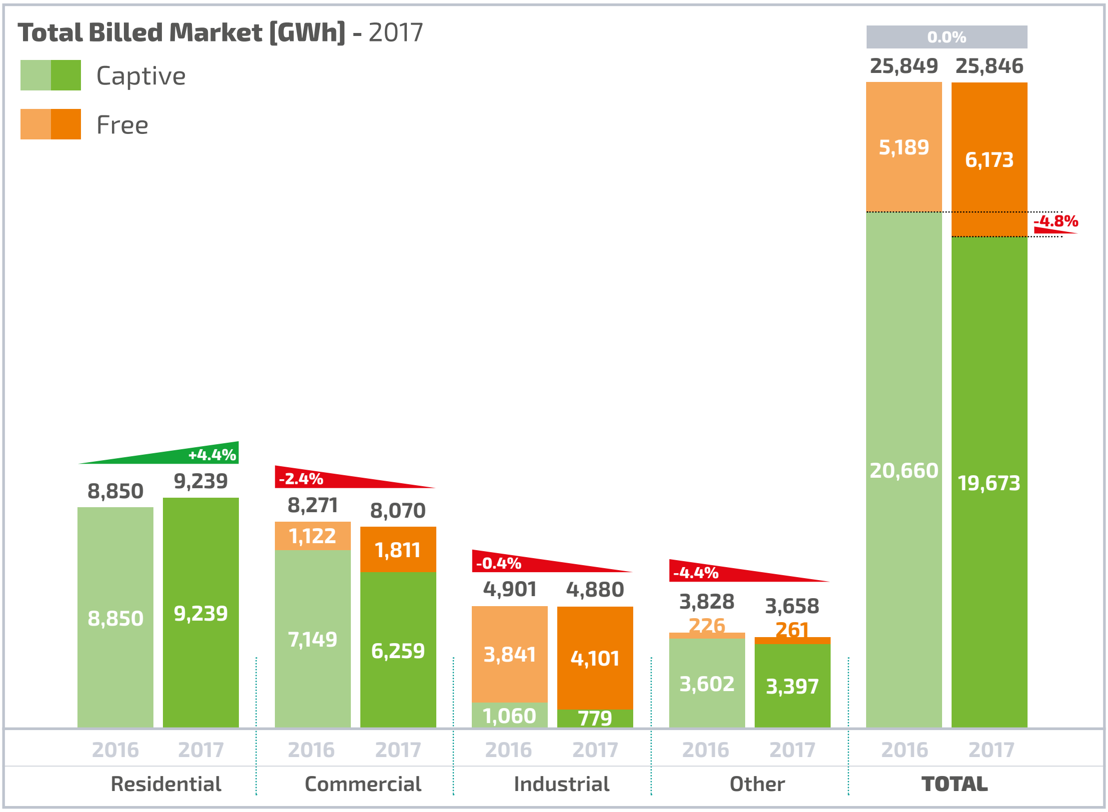
Loss reduction and collection enhancement

CUSTOMERS

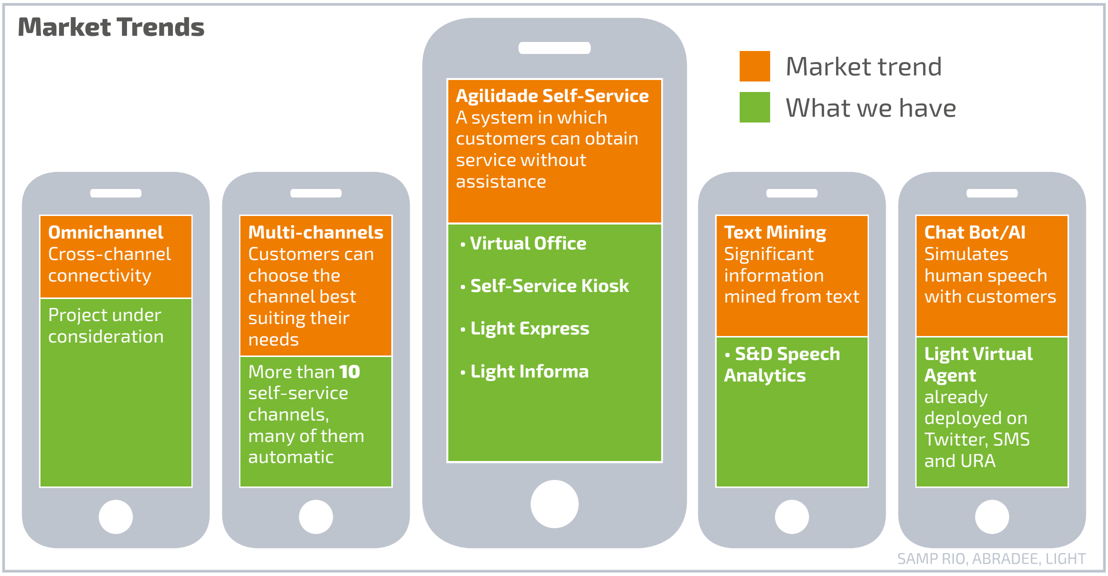
Total power consumption in Light SESA's service area, including captive customers and transportation for free customers, was 25,846 GWh in 2017, a 0.04% decrease compared with 2016 as a lingering effect from the economic downturn in the state of Rio de Janeiro and below-historical average temperatures. For further details, visit our Investor Relations **website**[y]. **[GRI 102-6]**

Retail customers

In 2017 we worked to diversify our service channels into a multi-channel offering providing easier access to our services, and continued to invest in quality of service by offering a wide range of automated services, products and functionality. Integrating and unifying the customer experience and customer-facing processes is part of a future-proofing innovation and development strategy.



y - **http://ri.light.com.br/**



Channel diversification to mainstream the use our virtual service and self-service channels is the best solution for modern consumers seeking practical and fast solutions to their requirements.

We seek to keep abreast of and in line with market trends, customer expectations and best practices, which currently include: a fully integrated and functional multichannel platform, solutions and applications designed to automate customer service, using artificial intelligence and machine learning to anticipate customers' needs.

As a result of these initiatives, in 2017 the share of our virtual channels in total customer interactions in 2016 increased by 0.6% to 73.6% of interactions, or 1.5 million customer interactions in absolute numbers—with particularly strong performance in mobile apps and social media.

Our ÚN1CO project, which we codeveloped with Cemig, has optimized our commercial processes and will allow us to achieve operating efficiencies, delivering excellence in customer service across channels.

Preparation work for the project included tests, developing support services and contingency plans, and call-center, virtual office and commercial office training, without affecting channel staffing levels.

The biggest challenge in the ÚN1CO project was implementing a new version of our commercial system and training our entire workforce without affecting our customer service performance.

The stabilization phase generated significant impacts on our customer service channels, with interactions through higher-cost channels increasing and virtual channel interactions experiencing fluctuations. Despite these effects, our average unit cost per interaction remained constant and call center indicators remained level with 2016 with the exception of the Service Level Rate (INS), which was negatively affected by the transition. While our Commercial Offices were also negatively affected, we succeeded in achieving 99.98% compliance with the SLA of up to 45 minutes from January to December, and 88.76% compliance with the SLA of up to 30 minutes. In addition, Average Interaction Time remained below 10 minutes and no responses to complaints exceeded the time limit.

Our virtual channels offer a variety of options: Virtual Agents, Clique Light (Chat), Virtual Office, Contact Us, social media (**@lightclientes** and **/lightclientes**), automated service via Twitter, the Light Clientes mobile app (Android, iPhone, Windows Phone), Facebook, and SMS emergency response service.

Our goals for 2018 are to:

- increase the use of virtual and automated channels;
- incorporate new functionality into our virtual channels;
- develop a humanized virtual service desk;
- develop a dashboard system with real-time information about our virtual channels to improve our outage response and communications;
- enhance the Digital Billing process by improving the delivery service, expanding digital billing to all other consumer classes, and implementing operational adjustments to reduce invoice delivery costs and streamline the process;
- develop a videoconferencing customer service solution for our commercial offices; and
- provide barcode-based debit card payment functionality on our self-service kiosks to reduce in-person service volumes at our service offices.

Public and private wholesale customers

In 2017 we implemented a new collection and service management model for private and public wholesale customers, which account for 40% of our revenues.

We expanded our service channels with the creation of our **grandesclientes@light.com.br**, e-mail service, which handles 80,000 e-mails per year with requests for information from wholesale customers. The new service has enabled us to implement controls to track and monitor service interactions with wholesale customers through an online dashboard. This initiative was developed as part of our strategic plan, which also includes a customer service restructuring program and support process reviews for alignment with the new management model.

Another highlight in the year was our partnership with the Rio de Janeiro State Government to create Rede SUSTENT, a program implemented by the Rio de Janeiro State Revenue and Planning Office (SEFAZ-RJ) in collaboration with Light and the German Development Agency (GIZ). Rede SUSTENT provides solutions and training to government officials on the sustainable and efficient use of energy. Our Government relations initiatives in the year also included presentations delivered at city halls in our concession area, as well as forums, summits and meetings for networking, alignment on procedures and to strengthen customer satisfaction and our reputation. These included events with: The Civil Construction Union (SINDUSCON), the Subscription, Cable, MMDS and DTH TV Installation and Maintenance Workers' Union (SINDINSTAL), the Rio de Janeiro Board of Engineering, Architecture and Agronomy (CREA-RJ), the Rio de Janeiro Industry Federation (FIRJAN), the Rio de Janeiro State Association of City Halls (AEMERJ) and the Rio de Janeiro Commercial Association (ACRJ).

In collection, 2017 was a challenging year due to the economic and political crisis in Brazil and especially in the local market, with newly elected mayors initiating their terms of office and the end of the Olympic Games leaving an Olympic legacy debt. Added to this were the effects from the deployment of our new commercial platform (Ún1co). Despite the challenges, the results we achieved in the year were promising: we exceeded our collection targets in the private and public segments, as shown in the following table.

The positive performance on our collection targets was supported by: planned delinquency prevention initiatives;

REVENUES 2017		
Great costumers	**Goal**	**Results**
Private	98.89%	**99.15%**
Public	89.89%	**97.56%**

withholding service pending payment of overdue bills; an ICMS agreement with the state government to settle overdue payables; negotiation with Rio2016 to settle debts remaining from the Olympic and Paralympic Games; actions addressing overdue receivables (blacklisting, protests and disconnection); and injunction reviews and monitoring at our legal department.

Our efforts in 2018 will remain focused on further improving collections from private and public wholesale customers and continuing to implement our strategic plan to expand our service channels and improve customer satisfaction and our reputation with large customers and opinion makers.

Customer satisfaction
[GRI 102-43, GRI 102-44]

We measure customer satisfaction on an annual basis to identify critical issues and new ways to engage with customers. Learn more about our customer satisfaction surveys on the Light Portal under **Sustainability**[z].

In the Brazilian Association of Electric Utilities (ABRADEE) Survey, which measures our Perceived Quality Satisfaction Rate (ISQP), customer satisfaction increased from 62.0 in 2016 to 67.7 in 2017 as a result of an integrated effort involving 11 functions within Light and more than 30 improvement initiatives throughout the year, which we describe below.

For retail customers, we implemented and managed continuous programs developed based on customer feedback to further enhance customer satisfaction by providing solutions that meet consumers' needs and "wow" our customers. Light's Customer Satisfaction Program operated on two fronts: initial assessment and perception.

The initial assessment identified key opportunities to improve customer satisfaction in each segment, covering the following areas: power supply, information and communication, light bills, customer service and reputation. For each area, three improvement opportunities (attributes) were identified according to the customer's importance and, for each attribute, actions and operational control items were identified that will be monitored by different functions across the organization.

On the perception front, efforts were

SURVEYS (%)	2015	2016	2017
ISQP – ABRADEE	70.1	62.0	67.7
Customer Approval Rate (IAC) – ABRADEE	56.9	57.4	61.0
General Satisfaction Rate (ISG) – ABRADEE	52.5	49.6	60.8
Service Provision Satisfaction Rate (ISES)	91.0	91.0	90.4
ANEEL Consumer Satisfaction Rating (IASC)	49.8	63.9	55.1
ISQP – Private and Public Bulk Customers	77.3	73.4	69.3
Satisfaction Survey – Public and Private Bulk Customers (Quality Performance Rate (IDAR) – Customer Service)	86.1	82.1	83.2
IDAR Private Segment	84.3	86.7	83.7
IDAR Public Segment	96.5	97.3	91.7

z – **http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-clientes.aspx** developed to improve customer satisfaction in two dimensions: communication and capacity building. Communication comprises initiatives directly affecting customer perceptions, while capacity building is focused on training and development for customer-facing employees.

For private and public wholesale customers, all initiatives are aligned with the strategic plan developed based on the ABRADEE Wholesale Customer Satisfaction Survey 2017. Our Service Agent IDAR Rating in the year was 83.2. It is important to note that in 2017 ABRADEE introduced changes to some of the assessment criteria for the ISQP, which prevents comparison with previous years.

LOSSES

Our DisCo concession area has been ranked second by ANEEL for social and economic complexity. Approximately 22% of the electricity available from our distribution systems is abstracted by theft, resulting in higher light bills for paying consumers, reduced ICMS tax revenues for the state government, revenue erosion for the company, waste, and increased environmental impact.

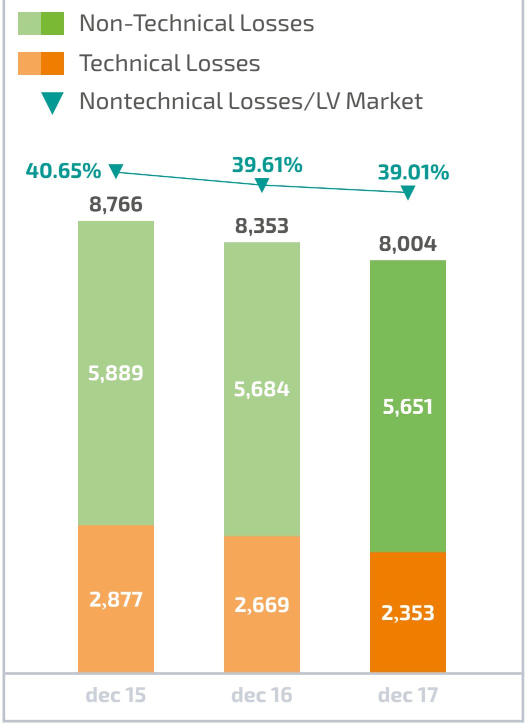
Despite the political crisis into which Rio's State Government has plunged, adversely affecting public security, we have maintained our loss reduction strategy with a focus on those areas providing sufficient levels of security, where we believe there is still significant latent potential to be explored.

Total losses in the 12 months ended December 2017 were 8,004 GWh, or 21.92% of grid load. Light SESA successfully reduced total losses by 0.62 p.p. compared with December 2016 and 2.01 p.p. since implementation of the current loss reduction strategy in March 2016.

Losses are currently 2.03 p.p. above the regulatory pass-through cap of 19.89%[6] established by ANEEL in the Periodic Rate Review (PRR) effective from March 15, 2017. In December 2016, prior to the Tariff Review, the difference between total losses and the regulatory pass-through cap was 6.06 p.p. Closing the gap between actual losses and the regulatory pass-through cap has improved Light SESA's EBITDA by R$ 228 million (12 months).

Our loss reduction program addressed losses of 1,328 GWh in 2017 (including 1,093 GWh in recovered power (REN), 161 GWh in incorporated power (IEN) and 74

Changes in Losses



6 - The pass-through cap of 19.89% of grid load is calculated based on the pass-through levels established by ANEEL in the 4th Periodic Rate Setting Review (4th PRSR), approved on March 15, 2017 for the period 2017-2022, as follows: 6.34% of technical losses (out of total grid load) and 36.06% of non-technical losses in the low-voltage market. Depending on low-voltage market performance and grid load, this percentage of 19.89% may vary over the tariff cycle.

TOTAL LOSSES (% OF GRID LOAD) [GRI EU12]	2015	2016	2017
Electrical losses	23.2	22.5	21.9
Technical losses	7.6	7.2	6.4
Nontechnical losses	15.6	15.3	15.5
Nontechnical losses / Low-Voltage (LV) Market	40.7	39.6	39.0

NUMBER OF NORMALIZED CONNECTIONS	2017	2016
= **TOTAL**	**509,115**	**336,675**
- High/Medium Voltage	1,041	1,135
- Low Voltage	305,176	134,240
- Connections Normal-ized in Zero Loss Areas	202,898	201,300

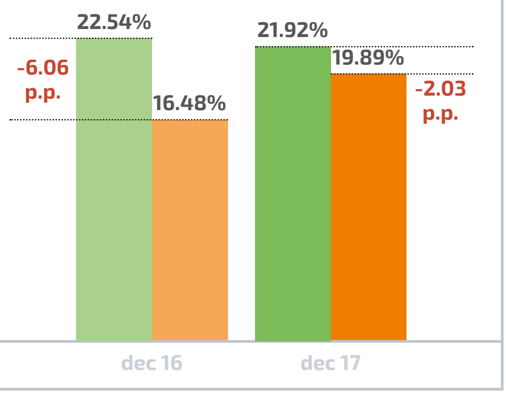
GWh in load reduction), a 38.7% increase compared with the previous year. Out of the total of 1,093 GWh recovered, 1,029 GWh were in the residential segment, 57 GWh in the commercial segment and 7 GWh in other segments. This positive performance reflects our implementation of significant initiatives, increased productivity and continued implementation of our market discipline program.

Reduced gap between actual losses and pass-through cap

Losses (% of Grid Load)

Regulatory Pass-Through Cap

R$ 228 million in added EBITDA at Light SESA (12 months)



In Approachable Areas[7], non-technical losses were 2,878 GWh (50.9% of Light's non-technical losses) in 2017 and total losses were 15.0% of grid load in the period. Our strategy for Approachable Areas has also reduced average cost per MWh addressed (last 12 months) by 28.3% to R$ 271.02/MWh in 2017, as it is more OPEX- than CAPEX-intensive.

In Risk Areas, total losses were reduced to 80.4% of grid load (vs. 82.8% at year-end 2016). This reduction is primarily due to investment in 2017 in installing boundary meters to improve accuracy in measuring losses in risk areas. Losses are currently monitored in 70% of risk areas.

The Company currently has a network of 898 thousand electronic meters installed and has continued to expand the network, with priority given to customers in approachable areas with significant per-unit consumption. With these capabilities, our distribution subsidiary can currently manage about 64% of billing effort from its metering control center. These monitoring capabilities are essential in identifying inspection targets, disciplining the market, and preventing recurrence of electricity theft.

7 - Concession areas where there are minimum conditions for field crews to operate safely.

Reduction strategy for non-technical losses

- Daily inspections in conventional and centralized metering areas SMC/APZ);
- Inspections on medium and low-voltage customers triggered by Metering Control Center (CCM) alarms;
- Initiatives focused on large gated communities;
- Market discipline initiatives;
- Smart Grids: Implementation of automated systems with remotely monitored meters;
- Strategy for approaching communities for maintenance work: approaching community associations and community leaders and reestablishing relations with community leadership in Zero Loss Areas to enhance operational performance and results.

COLLECTIONS AND MARKET DISCIPLINE

Collections

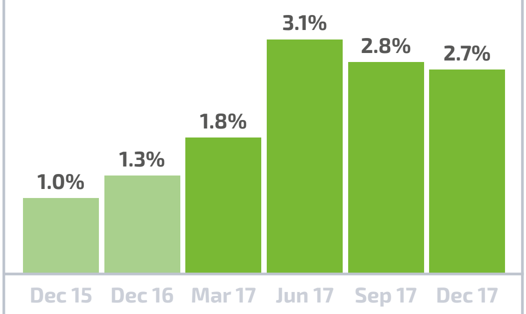
Our Overall Collection Rate in 2017 was 92.4%, down from 96.3% in the previous year. The 3.9 p.p. decrease is largely explained by the effects from the newly deployed commercial platform, especially in the period from October to December 2017, which explains the reduced collections in the retail segment (from 98.7% to 90.7%) and wholesale customer segment (from 99.7% to 94.7%). However, as previously noted, the new platform has delivered benefits for our customer service, billing and collections processes.

In relation to losses involving Government customers, in June 2017 the State Sub-Office for Finance published an order authorizing settlement of R$110.2 million in overdue payables for the period from May 2016 to May 2017 over a period of 18 months. These and another three settlement agreements[8] have been performed as agreed. However, the Government customer segment was also affected by the new commercial system and by the promulgation of Decree 44.096 on December 18, 2017, which postponed the city hall's scheduled payments between November and December 2017 to February 2018.

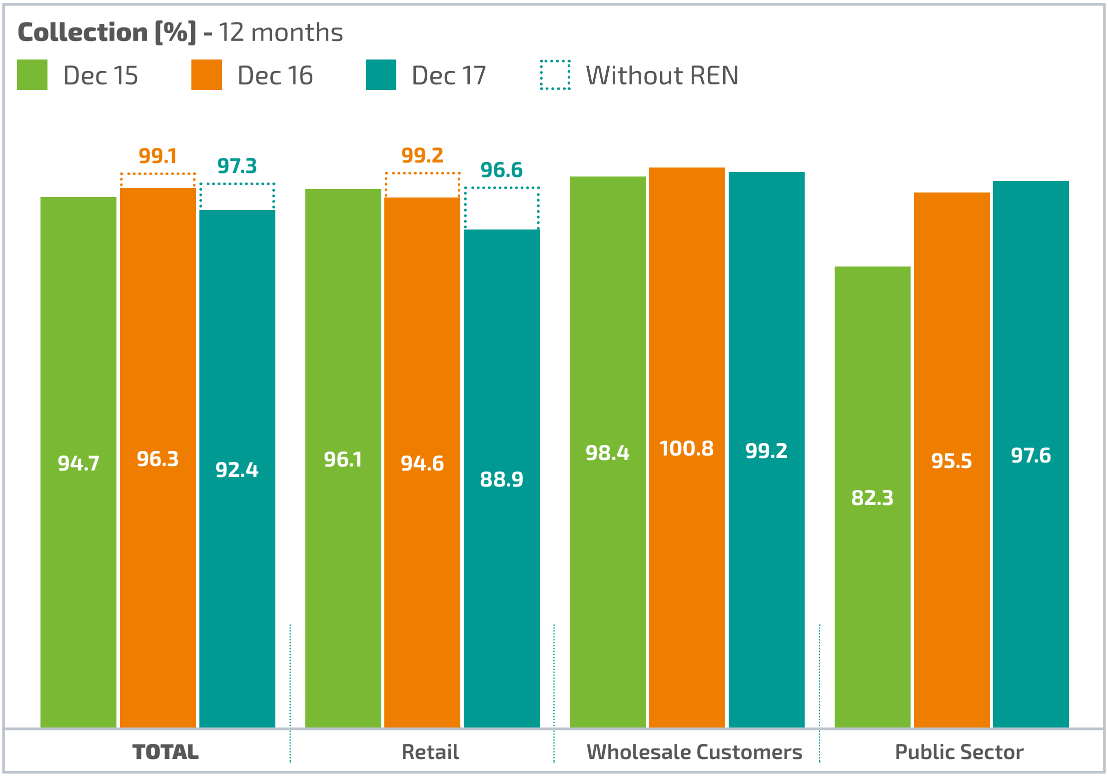
In addition to the issues described above, the growing volume of REN charges has also negatively affected our overall collections performance, as they are incorporated into our cash flows on an incremental basis. Not including the effect of REN charges, our collection rate in the Retail segment would be 96.6% and total collections would be 97.3%.

The ratio of Allowance for Doubtful Accounts to Gross Operating Revenue varied structurally as a result of the new loss reduction strategy due to a significant increase in REN related to unbilled retroactive consumption. However, market discipline efforts initiated in the second half of the year successfully placed the Allowance for Doubtful Accounts to Gross Operating Revenue indicator on a downward trend to 2.7% at year-end. Efforts against delinquency have also

ADA/Gross Revenue*
12 Months
*Captive Market Gross Revenue + TUSD



8 - The first agreement was published on September 15 with respect to State Government receivables of R$ 46.4 million falling due up to December 2014, to be paid in up to 36 months from November 15. The second agreement was published in June 16 for part of the receivables from a public utility company, in the amount of R$ 38.9 million, to be paid in 12 months from September 2016. The third agreement relates to State Government receivables of R$ 153.2 million for the period from January 2015 to April 2016, to be paid in up to 29 months from August 2016.



delivered positive results for the Company in dealing with recurring fraud/irregularities and renegotiating retail customer receivables.

Market discipline

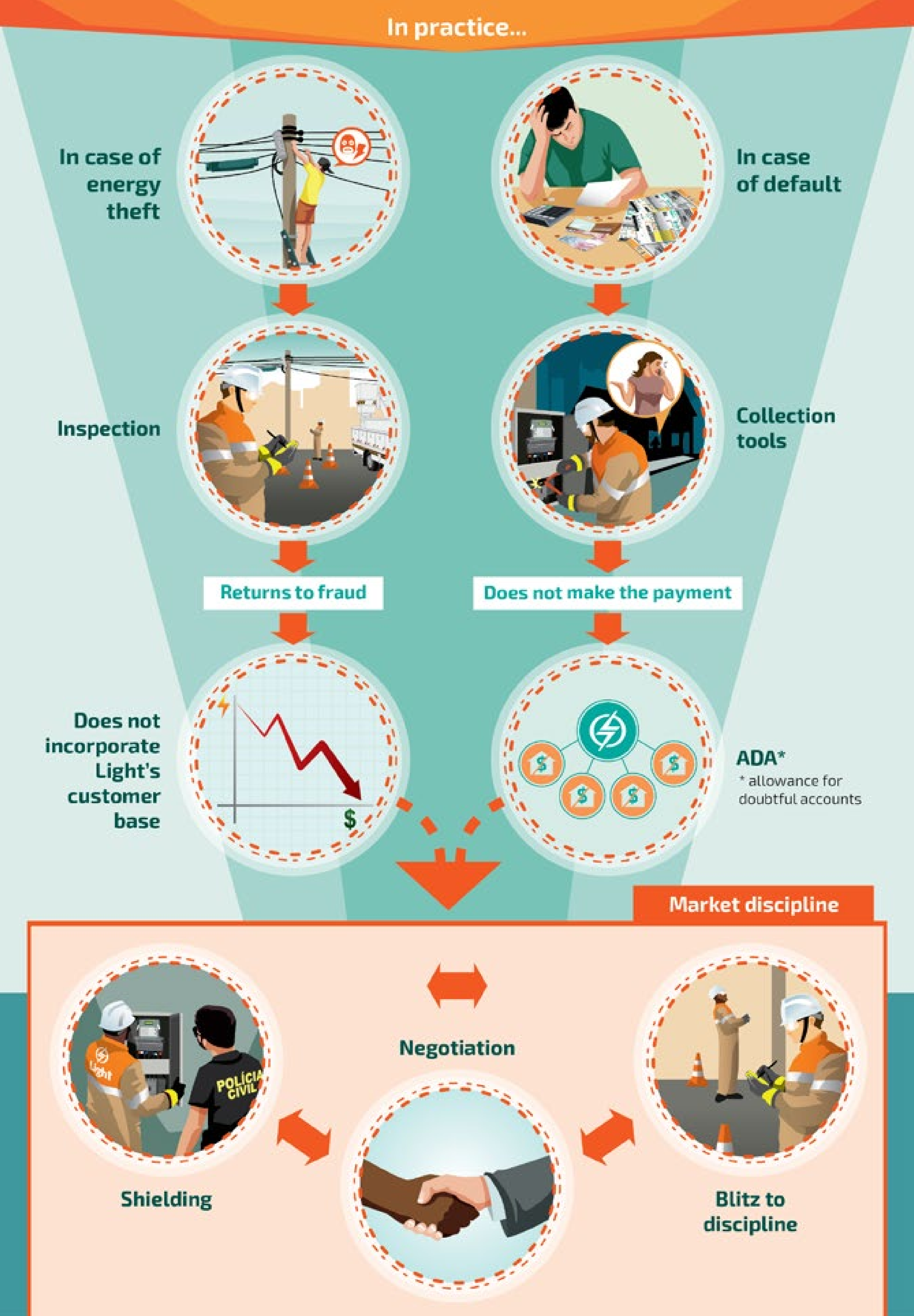
Due to our more aggressive policy of retroactively enforcing collections for fraud and irregular connections (REN) beginning towards the end of 2016, we already expected overall collection performance to decline because of the higher volume of REN collections, which are incorporated into our cash flows on an incremental basis.

To help instill new behaviors among customers found to have irregular connections and who have renegotiated their overdue bills, in the second half of 2017 our Market Discipline Department initiated activities supplementing the work done by our Recovery and Commercial departments.

The new department has not generated any additional operational or capital expenditure requirements, as the contractor responsible for the field crews has prior loss-reduction experience with other utilities and receives performance-based fees.

Market discipline comprises initiatives to secure and enhance collections in our loss reduction process, addressing primarily those customers where power incorporation has not been achieved through REN initiatives. It also works to reduce the number of customers paying minimum rates and manage allowance for doubtful accounts expense through negotiation of overdue receivables.

Continued progress on market discipline efforts has enabled us to improve our receivables renegotiation and collection strategy and develop increasingly effective metrics to monitor our customer base, supporting gradual improvement of default levels and sustained intensive anti-theft efforts. We believe this strategy is part of an important process to reestablish DisCo's authority as the concession operator.


In practice...
In case of energy theft
Inspection
Returns to fraud
Does not incorporate Light's customer base
In case of default
Collection tools
Does not make the payment
ADA*
* allowance for doubtful accounts
Market discipline
Negotiation
Shielding
Blitz to discipline
POLÍCIA CIVIL

INTERNAL MISSION OF COMMUNITY MANAGEMENT AND ENERGY EFFICIENCY

Being a team of excellence, through strategic and the realization of projects for sustainable development, becoming a reference in energy efficiency in Brazil.

CONSCIENTIOUS CONSUMPTION

Energy efficiency
[GRI 302-4, GRI 302-5, GRI EU7]

Our ANEEL-regulated Energy Efficiency Program aims to support sustainable development through initiatives to reduce consumption, provide education on responsible and efficient end-use of electricity, and improve efficiencies in production processes so that more Gross Domestic Product (GDP) can be produced with the same amount of energy, i.e. more wealth with the same or less equivalent energy.

Among the challenges in 2017 were the need for initiatives deriving from public calls for projects and community initiatives to be better targeted in order to expand the share of charitable projects.

Accordingly, we crafted a call for projects that targeted regulatory funding to initiatives at hospitals, day care centers and other charities, without, however, neglecting initiatives geared to consumers and generating job and income opportunities at micro, small and medium-sized commercial and industrial businesses.

In all, we completed nine projects in 2017, including an efficient lighting project at Santa Casa de Misericórdia in Rio de Janeiro, 42 schools in Volta Redonda and a distributed generation (solar farm) project at Casa Ronald McDonald.

We also intensified our educational activities at public schools, including educational lectures at schools in Volta Redonda and strategic relationship-building initiatives in communities.

In 2017 Light invested R$ 21 million in PPE funding, including R$ 8 million in funds provided to the PROCEL program and R$ 13 million in energy efficiency projects at Light. These investments generated electricity savings of approximately 15,991 MWh per year and peak shaving of 3,027 kW.

TO LEARN **MORE** ABOUT

- For additional information about our **Energy Efficiency Program**[a1].

Engaging with communities
[GRI 203-1, GRI 203-2, GRI 413-1]

The escalation of violence in communities in our concession area remains a challenge for our efforts against theft, as it prevents us from operating in many communities and directly affects our overall power supply quality.

With high levels of electricity theft—exceeding 80% in some cases—these communities have deteriorated and overloaded our power systems, which are prone to recurring outages, especially in the summer.

In 2017, our PEE initiatives were intensified in low-income communities, with a focus

a1 - **http://www.light.com.br/grupo-light/Quem-Somos/eficiencia-energetica.aspx** on loss recovery and strengthening our reputation among these customers.

Light invested R$ 1.8 million in the Light Recycling Project and R$ 3.5 million in the Efficient Community Project, for a total of R$ 5.2 million in our Energy Efficiency Program, with 40% of the total investment allocated to low-income communities. We have also worked to enhance the benefits from social rates through our partnership with Centro de Referência da Assistência Social (CRAS).

Through these projects, we have succeeded in restoring normal operation in some low-income communities—including not only emergency response and system maintenance services, but especially loss recovery efforts. By working more closely with resident associations, we have been able to operate in areas previously considered to pose a high risk to our operations.

In 2017 alone, we normalized 23,071 connections in low-income communities, including 7,006 normalizations of illegally connected customers.

In 2018, we will enhance our responsible consumption initiatives to ensure electricity bills are affordable and consistent with household income. We will also target initiatives to public school students in these communities, who are our future customers.

Efficient Community Project

In addition to energy efficiency and sustainability initiatives, communities covered by our Efficient Community Project received information about responsible consumption and social rates, connection normalization and power system improvements.

These initiatives benefited 19,929 customers: 638 received new refrigerators, 2,182 received energy-efficient electric shower heads, 17,101 received energy efficient lamps and 8 were benefited by electrical installation repairs.

Also within the Efficient Community Project, we delivered 127 lectures in communities and 37 lectures at schools, with a total of 6,860 residents, teachers, parents and students attending.

Light Recycling Project

The Light Recycling Project allows residents to exchange recyclable materials for discounts on their electricity bills. In 2017 the project awarded more than R$ 158,000 in credit to users' electricity accounts.

We developed important partners for the Project in 2017, including hotels, schools and new gated communities. We also opened a new Eco-station in the Terreirão Community, where we have been active across our commercial operations.

A total of 11 Eco-stations are now in operation, including nine within or near low-income communities and two in other areas. In 2017 our Eco-stations collected more than 1 million kilograms of recyclable waste.

We have also created initiatives to engage our teams in trading in recyclable

EFFICIENT COMMUNITY PROGRAM RESULTS	2015	2016	2017
Consumers benefited	92,690	11,285	19,929
Customers attending community lectures (*)		1,667	6,860
Customers receiving energy-efficient lamps	300,014	1,596	17,101
Customers receiving energy-efficient refrigerators	22,585	2,259	638
Customers receiving donated heat recovery boilers	2,088	559	2,182

(*) These events are now organized by social managers in the area in a lecture format.

LIGHT RECYCLING RESULTS 2017

Waste	Total collected (metric tons)	MWh savings
Paper	567.82	2,498.74
Plastic	521.54	2,764.21
Glass	107.71	68.94
Metal	132.02	714.69
Oil	9.63	36.10
Tetrapak Packaging	6.50	32.03
TOTAL	**1,345.22**	**6,114.71**

materials for electricity discounts for registered charities. In total, 19 metric tons of recyclable materials delivered by our employees generated a total bonus of R$3,000 for charities.

SOCIAL INVESTMENTS [GRI 203-2, GRI 413-1]

In addition to our social projects within the Energy Efficiency Program, Light has developed programs that promote sustainable development, improve quality of life for residents in our concession area, and strengthen our relations with impoverished communities that are difficult to approach.

Company funds and a wide range of partnerships are used to support these programs, including funding from the ANEEL Energy Efficiency Program, social onlending from the Brazilian Development Bank (BNDES) and tax-deducted funds under the Rio de Janeiro State Culture Incentive Act.

A decisão de aplicar recursos em determinados projetos está relacionada ao desenvolvimento da área de concessão, à geração de renda em comunidades pacificadas e à visibilidade da marca Light, o que também impacta na redução das perdas e da inadimplência. Em 2017 patrocinamos projetos da ordem de R$ 7 milhões, sendo R$ 825 mil da própria Light.

Todas as solicitações de patrocínios são

SPONSORSHIP (R$ THOUSAND)

	2015	2016	2017
Sports	4,886	1,500	270
Culture	3,975	1,290	240
Environment	307	-	82
Other	1,493	272	233
TOTAL	**10,661**	**3,062**	**825**

KEY SPONSORSHIPS IN 2017

- Biennial Book Fair;
- Som Mais Eu Children's Choir;
- Favela Criativa/Territórios Culturais RJ;
- Restoration of the Arrozal Mansion;
- Educativo Cultural São João Marcos;
- Restoration of Our Lady of Perpetual Help Church;
- Coffee Valley Festival - 15th edition; and
- 16th Piraí Fest Paladar.

submetidas a uma comissão interna que analisa a aderência de cada projeto aos preceitos da Companhia, assim como a viabilidade de orçamento. Após avaliação dessa comissão, eles ainda são submetidos à aprovação formal da Diretoria.

Light institute

Light Institute's Culture Education Program helps to instill ethical and conscientious mindsets and develop our future citizens through education initiatives on subjects such as energy efficiency, as well as cultural initiatives, supporting projects that promote economic development in impoverished communities. These initiatives also help to build relationships with impoverished communities that are difficult to access, by providing them with more than just a mandatory service.

The benefits provided by our programs are assessed through quantitative and qualitative surveys using social and cultural project metrics developed through research at PUC- RJ.

For our "Light in Schools" Program, we also assess consumption profiles and kWh

SOME OF LIGHT INSTITUTE'S KEY FIGURES IN 2017 INCLUDE
19,667 visits to the Light Electricity Museum
102 schools trained and
33,000 people benefited by the Light in Schools program
8,504 Quanta Energia **spectators**
14,807 visits to the Light Culture Center

consumption before and after the project based on activity records kept by teachers.

Light Culture Center: a venue at Light's headquarters building in downtown Rio de Janeiro hosting plays, exhibitions, music performances, conferences and workshops.

Light Electricity Museum: evisitors are offered free guided tours of an interactive exhibition about energy and electricity, its different forms, sources, uses and impacts, as well as dramatized visits and educational activities such as storytelling and interactive games.

Light in Schools: an environmental education program offering training courses to teachers and educational materials for schools. As part of the program, electricity consumption is measured before and after the project based on activity records kept by teachers.

Quanta Energia: an interactive educational performance that emphasizes the importance of safe and efficient use of electricity and water.

São João Marcos Archaeological and Environmental Park: this project supports citizen engagement and the preservation of cultural heritage related to the history of the municipality of São João Marcos, while

also generating employment and income opportunities and offering a venue for artists in the region to stage performances.

Historical collection: Light manages a collection depicting 113 years of Rio de Janeiro's history in the twentieth century, which has been given heritage status by the Brazilian Historic and Artistic Heritage Institute (IPHAN). The collection features more than 600,000 items including photographs, documents, maps, video footage, furniture, pictures and precision equipment. In 2017 our historical collection received the 1st Mário Bhering Heritage Preservation Award.

Sponsorship Programs: selected projects are related to development within our service area, creating income opportunities in areas hosting Peacekeeping Police Units and enhancing brand awareness, which also helps to reduce losses and delinquency.

TO LEARN **MORE** ABOUT

- Learn more about **Light Institute**[b1].

COMMUNICATION

Our anti-theft efforts were supported by corporate communications across different fronts to raise awareness about the adverse effects caused by this illegal practice. Illegal connections are not only a crime, but also a life-threatening hazard. They also increase electricity costs for paying customers and adversely affect the quality of power supply.

We transmit this message on a daily basis to our different stakeholders through press releases, Whatsapp messages and on social media (Facebook, Twitter, Instagram and Youtube). As a result of these efforts, the number of news reports describing the relationship between electricity theft and power quality increased by 40% in the year, and 84 positive reactions on social media demonstrate that the message has been well understood by customers.

Another unique initiative on the internet provided added support to our anti-theft efforts. Light launched a dedicated anti-theft website (**www.riosemgatodeluz.com.br**) to mobilize, educate, raise awareness and draw attention to these initiatives, and encourage community members to report electricity theft. The website features a blog reporting on Light's daily anti-theft operations in partnership with the Civil Police, the Whistleblowing Desk and the Public Prosecutors' Office. A robust campaign was conducted to disseminate our partnership with the Whistleblowing Desk, featuring videos, social media posts, posters at our commercial offices and internal communication channels. As a result, in 2017 the Whistleblowing Desk received 2,388 reports, nearly double the number of reports received in 2016.

Another achievement in the year was the unification of our institutional and customer service channels on social media (Facebook and Twitter) in order to optimize our relations with customers and other stakeholders. One of the key goals of the strategy was to use our positive institutional agenda to enhance our customer service experience. This includes answering questions and providing clarification on the Company's position and on other subjects, helping to promote increasingly positive perceptions of Light in a transparent manner.

As a result of these initiatives, our social media channel has grown significantly and increased the reach of content produced

b1 - **http://www.light.com.br/grupo-light/Instituto-Light/default.aspx** about electricity theft, so that more people can learn about its adverse effects.

With the positive results in the year, we will continue to address electricity theft using the same approach in 2018. The challenge now will be to use other formats, such as live podcasts, to demonstrate how electricity theft adversely affects communities and paying customers in a variety of ways.

COMPLIANCE
[GRI 419-1]

We are party to a total of 56,000 legal proceedings with a total case value of R$ 6.2 billion. A provision has been established for proceedings in which the likelihood of defeat has been rated by our legal advisors as probable (R$ 450 million).

These proceedings include civil, tax and labor proceedings. Labor claims primarily relate to overtime, rest between workdays, joint liability, salary parity, moral damages and the maximum 5% difference between organizational levels. We provide extensive advice to our functions and share experience to mitigate the risk of further labor claims being brought.

In general litigation, the primary matters concerned were as follows: Civil Liability (accidents involving the general public), complaints about electricity charges, account transfers without billing being suspended, unscheduled outages and charges due to irregularities. Our legal department has worked both preventively, by seeking to reach a settlement where the Company is confirmed to have committed errors or violations, and through litigation, by gathering all required evidence from the functions involved to inform our defense and achieve a favorable outcome and/or minimize losses.

TO LEARN **MORE** ABOUT

- Learn more about contingencies and provisions in the **Notes** to the **Financial Statements**[c1].

c1 - **http://ri.light.com.br/divulgacoes-e-resultados-/central-de-resultados#2017**


Light
Light

Business and financial management

TARIFF REVIEW

In March 2017 we concluded an amendment to our concession agreement and accelerated our Periodic Tariff Review (RTP), which enabled us to adjust our electricity rates so they reflect the challenging operating conditions in our concession area. While the adjusted rates have gradually mitigated the economic and financial imbalance that we have experienced in recent years, the amendment also established a number of offset requirements to ensure quality of service and the economic and financial sustainability of the concession.

As a result of the 4th Periodic Tariff Review, the distribution-related items included in the tariff calculation for Light SESA have been changed. The amounts approved by ANEEL are a total of R$ 2,911 million, as shown in the table below.

In Light SESA's most recent tariff review in November 2016, Component B items amounted to a total of R$ 2,535 million.

In relation to the percent pass-through of regulatory losses, the percentage of technical losses has changed to 36.06% in the low-voltage market (from 30.11% previously) and the percentage of technical losses has changed to 6.34% (from 5.40% previously). These percentages will remain fixed until the following tariff incurred during the period.

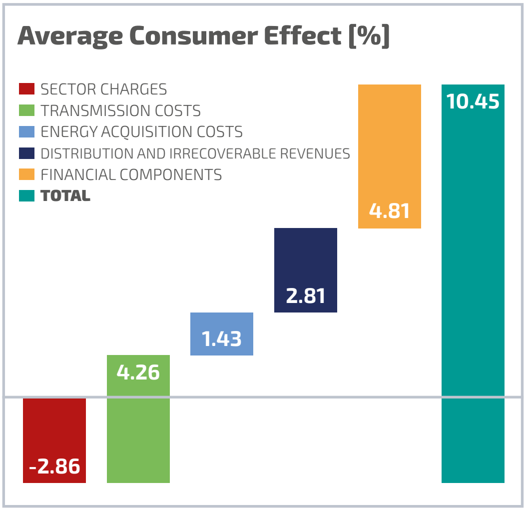
Light SESA's new rates also incorporate updated Component A items related to purchased electricity, sector charges and transmission costs, as well as financial components.

The combined effect from the tariff review increased Light SESA's electricity rates by 10.45% from March 15, 2017. As shown in the chart opposite, only 2.81% of the rate increase is due to costs that are manageable by Light SESA (Distribution and Impaired Revenues).

The offsets we have agreed to undertake in

Tariff reviews for Light SESA will now occur on March 15 each year, except that the following review will occur only on March 15, 2022. The term of Light SESA's distribution concession expires on June 4, 2026 and has remained unchanged.

LIGHT TARIFF REVIEW 2017 [R$ MILLION]		NOTES
Operating costs	934	
Remuneration	1,043	Calculated for a Net Regulated Asset Base of R$ 8.5 bn
Depreciation	599	Calculated for a Gross Regulated Asset Base of R$ 15.8 bn
Annuities (BAR)	192	Calculated for an AIS of R$ 20.1 bn
Other revenue	-76	
Unrecoverable revenue (ADA)	220	Equivalent to 1.38% of Gross Regulatory Revenue
TOTAL	**2,911**	



the Amendment relate to quality of service and economic and financial sustainability targets established by ANEEL. Any failure to meet these targets will result in the following penalties: limitations on dividends, mandatory contributions by controlling shareholders (these provisions have been included in our bylaws), restrictions on related party transactions, and even termination of the concession agreement in specific years.

ACTION PLAN

In 2016 we undertook a commitment to ANEEL to implement an Action Plan to: bring our power supply continuity indicators (DEC and FEC) into conformity with regulatory limits; improve our reputation as perceived by consumers (IASC); reduce the number of complaints to the Sectoral Ombudsman's Office; improve our occupational and public safety indicators; and ensure economic and financial sustainability.

Overall indicators

Light's DEC and FEC rates were short of the target under the Plan at respectively 9.15 hours and 5.26 outages in 2017, as detailed in the chapter Distribution.

Consumer satisfaction

In 2017 the results from the IASC survey on customers' perceptions of quality of service were generally poorer at a national level.

However, we will continue to implement initiatives within our Satisfaction Program—which helped us rank as the distribution utility with the highest IASC improvement in the South East Region in 2016—to meet the commitments under our Action Plan and create solutions that "wow" our customers and increase their satisfaction. Learn more about the Program in the chapter Customers.

Confirmed complaints to the sectoral ombudsman's office

The rates of confirmed complaints at the sectoral ombudsman's office in 2017 increased in relation to 2016 as a result of dissatisfaction with loss reduction initiatives, which have resulted in a substantial increase in the number of complaints, especially due to charges for "connection irregularities".

To reduce the number of complaints we have intensified initiatives to address internal processes, complaint handling and customer service.

Occupational and public safety

The number of injuries involving our workforce in 2017 declined significantly by 38% compared with 2016. The number of injuries involving members of the public declined from 39 to 28 injuries and, in terms of severity, the number of fatalities was reduced from 13 to 8. See the chapter People Management for further details.

Economic and financial performance

The tariff review in March 2017 helped to restore economic and financial balance in our operations and has already generated impacts on EBITDA and ultimately on our ratio of Net Debt to EBITDA-QRR.

REGULATORY LOSSES TARGETS

In the 4th Ordinary Tariff Review in March 2017 ANEEL recognized that the challenges in reducing non-technical losses in Rio de Janeiro are especially complex, and established a percent pass-through of regulatory losses of 36.06% for non-technical losses in the billed low-voltage market and 6.34% for technical losses. These percentages will remain fixed up to the following tariff review in March 2022, and in 2017 were equivalent to 19.89% of grid load. Depending on grid load and low-voltage market behavior, the percentage of 19.89% may fluctuate over the cycle.

Regulatory fines

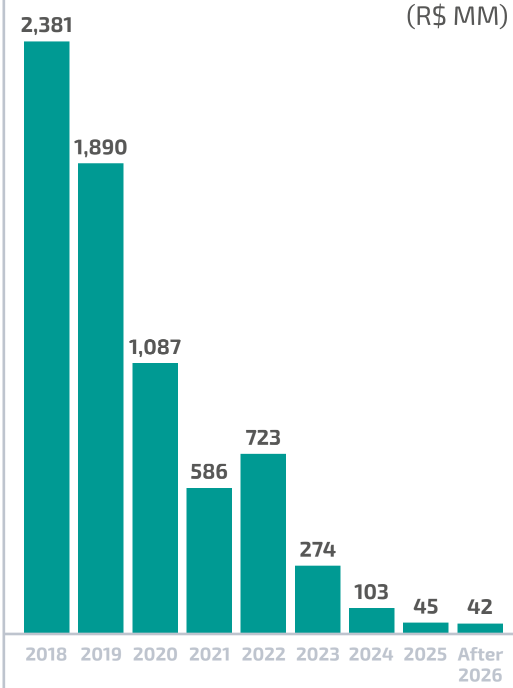
In 2017 we paid R$ 5.8 million in regulatory fines for exceeding voltage limits at consumer units and as a result of 3rd Cycle Economic and Financial Audits on the Regulatory Asset Base.

DEBT RESTRUCTURING

At December 31, 2017 our total debt was R$7,547.7 million (R$3,093.6 million in loans and financing and R$4,037.2 million in debentures) and net debt was R$7,206.2 million. Light's debt has staggered maturities, with 75.1% maturing within three years and with an average maturity of 2.6 years, reflecting our efforts to lengthen our debt profile, as shown in the chart beside:

Certain loan and financing agreements contain clauses under which maturity may be accelerated upon the occurrence of certain events, including cross default. All debentures, promissory notes, bank credit notes, loans and financing (including BNDES loans) contain covenants, including a maximum ratio of net debt to EBITDA of 3.75 and a minimum debt service coverage ratio of 2.0. Accelerated maturity will only occur if any of our covenants is breached during two consecutive quarters or four alternating quarters. At December 31, 2017 Light was compliant with all applicable covenants.

Amortization of Loans and Financing Debentures Average Maturity: 2.6 years (R$ MM)



TO LEARN **MORE** ABOUT

- For further details, see **Note 17**[d1] to the Financial Statements .

INVESTEES

In 2017 we maintained our strategy of reducing exposure to non-core assets. Significant developments related to associates are discussed below[9].

d1 - **http://ri.light.com.br/divulgacoes-e-resultados-/central-de-resultados#2017**
9 - Information current as of 12/31/2017. Up-to-date information is available at: **http://ri.light.com.br/divulgacoes-e-resultados-/central-de-resultados#2017** e **http://ri.light.com.br/divulgacoes-e-resultados-/documentos-entregues-a-cvm**

Renova

In 2017 Renova continued to implement its divestment plan and disposed of a number of assets. In July, the company completed the sale of its interest in TerraForm Global to Brookfield. In August, Renova completed the sale of the Alto Sertão II wind park to AES and in November completed the sale of the Umburanas Wind Project to Engie. In addition, throughout 2017 Renova reduced its portfolio of PPAs[10] through MCSD[11] mechanisms in which it canceled 188 average MW of new energy, and an auction in which it canceled 99.75MW in solar farm capacity.

Itaocara

AThe Itaocara I Hydropower Plant—which was previously owned by the Itaocara HPP Joint venture, formed by Itaocara Energia Ltda. (a wholly-owned subsidiary of Light S.A.) and Cemig Geração e Transmissão S.A.—was the successful bidder in Auction No. 003/2015 (21st LEN – A-5) for the construction of a project with an installed capacity of 150MW and a Firm Capacity of 93.4MWm, of which 89.2MWm were sold under Regulated Environment Power Purchase Agreements (CCEARs).

Under the 1st Amendment to the agreement, concession quotas for the hydropower plant were transferred to Usina Hidrelétrica Itaocara S.A. (51% owned by Itaocara Energia Ltda and 49% owned by Cemig Geração e Transmissão S.A.).

Due to the lack of financial support from the shareholders to develop the project, and after failed attempts to sell the assets, UHE Itaocara initiated negotiations for bilateral termination of the CCEARs concluded within Auction N° 003/2015 pursuant to ANEEL Resolution 711/2016, and was successful in canceling 70% of firm capacity up to December 2017.

UHE Itaocara S.A. and its shareholders have held discussions with ANEEL to reach a feasible regulatory solution.

Belo Monte

In operation since April 2016, 13 of Belo Monte's 24 generating units are currently operational: seven at the Main Powerhouse with an installed capacity of 4,277 MW, and six at the Secondary Powerhouse in Pimental with an installed capacity of 233.1 MW, for a total capacity of more than 4,500 MW. Unit 04 in Belo Monte and units 05 and

CURRENT GENERATION ASSETS [GRI EU1]

Current Hydropower Plants	Installed Capacity (MW)*	Firm Capacity (MWm)*	Start of Operation	Concession / Permit Expiration	% Interest	Firm Capacity from Jan 1, 2018 (MWm)
Fontes Nova	132	104	1942	2026	100%	99
Nilo Peçanha	380	335	1953	2026	100%	334
Pereira Passos	100	51	1962	2026	100%	49
Ilha dos Pombos	187	115	1924	2026	100%	109
Santa Branca	56	32	1999	2026	100%	30
PCH Paracambi	13	10	2012	2031	51%	-
Renova	33	20	2008	2033	17%	-
Belo Monte	112	112	2016	2045	2%	-
TOTAL	**1,013**	**779**				**621**

10 - Power Purchase Agreements
11 - MCSD: Surplus and Shortfall Trading Mechanism

06 in Pimental were brought online in the first quarter of 2017. Unit 05 in Belo Monte started operation in the second quarter of 2017. Unit 06 at Belo Monte started commercial operation in the third quarter of 2017, and Unit 07 in the fourth quarter. Unit 08 at Belo Monte is scheduled to start commercial operation in January 2018.

In 2017 Norte Energia S.A. (NESA) implemented an organizational redesign to reflect the current stage in the project's lifecycle, reducing the number of executive positions from seven to four (Chief Executive, Administrative-Financial, Production & Construction and Regulation & Trading).

Guanhaes

A special-purpose entity created to build and operate four Small Hydro Plants (SHPs) in Minas Gerais, Guanhaes encountered technical difficulties in the engineering phase due to geological and environmental constraints, and the estimated date for initial commercial operation was delayed. On August 21, 2015 the project's SHPs were successful in Auction A-3 and concluded a power purchase agreement with a term of 30 years, at a price of R$205.50/MWh, commencing in January 2018. Construction of the 4 SHPs recommenced in November 2017 after the works were suspended in December 2015 due to the termination of the contract with the previous construction consortium. Operation Licenses (LO) have since been secured and the turbines are scheduled to be brought online in 2Q18, with project completion projected to occur in 2Q19.

RESULTS OF OPERATIONS

For details on our results of operations for financial year 2017, see our Annual Report (which is published concurrently with our Financial Statements) and our quarterly **Earnings Releases**[e1].

LIGHT S.A.

Adjusted EBITDA was R$ 1,977 in 2017, 38.5% higher than in 2016, and EBITDA margin was 18.5%, up 2.16 p.p. from the previous year. This is explained primarily by the impacts from the Tariff Review approved in March 2017, reduced losses and a nonrecurring adjustment to the fair value of Indemnifiable Concession Assets ("VNR").

Light S.A. recorded net income of R$ 124 million in the year, largely explained by a 69.8% increase in DisCo Adjusted EBITDA (which excludes interests in equity-accounted investees and other operating revenue and expense), reversing the loss of R$ 313 million in 2016.

LIGHT SESA

Light SESA posted net income of R$ 93 million in 2017, reversing a net loss of R$ 185 million in 2016. This is explained by the impact of the Tariff Review approved in March 2017, which increased electricity rates compared with the rates in 2016 (7.8%); a 24% increase in Grid Usage Charges (TUSD) due to the migration of captive customers to the free market; and the formation of a positive CVA (Sector Financial Assets and Liabilities) balance in 2017 compared with a negative CVA balance in 2016, reflecting an increase in hydrological risk expense (linked to GSF and PLD), higher National Grid charges expense and availability contract expense. Another contributing factor was the recognition of additional revenue from over-purchased electricity exceeding the regulatory limit (R$ 68 million).

LIGHT ENERGIA

Net Revenue at Light Energia rose by R$ 300 million, or 47.8%, compared with the previous period, primarily as a result of higher average selling prices under ACL agreements (R$ 83 million) and on the spot market (R$ 218 million).

e1 - **http://ri.light.com.br/divulgacoes-e-resultados-/central-de-resultados#2017**

LIGHT S. A. FINANCIAL HEADLINES (R$ MN)	2017	2016	Change 2017/2016
Net Revenue*	10,707	8,756	22.3%
CVM EBITDA[1]	1,694	1,010	67.8%
Covenant EBITDA (12 months)[2]	2,292	1,671	37.2%
Adjusted EBITDA[3]	1,976	1,427	38.5%
EBITDA Margin**	18.5%	16.3%	2.16 p.p.
Net Income/Loss	236	(313)	-
Net Debt***	7,206	6,220	15.9%

* Not including construction revenue. ** Based on Adjusted EBITDA. *** For covenant purposes.

LIGHT SESA (R$ MN) FINANCIAL HEADLINES	2017	2016	Change 2017/2016
Net Operating Revenue	9,194	7,768	18.4%
Operating Expense	(8,192)	(7,327)	-11.8%
Adjusted EBITDA	1,485	875	69.8%
Financial Revenue/Expense	(784)	(664)	-18.0%
Other Operating Income/Expense	(95)	(53)	-78.3%
Income before income tax and social contribution	148	(276)	-
Income Tax/Social Contribution	(55)	92	-
Net Income/Loss	93	(185)	-
EBITDA Margin	16.2%	11.3%	4.89 p.p.

NB: Excluding construction revenue/costs

LIGHT ENERGIA (R$ MN) FINANCIAL HEADLINES	2017	2016	Change 2017/2016
Net Operating Revenue	928	628	47.8%
Operating Expense	(659)	(230)	-186.4%
Adjusted EBITDA	323	453	-28.7%
Financial Revenue/Expense	(97)	(153)	36.4%
Other Operating Income/Expense	(0)	(4)	92.9%
Income before income tax and social contribution	171	241	28.9%
Income Tax/Social Contribution	(59)	(82)	27.6%
Equity Income	(187)	(333)	43.9%
Net Income/Loss	(73)	(174)	-58.0%
EBITDA Margin	34.8%	72.2%	-37.33 p.p.

LIGHT COM (R$ MN)			
FINANCIAL HEADLINES	2017	2016	Change 2017/2016
Net Operating Revenue	1,352	951	42.1%
Operating Expenses	(1,186)	(824)	-43.9%
Adjusted EBITDA	166	127	30.7%
EBITDA Margin	12.3%	13.4%	-1.07 p.p.
Financial Revenue/Expense	3	4	-21.6%
Income before income tax and social contribution	169	131	29.3%
Net Income/Loss	112	86	29.5%

LIGHT ESCO (R$ MN)			
FINANCIAL HEADLINES	2017	2016	Change 2017/2016
Net Operating Revenue	54	60	-9.7%
Operating Expenses	(46)	(81)	43.0%
Adjusted EBITDA	14	(16)	-
EBITDA Margin	25.1%	-26.0%	51.06 p.p.
Financial Revenue/Expense	4	21	-80.6%
Other Operating Income/Expense	16	(19)	-
Net Income/Loss	25	(24)	-

Net income was a loss of R$ 73 million, less than the loss reported in 2016. The improvement is primarily due to the recognition of impairment affecting equity in income of Guanhães (-R$ 23.9 million) and Renova (-R$ 162,7 million).

LIGHT COM

LightCom reported net revenue of R$ 1,352 million in the year, an increase of 42.1% compared with 2016 driven by higher sales of electricity at higher average prices (R$ 186.70/MWh) compared with the previous year (R$ 166.50/MWh). Operating expense was R$ 1,186 million, up 43.9% from 2016 due to higher expenses on purchased electricity.

Adjusted EBITDA was R$ 166 million in 2017, 30.7% higher than in 2016 due to the incorporation of new customers into the customer base and the receipt of operational indemnities from Renova under amendments to the "Light I" contract.

Net income in the year was R$ 112 million, up 29.5% from net income of R$ 86 million in 2016, explained by EBITDA growth.

LIGHT ESCO

Net revenue was R$ 54 million in 2017, a decrease of 9.7% from 2016 reflecting lower leasing revenues and increased sales of products and services. Net income was R$ 25 million in 2017, primarily explained by the derecognition of impairment on one of projects accounted for in Non-operating Income, in the amount of negative R$ 18.3 million, and a reversal of allowance for doubtful accounts of R$ 10.5 million.


Light

COMMITMENTS COMPLETED IN 2017
• We continued to address incoming reports and initiated a review of additional activities to be integrated into our compliance program.
• Further progress was made on our erosion remediation plan at the Santa Branca dam.
• Further investment was made in self healing systems.
• Light implemented new management initiatives for compliance with the regulatory commitments established in the ANEEL Action Plan.
• We conducted an underground system upgrade in 2017 that exceeded the targets agreed with ANEEL.
• We included 22 new suppliers in our Supplier Qualification System (SQF) and incorporated new activities, including service offices, call centers and smart grid services.
• We incorporated 34 new suppliers into the Outsourced Workforce Module of our Integrated Supplier Management System (GEIC).
• We initiated a program to expand the scope of our Environmental Management System (EMS) to include the medium voltage segment and completed the environmental aspect and impact identification phase.
• We invested in health promotion and accident prevention through Programa Vida!.
• We improved our organizational climate, with the result that Light was named one of the 10 best places to work in the state of Rio de Janeiro as ranked by Great Place To Work.
• We diversified our service channels into a multi-channel offering.
• We expanded the use of virtual channels.
• We implemented a new collection and service management model for wholesale customers.
• We completed a distributed generation (solar farm) project at Casa Ronald McDonald.
• We intensified our educational activities at public schools.
• We transmitted daily messages about the problems caused by electricity theft through press releases, Whatsapp messages and on social media (Facebook, Twitter, Instagram and Youtube).
• The number of news reports describing the relationship between electricity theft and power quality increased in the year, and positive reactions on social media demonstrate that the message has been well understood by customers.
• We unified our institutional and customer service channels on social media (Facebook and Twitter).
• We concluded an amendment to our concession agreement and accelerated our Tariff Review, which enabled us to adjust our electricity rates so they reflect the challenging operating conditions in our concession area.

COMMITMENTS FOR 2018

- Initiate commercial operation of the Lajes SHP.
- Implement the Aquatic Macrophyte Management System project.
- Expand our protection and self-healing assets.
- Enhance system reliability and preventive maintenance.
- Implement new technologies, such as: maintenance management software, drones for our system and substation inspections, a tree branch grinder to process tree trimming waste, and smart sensors that quickly detect power system faults and help recover from unscheduled outages.
- Increase the use of virtual and automated channels.
- Develop a humanized virtual service desk.
- Develop a videoconferencing customer service solution for our commercial offices.
- Develop a dashboard system with real-time information about our virtual channels.
- Enhance the Digital Billing process.
- Provide barcode-based debit card payment functionality on our self-service kiosks.
- Further improve collections from private and public wholesale customers.
- Expand our service channels for wholesale customers.
- Migrate to the latest edition of ISO 14001.
- Identify the environmental regulations applying to the processes involved and required action and new management procedures needed to expand the scope of the EMS system.
- Enhance our responsible consumption initiatives in communities to ensure electricity bills are affordable and consistent with household income, and target initiatives to local public school students in these communities.
- Use other formats, such as live podcasts, to demonstrate how electricity theft adversely affects communities and paying customers in a variety of ways.
- Expand the risk management scope of our Supplier Management Department.

Credits and corporate information

ANNUAL REPORT 2017

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Light

MATERIAL TOPICS ADDRESSED IN THIS REPORT						[GRI 102-44, GRI 102-46, GRI 102-47]
Material Topics	**Description**	**Relevant Capital**	**GRI Material Topics**	**Affected Stake-holders**	**Affected Businesses**	**Chapter describing our management approach**
Losses and Delinquency	Loss reduction strategies, including projects in low-income communities.	Social and Relationship	- System Efficiency - Local communities	- Customers - Community - Regulator	Light SESA	Loss Reduction and Improved Collection Performance (Losses)
Regulation and Government Policy	Influence on and relationship with regulators and governments with which Light interacts.	Social and Relationship Financial	- Indirect Economic Impacts - Public Policy	- Customers - Community - Regulator - Government	All	Financial Management (Tariff Review)
Relations with Customers and Society	Challenges in building closer relationships with customers and impacts on consumer behavior.	Social and Relationship	- Social and economic compliance - Supplier social assessment - Disaster and emergency planning and preparedness - Marketing and labeling - Customer privacy - Access	- Customers - Community - Suppliers - Regulator - Government	Light SESA	Loss Reduction and Improved Collection Performance (Customers)
Financial Health and the Capital Market	Business results, commitment to shareholders and lenders, and access to finance.	Financial	- Economic performance	- Investors - Shareholders	All	Financial Performance (Debt Restructuring / Financial Results)
Quality of Service	Quality of power supply to end consumers.	Manufactured	- Availability and reliability - Access	- Customers - Community - Regulator - Investors	Light SESA	Operating Efficiency (Distribution)
Operating Efficiency	Efficient operation and resource management.	Manufactured Social and Relationship Financial	- System Efficiency - Availability and reliability - Economic performance - Indirect economic impacts	- Customers - Community - Regulator - Investors	All	Operating Efficiency (Capital & Operating Expenditure / Distribution)
Energy Efficiencies	Demand-side management and other efficiency programs.	Social and Relationship	- Demand-side management - Energy	- Customers - Community - Regulator - Academy	Light SESA	Loss Reduction and Improved Collection Performance (Conscientious Consumption)
Service Area Development	Investments in our concession area and in social and cultural development.	Social and Relationship	- Local communities - Indirect economic impacts	- Customers - Community - Investors	All	Loss Reduction and Improved Collection Performance (Social Investment)
Environment and Climate Change	Environmental impacts and adapting to climate change.	Natural	- Economic performance - Emissions - Environmental compliance	- Community - Regulator	All	Operational Efficiency (Environmental Management)
People management	People management, labor practices and decent work.	Human Intellectual	- Employment - Labor relations - Training and education - Diversity and equal opportunity	- Internal Stakeholders	All	People Management (Professional & Human Development / Knowledge Management)
Supplier Management	Supplier management in relation to social and environmental practices.	Social and Relationship	- Supplier environmental assessment - Supplier social assessment - Procurement practices	- Suppliers	All	Operational Efficiency (Supplier Management)
Health & Safety	Health and safety of our workforce and communities.	Social and Relationship Human	- Occupational health and safety - Customer health and safety	- Internal Stakeholders - Customers	All	People Management (Occupational Health and Safety and Quality of Life)
Ethics and Compliance	Integrity in management, commercial and operational practices.	Social and Relationship	- Anti-bribery	All	All	Ethics and Compliance

LIGHT ANNUAL REPORT 2017

APPENDICES

Light

Appendix I
GRI Disclosures - Light SA

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [GRI 201-1]

	CONSOLIDATED	
STATEMENT OF ADDED VALUE (R$ THOUSAND)	2017	2016
Revenue	**18,260,761**	**16,894,444**
Sales of goods, products and services	18,010,600	16,179,697
Revenue relating to construction of company assets	647,996	931,804
Allowance (reversal of allowance) for doubtful accounts	(397,835)	(217,057)
Inputs purchased from third parties	**(8,530,972)**	**(7,536,297)**
Cost of goods sold and services rendered	(7,155,042)	(6,167,503)
Material, energy, outsourced services and other	(1,375,930)	(1,368,794)
Gross value added	**9,729,789**	**9,358,147**
Withholding	**(519,319)**	**(494,907)**
Depreciation and amortization	(519,319)	(494,907)
Net value added	**9,210,470**	**8,863,240**
Transferred value added	**(99,103)**	**(188,896)**
Equity in income of associates	(199,221)	(336,429)
Finance revenue	100,118	147,533
Added value to be distributed	**9,111,367**	**8,674,344**
Distribution of value added	**9,111,367**	**8,674,344**
Personnel	**380,311**	**403,727**
Direct compensation	268,731	290,825
Rewards and Benefits	69,952	65,909
FGTS	37,984	40,294
Other	3,644	6,699
Taxes	**7,567,611**	**7,552,438**
Federal	3,564,635	3,600,552
State	3,986,460	3,935,841
Municipal	16,516	16,045
Third-party capital remuneration	**1,039,224**	**1,031,116**
Interest	992,306	955,798
Rent	46,918	75,318
Interest on equity	**124,221**	**(312,937)**
Dividends	29,503	-
Retained earnings (accumulated losses)	94,718	(312,937)

AVERAGE PLANT AVAILABILITY FACTOR (%) [GRI EU30]	2015	2016	2017
Fontes Nova (FTN)	97.0	90.5	90.3
Nilo Peçanha (NLP)	91.0	92.3	93.0
Pereira Passos (PPS)	97.0	96.8	98.7
Ilha dos Pombos (ILH)	94.0	97.7	93.9
Santa Branca (SBR)	93.0	97.3	96.4

Source: IMS Performance Report | Note: Not including the Paracambi SHP, which is owned by LightGer, in which Light has a 51% interest.

NET ENERGY OUTPUT (GWh) [GRI EU2]

PLANT	2015	2016	2017
Fontes Nova (Piraí - RJ)	597	690	662
Nilo Peçanha (Piraí - RJ)	1,806	2,104	2,403
Pereira Passos (Piraí - RJ)	239	292	336
Ilha dos Pombos (Carmo/Além Paraíba RJ/MG)	384	581	543
Santa Branca (Santa Branca/Jacareí SP)	76	53	175
Gross Output (including losses and internal consumption)	3,101	3,721	4,119
Net Output - Electric power delivered to the National Grid	2,542	3,102	3,403

Source: Net Output 2017 | Note: Not including the Paracambi SHP, which is owned by LightGer, in which Light has a 51% interest.

CAPACITY AGAINST PROJECTED DEMAND BY ENERGY SOURCE [GRI EU10]

	2015		2016		2017	
ENERGY SOURCE	GWh	%	GWh	%	GWh	%
Hydroelectric (Water Resources)	18,084	61.6	19,915	62.9	18,475	61.7
Thermal (Fossil fuels)	9,748	33.2	9,979	31.6	9,770	32.6
Angra (Eletronuclear)	891	3.0	870	2.8	868	2.9
Thermal (Alternative Source Auction)	124	0.4	125	0.4	120	0.4
Proinfa (Small Hydropower)	312	1.1	337	1.1	305	1.0
Proinfa (Wind)	150	0.5	162	0.5	138	0.5
Proinfa (Biomass)	63	0.2	68	0.2	55	0.2
Wind	0	0	158	0.5	200	0.7
TOTAL	**29,372**	**100**	**31,614**	**100**	**29,932**	**100**

Note: Power is purchased to meet our projected demand through auctions without the option to choose the source of electricity. Power cannot be traded directly between Light Group generation and distribution/supply subsidiaries. Adjustment mechanisms are available that enable power supply and demand to be balanced by purchasing additional electricity or returning contracts.

TOTAL WATER WITHDRAWAL BY SOURCE FOR POWER GENERATION AND WATER SUPPLY TO THE METROPOLITAN AREA OF RIO DE JANEIRO

($M^3.10^9$/YEAR) [GRI 303-1]	2015	2016	2017
Paraíba - Guandu Diversion (Annual Average)	99	100	101
Piraí – Guandu Diversion (Annual Average)	10	15	15
TOTAL WITHDRAWALS	**109**	**115**	**116**

Note: "Piraí - Guandu Diversion" refers to the average pumping rates at Santa Cecília; "Piraí - Guandu Diversion" refers to the average annual discharge rates measured at the V-3-482 Rosário Tunnel Outlet and v-1-105 Fazenda Nova Esperança hydrological stations.

WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER

(ANNUAL AVERAGE – m³/s) [GRI 303-2]	2015	2016	2017
Total water withdrawal to the Guandu River - Riberão das Lajes (Lajes + Diversion)	98.6	112.6	111.2
Total water withdrawal to the Guandu River - CEDAE Intake	5.4	5.4	5.4
TOTAL WITHDRAWAL/SUPPLY	**104.0**	**117.0**	**116.6**

Note: Total water withdrawal to the Guandu River - Riberão das Lajes is measured as the average annual discharge at Station V-3-489 – downstream of Pereira Passos. Total water withdrawal to the Guandu River – CEDAE Channel is measured as the average annual discharge at Station V-3-486 – CEDAE Channel.

TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, AND REGION

[GRI 102-8]	2015				2016				2017			
EMPLOYMENT CONTRACT/REGION	GR*	I	SP	TT	GR	I	SP	TT	GR	I	SP	TT
Definite employment agreement	1	7	0	**8**	3	7	0	**10**	34	13	0	**47**
Indefinite employment agreement	3,753	553	13	**4,319**	3,531	537	7	**4,075**	3,466	545	6	**4,017**
TOTAL	**3,754**	**560**	**13**	**4,327**	**3,534**	**544**	**7**	**4,085**	**3,500**	**558**	**6**	**4,064**

*GR: GREATER RIO, I: REST OF STATE, SP: SÃO PAULO E TT: TOTAL | NB: All employees are full time.

TOTAL DIRECT WORKFORCE, BY GENDER AND REGION [GRI 102-8]

REGION	2015			2016			2017		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Greater Rio	1,001	2,753	**3,754**	949	2,585	**3,534**	939	2,561	**3,500**
Rest of State	57	503	**560**	58	486	**544**	60	498	**558**
São Paulo	3	10	**13**	1	6	**7**	1	5	**6**
TOTAL	**1,061**	**3,266**	**4,327**	**1,008**	**3,077**	**4,085**	**1,000**	**3,064**	**4,064**

WORKFORCE BY GEOGRAPHY AND ACTIVITY

[GRI 102-8]	2015				2016				2017			
TYPE OF POSITION/REGION	GR*	I	SP	TT	GR	I	SP	TT	GR	I	SP	TT
Management	1.031	128	0	**1,159**	657	48	0	**705**	668	53	0	**721**
Middle Management	220	11	2	**233**	206	10	0	**216**	192	11	0	**203**
Operational	874	203	1	**1,078**	1,171	286	0	**1,457**	1,150	286	0	**1,436**
Professional	763	35	5	**803**	682	27	3	**712**	650	25	2	**677**
Technical	866	183	5	**1,054**	818	173	4	**995**	840	183	4	**1,027**
TOTAL	**3,754**	**560**	**13**	**4,327**	**3,534**	**544**	**7**	**4,085**	**3,500**	**558**	**6**	**4,064**

*GR: GREATER RIO, I: REST OF STATE, SP: SÃO PAULO E TT: TOTAL

NUMBER OF TERMINATIONS BY GENDER, AGE AND REGION [GRI 401-1]

REGION	Gender	2015				2016				2017			
		AGE GROUP											
		<30	>50	30-50	GT*	<30	>50	30-50	GT*	<30	>50	30-50	GT*
Greater Rio	W	31	10	37	**78**	23	31	75	**129**	32	38	91	**161**
	M	75	47	100	**222**	64	172	138	**374**	56	117	173	**346**
Greater Rio Total		**106**	**57**	**137**	**300**	**87**	**203**	**213**	**503**	**88**	**155**	**264**	**507**
Rest of State	W	1	1	0	**2**	5	0	2	**7**	3	2	1	**6**
	M	7	15	8	**30**	7	31	15	**53**	3	24	15	**42**
Rest of State Total		**8**	**16**	**8**	**32**	**12**	**31**	**17**	**60**	**6**	**26**	**16**	**48**
São Paulo	W	0	0	0	**0**	0	0	2	**2**	1	0	0	**1**
	M	0	0	1	**1**	0	2	2	**4**	0	0	0	**0**
São Paulo Total		**0**	**0**	**1**	**1**	**0**	**2**	**4**	**6**	**1**	**0**	**0**	**1**
GRAND TOTAL		**114**	**73**	**146**	**333**	**99**	**236**	**234**	**569**	**95**	**181**	**280**	**556**

***GT: GRAND TOTAL**

EMPLOYEE TURNOVER BY GENDER, AGE AND REGION (%) [GRI 401-1]

REGION	Sexo	2015				2016				2017			
		AGE GROUP											
		<30	>50	30-50	GT*	<30	>50	30-50	GT*	<30	>50	30-50	GT*
Greater Rio	W	12%	9%	6%	**8%**	10%	31%	12%	**14%**	13%	49%	15%	**17%**
	M	11%	9%	6%	**8%**	11%	43%	9%	**14%**	9%	37%	11%	**13%**
Greater Rio Total		**11%**	**9%**	**6%**	**8%**	**10%**	**41%**	**10%**	**14%**	**10%**	**39%**	**12%**	**14%**
Rest os State	W	6%	33%	0%	**3%**	28%	0%	5%	**12%**	14%	100%	3%	**10%**
	M	7%	13%	3%	**6%**	7%	32%	5%	**11%**	3%	25%	5%	**8%**
Resto of State Total		**7%**	**13%**	**2%**	**6%**	**10%**	**31%**	**5%**	**11%**	**4%**	**27%**	**5%**	**9%**
São Paulo	W	0%	0%	0%	**0%**	0%	0%	0%	**200%**	100%	0%	0%	**100%**
	M	0%	0%	12%	**10%**	0%	0%	40%	**67%**	0%	0%	0%	**0%**
São Paulo Total		**0%**	**0%**	**10%**	**8%**	**0%**	0%	**80%**	**86%**	**100%**	**0%**	**0%**	**17%**
GRAND TOTAL		**11%**	**10%**	**6%**	**8%**	**10%**	**40%**	**9%**	**14%**	**9%**	**37%**	**11%**	**14%**

FORMULA = Number of terminations in the year / Workforce in previous period (use the number of employees in tens, separated by region and gender, to calculate the percentage). ***GT: GRAND TOTAL**

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER [GRI 401-3]

2017	W	M	TOTAL
Employees that were entitled to parental leave (unit)*	1,000	3,064	**4,064**
Employees that took parental leave (unit)	55	108	**163**
Employees that returned to work after parental leave ended (unit)	55	108	**163**
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work (unit)	52	106	**158**
Return to work rate (%)	100%	100%	-
Retention rate of employees that took parental leave (%)	95%	98%	-

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN (%) BY EMPLOYEE CATEGORY [GRI 405-2] AVERAGE SALARY MEN/WOMAN

CATEGORY	2015	2016	2017
Management	92	111	104
Middle Management	107	116	110
Operational	118	117	115
Professional	121	122	123
Technical	110	108	108

ENTRY-LEVEL SALARY AT SIGNIFICANT LOCATIONS OF OPERATION, IN R$ [GRI 202-1]

LOCATION 2017	No. of Employees	Entry-Level Salary (R$)
Avenida Marechal Floriano, 168	1,513	1,170.17
Rua Frei Caneca, 363	716	1,209.37
Estrada do Tindiba	176	1,209.37
Cascadura	347	1,128.58
Barra do Piraí	137	1,438.51
Nova Iguaçu	272	1,209.37

TOTAL THIRD-PARTY WORKFORCE BY EMPLOYMENT CATEGORY, EMPLOYMENT CONTRACT, GENDER AND REGION [GRI 102-8]

	2015			2016			2017		
REGION	W	M	Total	W	M	Total	W	M	Total
Greater Rio	1,003	6,722	**7,725**	741	6,356	**7,097**	489	6,833	**7,322**
Rest of State	40	629	**669**	28	355	**383**	18	391	**409**
São Paulo	0	0	**0**	0	0	**0**	0	0	**0**
TOTAL	**1,043**	**7,351**	**8,394**	**769**	**6,711**	**7,480**	**507**	**7,224**	**7,731**

Note: Full-time with indefinite employment agreements.

NUMBER OF OUTSOURCED WORKERS BY ACTIVITY AND GEOGRAPHY [GRI 102-8]

REGION	2015				2016				2017			
	GR*	I	SP	TT	GR*	I	SP	TT	GR*	I	SP	TT
Maintenance, cleaning, security and upkeep	410	62	0	**472**	349	23	0	**372**	405	15	0	**420**
Other administrative activities (core activities)	5,330	604	0	**5,934**	4,631	360	0	**4,991**	4,832	393	0	**5,225**
Other administrative activities (supporting activities)	1,985	3	0	**1,988**	2,117	0	0	**2,117**	2,086	0	0	**2,086**
Sales and marketing	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Other	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
TOTAL	**7,725**	**669**	**0**	**8,394**	**7,097**	**383**	**0**	**7,480**	**7,323**	**408**	**0**	**7,731**

Note 1: Contractor and subcontractor employees involved in construction, operation and maintenance activities are dedicated to these activities during the entire year and work during the working hours established in their employment contracts. [GRI EU17] | Note 2: Security-related activities are entirely outsourced. Light requires a complete training program, including training on the principles of human rights as set out in our Code of Ethics. [GRI 410-1] |

*GR: GREATER RIO, I: REST OF STATE, SP: SÃO PAULO E TT: TOTAL

PROPORTION OF SPENDING ON LOCAL SUPPLIERS BY STATE AND BY TYPE [GRI 204-1]

STATE	2016		2017	
	Qtd	%	Qtd	%
Rio de Janeiro	968	52	830	44
São Paulo	475	22	440	33
Bahia	8	10	8	1
Paraná	39	7	35	9
Minas Gerais	84	5	81	6
Santa Catarina	25	2	26	2
Rio Grande do Sul	28	1	28	1
Espírito Santo	6	1	11	1
Total Material	**645**	**21**	**589**	**34**
Total Services	**1,045**	**79**	**913**	**66**
GRAND TOTAL	**1,690**	**100**	**1,502**	**100**

TYPICAL LOST-DAY INJURIES OVER THE PAST THREE YEARS - THIRD-PARTY EMPLOYEES [GRI 403-2]

THIRD-PARTY EMPLOYEES	2015					2016					2017				
	Fatal		Non-Fatal			Fatal		Non-Fatal			Fatal		Non-Fatal		
	W	M	W	M	TT	W	M	W	M	TT	W	M	W	M	TT
Incidents	0	4	1	47	**52**	0	1	3	39	**43**	0	2	0	33	**35**

OVERALL ABSENTEEISM RATE (DIRECT EMPLOYEES) BY REGION

[GRI 403-2]	2015		2016		2017	
REGION	W	M	W	M	W	M
Greater Rio	2.37	2.51	2.08	2.12	2.25	1.75
Rest of State	0.37	0.78	0.69	0.91	2.74	1.12

TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE CONCERNING HEALTH AND SAFETY IMPACTS AND RESULTING LEGAL PROCEEDINGS [GRI 416-2, GRI EU25]

	2015	2016	2017
Total number of nonfatal injuries involving consumers	15	26	20
Total number of fatal injuries involving consumers	15	13	8
Legal proceedings resulting from accidents involving consumers – Overall Legal Proceedings	466	438	397

NUMBER OF RESIDENTIAL DISCONNECTIONS FOR NON-PAYMENT [GRI EU27]

	2015	2016	2017
Disconnections for Nonpayment in the Residential Segment	736,528	745,840	765,791

FINES AND PENALTIES RELATED TO SERVICES PROVIDED [GRI 419-1]

	2015	2016	2017
Financial Compensation (DIC/FIC/DMIC/DICRI)	43,865	42,975	26,907
Regulatory fines	1,474	4,837	5,777
Credit for failure to meet commercial service terms	798	494	504
TOTAL	**46,137**	**48,306**	**33,188**

CONTINGENCIES & PROVISIONS [GRI 419-1]

SUBJECT MATTER	Portfolio (Qty)	Contingency (R$ million)	Provision (R$ million)
Small Claims Court	15,778	15.6	15.6
Civil	36,766	983.6	221.4
Labor claims	2,810	559.2	124.3
Tax	851	4,583.0	79.6
Other	4	9.4	9.4
TOTAL	**56,205**	**6,150.8**	**450.3**

INCIDENTS REPORTED OVER THE PAST THREE YEARS, BY REGION - LIGHT GROUP EMPLOYEES [GRI 403-2]

REGION	2015				2016				2017			
	Greater Rio		Rest of State		Greater Rio		Rest of State		Greater Rio		Rest of State	
WORKFORCE	W	M	W	M	W	M	W	M	W	M	W	M
Total	**1,001**	**2,753**	**57**	**503**	**945**	**2,595**	**59**	**486**	**932**	**2,584**	**59**	**489**
Number of Injuries - Typical	3	34	0	2	6	24	0	4	1	12	0	0
Lost days	68	981	0	16	47	410	0	364	4	490	0	0
Days deducted	0	0	0	0	0	0	0	0	0	6,000	0	0
Fatalities - Typical	0	0	0	0	0	0	0	0	0	1	0	0
Number of injuries - Commuting	20	19	0	1	19	22	0	0	15	21	0	0
Fatalities - Commuting	0	0	0	0	0	0	0	0	0	0	0	0

PERCENTAGE OF EMPLOYEES ELIGIBLE TO RETIRE, BY JOB CATEGORY, TIME REMAINING AND REGION. 2017 [GRI EU15]

	MANAGEMENT					MIDDLE MANAGEMENT					OPERATIONAL				
	Time remaining (years)														
REGION	<5	5-10	>10	Ret	GT	<5	5-10	>10	Ret	GT	<5	5-10	>10	Ret	GT
Greater Rio	1%	1%	3%	1%	**6%**	1%	1%	2%	0%	**3%**	1%	1%	3%	0%	**6%**
Rest of State	1%	1%	4%	0%	**6%**	1%	0%	1%	0%	**2%**	4%	4%	5%	1%	**13%**
São Paulo	0%	0%	0%	0%	**0%**	0%	0%	0%	0%	**0%**	0%	0%	0%	0%	**0%**

	PROFESSIONAL					TECHNICAL				
	Time remaining (years)									
REGION	<5	5-10	>10	Ret	GT	<5	5-10	>10	Ret	GT
Greater Rio	2%	1%	5%	1%	**9%**	2%	3%	9%	1%	**14%**
Rest of State	1%	0%	2%	0%	**3%**	4%	3%	11%	2%	**20%**
São Paulo	0%	0%	17%	0%	**17%**	0%	0%	17%	0%	**17%**

Ret = Retired

GT = Grad Total

*Formula = Number of retirable employees by region and time remaining / Total by region

COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES BY CATEGORY, GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP AND OTHER INDICATORS OF DIVERSITY – 2017 [GRI 405-1]

	MANAGEMENT						MIDDLE MANAGEMENT					
	Women			Men			Women			Men		
ETHNICITY	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Asian	3	6	-	-	3	-	-	1	-	-	3	-
White	60	141	24	55	65	18	1	32	-	4	81	23
Indigenous	-	1	-	-	-	1	-	1	-	-	1	-
Mixed race	57	77	9	28	32	19	-	5	-	1	23	7
Black	11	40	3	12	16	3	-	2	-	-	5	1
Not identified	1	5	5	-	2	24	-	3	-	-	5	4
TOTAL	**132**	**270**	**41**	**95**	**118**	**65**	**1**	**44**	**-**	**5**	**118**	**35**

	OPERATIONAL						PROFESSIONAL					
	Women			Men			Women			Men		
ETHNICITY	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Asian	1	-	-	5	11	1	-	4	-	-	2	-
White	15	29	4	99	222	35	33	144	18	48	168	47
Indigenous	-	-	-	5	4	-	-	-	-	-	3	-
Mixed race	25	22	1	180	374	36	13	51	6	13	55	8
Black	13	11	3	88	153	13	4	15	2	4	12	2
Not identified	-	-	1	12	16	57	3	3	4	-	6	9
TOTAL	**54**	**62**	**9**	**389**	**780**	**142**	**53**	**217**	**30**	**65**	**246**	**66**

	TECHNICAL					
	Women			Men		
ETHNICITY	<30	30-50	>50	<30	30-50	>50
Asian	1	-	-	5	11	-
White	15	23	-	81	273	61
Indigenous	-	1	-	-	3	1
Mixed race	8	22	-	78	248	28
Black	7	8	-	23	84	5
Not identified	1	1	-	2	26	11
TOTAL	**32**	**55**	**-**	**189**	**645**	**106**

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND AUDIT COMMITTEE (%) [GRI 102-35]

2017	Board of Directors	Statutory Board	Audit Board	TOTAL
ANNUAL FIXED COMPENSATION	**8.60**	**36.70**	**3.45**	**48.74**
Salaries or management fees	7.17	25.37	2.87	**35.41**
Direct and indirect benefits	–	3.72	–	**3.72**
Participation in committees	–	–	–	
Other	1.43	7.61	0.57	**9,62**
VARIABLE COMPENSATION IN THE YEAR	**-**	**47.82**	**-**	**47.82**
Bonuses	–	37.36	–	**37.36**
Profit sharing	–	–	–	
Participation in meetings	–	–	–	
Commission	–	–	–	
Other	–	10.46	–	**10.46**
POST-EMPLOYMENT	**-**	**1.63**	**-**	**1.63**
TERMINATION OF POSITION	**-**	**1.81**	**-**	**1.81**
SHARE-BASED	**-**	**-**	**-**	
TOTAL COMPENSATION BY BOARD	**8.60**	**87.95**	**3.45**	**100.00**

REMUNERATION PAID BY THE COMPANY TO THE BOARD OF DIRECTORS, AUDIT COMMITTEE AND EXECUTIVE BOARD [GRI 102-35]

2017	Board of Directors	Statutory Board
NUMBER OF MEMBERS	21.08	8.25
NUMBER OF MEMBERS RECEIVING COMPENSATION	18.00	8.25
ANNUAL FIXED COMPENSATION (IN R$)	2,584,427.45	11,028,613.16
Salaries or management fees	2,153,689.60	7,624,208.63
Direct and indirect benefits	–	1,117,219.10
Participation in committees	–	–
Other	430,737.85	2,287,203.43
VARIABLE COMPENSATION IN THE YEAR (R$ THOUSAND)	-	14,371,208.51
Bonuses	–	11,227,506.08
Profit sharing	–	–
Participation in meetings	–	–
Commission	–	–
Other	–	3,143,702.43
POST-EMPLOYMENT	-	489,378.58
TERMINATION OF POSITION	-	544,375.22
SHARE-BASED	-	-
TOTAL COMPENSATION BY BOARD (R$ THOUSAND)	**2,584,427.45**	**26,433,593.47**

2017	Audit Board	TOTAL
NUMBER OF MEMBERS	9.92	39.52
NUMBER OF MEMBERS RECEIVING COMPENSATION	9.92	36.17
ANNUAL FIXED COMPENSATION (IN R$)	1,036,329.90	14,649,388.51
Salaries or management fees	863,608.25	10,641,506.48
Direct and indirect benefits	–	1,117,219.10
Participation in committees	–	-
Other	172,721.65	2,890,662.93
VARIABLE COMPENSATION IN THE YEAR (R$ THOUSAND)	-	14,371,208.51
Bonuses	–	11,227,506.08
Profit sharing	–	-
Participation in meetings	–	-
Commission	–	-
Other	–	3,143,702.43
POST-EMPLOYMENT	-	489,378.58
TERMINATION OF POSITION	-	544,375.22
SHARE-BASED	-	-
TOTAL COMPENSATION BY BOARD (R$ THOUSAND)	**1,036,329.90**	**30,054,350.82**

Note: The number of members on the board is equivalent to the average number of members on the board in each month as recommended by CVM.

TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD [GRI 306-2]

AMOUNT OF/METRIC TONS	METHOD OF DISPOSAL	2015	2016	2017
Paper and corrugated cardboard	Recycling /sale	10.60	5.20	30.68
Plastic	Recycling /sale	7,548.3	8,885.7	1,170.4
Glass	Recycling /sale	0.340	0.160	0.005
Metal	Recycling /sale	261.50	241.80	0.91
Incandescent lamps	Cleaning/recycling	90.0	0.3	6.0
Washable towels	Decontamination/reutilization	3.20	3.20	1.63

Note 1: Waste materials listed in the table are from the company's waste segregation center. Incandescent lamps, specifically, derived from the community energy efficiency program, which in 2016 disposed of a smaller quantity of lamps. | Note 2: All waste is disposed of via recycling or resale, with the exception of washable towels, which are decontaminated and reutilized.

WEIGHT OF WASTE DEEMED HAZARDOUS UNDER THE BASEL CONVENTION – ANNEX I, II, III, AND VIII [GRI 306-4]

AMOUNT OF	METHOD OF DISPOSAL	2015	2016	2017
PPE	Co-processing	1,530	1,500	2,670
Oily waste	Co-processing/incineration	67,763	74,706	41,991
Fluorescent lamps	Cleaning/recycling	17,331	6,080	4,248
Stationary batteries	Recycling /sale	–	–	19,860
Batteries	Cleaning/recycling	1,182	1,057	6,930

Note 1: The waste materials reported in this table are documented in waste manifests that are managed through our Environmental an Integrated Management System. | Note 2: Stationary battery waste was generated in 2015 and 2016, but could not be disposed of due to budgetary restrictions.

ENVIRONMENTAL INVESTMENT (R$ THOUSANDS) [GRI 103-2]

NATURE OF INVESTMENT / DIVISION	2015			2016		
	SESA	Energia	TOTAL	SESA	Energia	TOTAL
Environmental maintenance and safety	1,874	2,012	**3,886**	2,017	1,596	**3,613**
Environmental education and programs	11,566	1,598	**13,164**	14,489	21	**14,510**
Environmental licensing and compliance	385	150	**535**	529	192	**721**
Environmental management system implementation and maintenance	113	1,085	**1,198**	79	986	**1,065**
Reforestation / slope stabilization	5,217	7,966	**13,183**	3,905	6,366	**10,271**
Aquatic plant retrieval	NA	2,027	**2,027**	NA	1,563	**1,563**
Research and development	466	209	**675**	377	1,308	**1,685**
TOTAL	**19,621**	**15,047**	**34,668**	**21,396**	**12,032**	**33,428**

NB: In this report, tree trimming costs are not classified as environmental investments, but as operation and maintenance expense.

ENVIRONMENTAL INVESTMENT (R$ THOUSANDS) [GRI 103-2]

NATURE OF INVESTMENT / DIVISION	2017		
	SESA	Energia	TOTAL
Environmental maintenance and safety	2,727	587	**3,314**
Environmental education and programs	10,567	116	**10,683**
Environmental licensing and compliance	884	0	**884**
Environmental management system implementation and maintenance	98	715	**813**
Reforestation / slope stabilization	573	11,845	**12,418**
Aquatic plant retrieval	NA	1,951	**1,951**
Research and development	0	172	**172**
TOTAL	**14,849**	**15,386**	**30,235**

NB: In this report, tree trimming costs are not classified as environmental investments, but as operation and maintenance expense.

WATER CONSUMPTION AT LIGHT FACILITIES (AVERAGE M³/DAY) [GRI 303-1]

	2015	2016	2017
Water consumption at Light facilities	413	392	379

SCOPE 1 (OWN FLEET) ENERGY CONSUMPTION, BY PRIMARY SOURCE, IN MWH [GRI 302-1]

FUEL	2015	2016	2017
Diesel	5,426	5,254	5,200
Gasoline	5,159	5,359	5,513
Ethanol	63	44	56
TOTAL	**10,648**	**10,657**	**10,769**

ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION, BY PRIMARY SOURCE, IN MWH [GRI 302-2]

FUEL	2015	2016	2017
Diesel	19,888	5,805	3,628
Gasoline	11,805	7,613	3,142
Ethanol	2,998	21	30
TOTAL	**34,691**	**13,439**	**6,799**

TOTAL DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) GHG EMISSIONS BY WEIGHT, IN METRIC TONS OF CO_2EQ [GRI 305-1, GRI305-2]			
OPERATING UNIT	2015	2016	2017
Light Energia (direct)	6,026	5,504	4,449
Light Energia (indirect)	4,762	3,528	4,058
Light SESA & Esco (direct)	25,531	33,223	35,970
Light SESA & Esco (indirect)	373,228	227,171	221,047
TOTAL LIGHT (DIRECT)	**31,557**	**38,727**	**40,419**
TOTAL LIGHT (INDIRECT)	**377,989**	**230,669**	**225,105**

Appendix II
ANEEL Disclosures - Light SESA

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [GRI 201-1]

	CONSOLIDATED	
STATEMENTS OF ADDED VALUE (R$ THOUSAND)	2017	2016
Revenue	**16,410,526**	**15,652,483**
Sales of goods and services	16,212,030	14,968,425
Revenue relating to construction of company assets	607,191	889,632
Allowance (reversal of allowance) for doubtful accounts	(408,695)	(205,574)
Inputs purchased from third parties	**(7,500,343)**	**(7,091,602)**
Cost of goods sold and services rendered	(6,230,782)	(5,875,922)
Material, energy, outsourced services and other	(1,269,561)	(1,215,680)
Gross value added	**8,910,183**	**8,560,881**
Withholding	**(458,775)**	**(433,603)**
Depreciation and amortization	(458,775)	(433,603)
Net value added	**8,451,408**	**8,127,278**
Transferred value added	**79,530**	**104,154**
Finance revenue	79,530	104,154
Added value to be distributed	**8,530,938**	**8,231,432**
Distribution of value added	**8,530,938**	**8,231,432**
Personnel	**344,267**	**362,631**
Direct compensation	239,787	257,836
Rewards and Benefits	66,728	62,097
FGTS	34,469	36,563
Other	3,283	6,135
Taxes	**7,156,213**	**7,194,320**
Federal	3,255,674	3,321,782
State	3,883,923	3,859,138
Municipal	16,616	13,400
Third-party capital remuneration	**937,403**	**859,306**
Interest	879,417	785,543
Rent	57,986	73,763
Interest on equity	**93,055**	**(184,825)**
Dividend and interest on equity	22,101	-
Retained earnings (accumulated losses)	70,954	(184,825)

PURCHASED ELECTRICITY

	2015	2016	2017
Purchased electricity (GWh) - Total	**29,377**	**31,614**	**29,932**
1) Itaipu	5,099	5,115	5,090
2) Initial contracts	0	0	0
3) Bilateral contracts	6,351	6,368	6,351
3.1) Third parties	6,351	6,368	6,351
3.2) Related parties	0	0	0
4) Auction	576	0	0
5) PROINFA	525	534	498
6) CCEAR	7,309	8,336	7,917
7) Surplus and Shortfall Trading Chamber (MCSD)	557	1,683	1,486
8) Angra (Eletronuclear)	891	870	868
9) Quotas	8,069	8,550	7,523
10) Wind	0	158	200

Note: Light sold 2,070 GWh on the spot market, for a total energy requirement of 29,544 GWh.

MARKET

TOTAL ELECTRICITY SOLD (GWH)	2015	2016	2017
Classes / Total	**26,446**	**25,849**	**25,846**
Residential	8,778	8,850	9,239
Industrial	5,251	4,901	4,880
Commercial	8,457	8,271	8,070
Rural	73	67	63
Government	1,521	1,488	1,336
Public Lighting	860	746	689
Public Utility	1,388	1,411	1,452
Internal Use	119	116	117
CAPTIVE ELECTRICITY SOLD (GWH)	**2015**	**2016**	**2017**
Classes / Total	**21,361**	**20,660**	**19,673**
Residential	8,778	8,850	9,239
Industrial	1,274	1,060	779
Commercial	7,567	7,149	6,259
Rural	73	67	63
Government	1,521	1,488	1,336
Public Lighting	860	746	689
Public Utility	1,170	1,185	1,191
Internal Use	119	116	117

MARKET

FREE ELECTRICITY SOLD (GWH)	2015	2016	2017
Classes/Total	**5,085**	**5,189**	**6,173**
Industrial	3,976	3,841	4,101
Commercial	890	1,122	1,811
Public Utility	218	226	261

% SHARE OF SEGMENTS IN TOTAL ELECTRICITY SOLD	2015	2016	2017
Classes/Total	**100.0**	**100.0**	**100.0**
Residential	33.2	34.2	33.7
Low-Income Residential	0.3	1.7	2.0
Industrial	19.9	19.0	18.9
Commercial	32.0	32.0	31.2
Rural	0.3	0.3	0.2
Government	5.7	5.8	5.2
Public Lighting	3.3	2.9	2.7
Public Utility	5.2	5.5	5.6
Internal Use	0.4	0.4	0.5

NUMBER OF ACCOUNTS BILLED (*) AT DECEMBER EACH YEAR – CAPTIVE CUSTOMERS [GRI EU3]	2015	2016	2017
Classes/Total	**4,302,179**	**4,420,057**	**4,560,134**
Residential	3,942,220	4,058,527	4,196,110
Industrial	7,366	7,060	10,468
Commercial	325,873	326,839	326,090
Rural	12,054	12,160	12,296
Government	11,857	12,361	12,367
Public Lighting	741	659	721
Public Utility	1,603	1,991	1,607
Internal Use	465	460	460

(*) Including accounts with and without consumption

NUMBER OF FREE CONSUMERS (*) [GRI EU3]	2015	2016	2017
Classes/Total	**206**	**353**	**613**
Industrial	44	67	104
Commercial	159	282	503
Public Utility	3	4	6

(*) number of installations per customer

GENERAL DATA	2015	2016	2017
Electricity sales by installed capacity (GWh/MVA*No. hours/year)	2.56	2.46	2.46
Electricity sold per employee (MWh)	6,522	6,710	6,718
Number of consumers per employee	1,061	1,147	1,185
Added value / GWh sold	324,939	318,443	330,068

CONSUMERS			
EXCELLENCE IN SERVICE	**2015**	**2016**	**2017**
Call Center			
Calls Received (unit)	4,018,755	3,715,774	3,596,971
Average number of agents (unit)	78	58	63
INS Level of Service Rate (%)	92.03	88.94	90.54
IAb - Abandonment Rate (%)	0.82	1.19	0.49
ICO - Busy Call Rate (%)	0.16	0.41	0.21
TMA - Average Interaction Time (s)	257	277	292
Compensation for Electrical Damages			
Volume of Applications (unit)	5,813	8,016	7,360
Confirmed (unit)	2,044	2,377	1,832
Complaints Indicators (*)			
Confirmed Complaints (unit)	93,469	82,171	82,291
Equivalent Complaint Duration (ECD) (hours) (**)	200.46	174.98	134.70
Equivalent Complaint Frequency per One Thousand Consumer Units (ECF) (unit) (**)	24.64	21.05	21.05
Violation of commercial service time limits (Pursuant to the relevant regulation – REN 414/2010).			
Service interactions (unit)	978,439	967,894	940,492
Service interactions timely completed (unit)	18,605	14,083	32,817
Service Efficiency (%)	98.1	98.5	96.5
Number of customer complaints escalated			
to ANEEL – state / regional agencies	10,002	7,032	35,797
to the Company (excluding complaints relating to Outages, Electrical Damage and Supply Voltage)	219,816	245,885	263,367
to the courts	36,466	42,256	83,391
to PROCON	3,676	3,941	1,095

(*) Excluding complaints relating to Power Outages, Voltage Fluctuation and Electrical Damage, which under REN 414/2010 are not to be computed in ECD and ECF indicators as they are subject to rules and time frames under specific regulations | (**) Established in Regulatory Resolution 414/2010

INTERNAL STAKEHOLDERS

	2015	2016	2017
General Information			
Total number of employees	4,055	3,852	3,847
Turnover rate (%)	8.4	10.7	13.5
Average overtime per employee/year (hours)	74.4	107.7	164.8
Employees aged 30 or under (%)	27.8	27.7	28.8
Employees aged 31 to 40 (%)	35.1	38.0	39.5
Employees aged 41 to 50 (%)	20.5	20.5	20.2
Employees over 50 (%)	16.6	13.7	11.4
Percentage of female employees (%)	25.0	25.1	25.0
Women in managerial positions - out of total managerial positions (%)	23.5	24.5	23.1
Black female employees (black and mixed race) - out of total employees (%)	9.5	9.8	10.6
Black male employees (black and mixed race) - out of total employees (%)	37.0	38.2	39.0
Black employees (black and mixed race) in managerial positions out of total managerial positions (%)	21.6	21.9	20.3
Percentage of interns out of total employees (%)	3.1	1.1	1.7
Apprentice program employees (%)	2.8	2.4	2.9
Employees with special needs	201	178	190
Compensation (R$ thousand)			
Gross payroll	304,617	338,355	344,191
Compulsory social charges	59,918	66,939	68,590
Total Benefits (R$ thousand)			
Education	862	812	899
Food and Restaurants	27,354	29,604	32,782
Transportation	3,159	3,830	4,774
Health	15,642	17,438	18,846
Foundation	8,337	8,211	7,210
Occupational Health and Safety	832	646	646
Culture	0	0	0
Training and professional development	5,151	2,750	2,351
Day care and day care allowance	1,166	1,284	1,206
Other	1,343	2,135	2,442
Profit sharing			
Total investment in profit-sharing program (R$ thousand)	22,151	23,739	37,446
Amounts distributed in relation to gross payroll (%)	7.3	7.0	10.9

INTERNAL STAKEHOLDERS

	2015	2016	2017
Profit sharing			
Highest compensation divided by the lowest compensation in cash paid by the Company (including profit shares and bonuses)	56.4	44.9	66.5
Highest compensation divided by the minimum salary in force (including profit shares and bonuses)	1.5	1.4	1.4
Compensation profile by category - average salary (R$)			
Managerial positions (managing directors, managers and coordinators)	12,982	13,301	14,350
Administrative positions	2,896	3,556	3,236
Production positions	2,873	2,772	2,843
Retirement provision			
Number of beneficiaries of supplementary pension plans	3,866	3,725	3,633
Number of beneficiaries of pre-retirement plan	0	0	0
PROFESSIONAL DEVELOPMENT	**2015**	**2016**	**2017**
Education Levels (percentage of total employees)			
Illiterate employees (%)	0	0	0
Primary education (%)	5.33	4.39	3.64
Secondary education (%)	66.21	67.76	69.38
Undergraduate (%)	23.28	23.05	22.28
Graduate (specialist, Master's degree, PhD) (%)	4.69	4.31	4.21
Amount invested in professional development and education (% of NOR)	0.06	0.04	0.02
Number of hours of professional development per employee/year (MH), by employee category			
Administrative	15.7	14.3	19.8
Middle management	52.2	19.9	48.7
Operational	57.2	34.0	55.6
Professional	36.8	23.0	25.7
Technical	58.1	32.6	51.4
General	41.9	24.8	40.2
Labor Claims (direct employees)			
Provision for liabilities in the period (R$ thousand)	79,418	68,904	53,915
Number of labor claims brought against the company in the period (*)	95	99	183
Number of labor claims accepted in the period (**)	24	113	133
Number of labor claims rejected in the period (**)	40	27	24
Value of damages and fines paid under court awards in the period (R$ thousand)	12,052	5,659	9,105

(*) New labor claims brought in the period by direct employees. | (**) Active claims at period-end from direct employees.

HEALTH & SAFETY

TF (Taxa de Frequência) - TG (Taxa de Gravidade)	2015	2016	2017
Total frequency rate for the period - employees	5.52	4.69	1.52
Total severity rate for the period - employees	154	113	757
Total frequency rate for the period - contractors	2.38	2.44	2.00
Total severity rate for the period - contractors	1,358	503	525
Total frequency rate for the period - workforce (employees + contractors)	3.20	3.15	1.82
Total severity rate for the period - workforce (employees + contractors)	1,042	379	611
Fatalities – employees	0	0	1
Fatalities – contractors	4	1	1

SUPPLIERS

	2015	2016	2017
Number of outsourced employees	7,916	6,832	7,204

COMMUNITY

LOW INCOME RATE [GRI 201-4]	2015	2016	2017
Number of low-income households served	156,975	229,005	213,514
Total low-income households out of total households served (residential customers/consumers) (%)	5	7	6
Revenue from sales to low-income residential subsector (R$ thousand)	181,887	258,022	338,123
Total revenue from sales to low-income residential subsector out of total residential revenue (%)	3.0	3.8	4.9
Subsidy received (Eletrobrás) for low-income consumers (R$ thousand)	46,555	69,113	84,382
Company involvement in cultural, sports and other projects (Rouanet Act)			
Funds allocated to cultural or sports projects etc. (Rouanet Act) (R$ thousand) - across all divisions	3,070	1,450	900
Funds allocated to the largest cultural or sports project (Rouanet Act) (R$ thousand) - across all divisions	1,000	700	300
Company involvement in social initiatives (Sponsorship – all divisions)			
Funds allocated to education (R$ thousand)	0	0	82
Funds allocated to health care and sanitation (R$ thousand)	0	0	0
Funds allocated to culture (R$ thousand)	3,975	1,290	240
Funds allocated to sports (R$ thousand)	4,886	1,500	270
Other funds allocated to social initiatives (R$ thousand)	1,800	272	233

COMMUNITY

	2015	2016	2017
Company involvement in social initiatives (Sponsorship – all divisions)			
Employees carrying out voluntary work in the community outside the Company/total employees (%)	NA	NA	NA
Number of hours donated per month (employees released from normal working hours) by the Company for employee volunteer work	0	0	0

ENVIRONMENT

	2015	2016	2017
Shielded and insulated lines (ecological grid or green lines) in urban areas (km)	43,237	51,903	52,171
Percentage of shielded and insulted lines out of total distribution lines in urban areas (%)	77	83	82
Annual volume of greenhouse gas (CO_2, CH_4, N_2O, HFC, PFC and SF_6) emissions (in tons of CO_2 equivalent) – Scopes 1 and 2	380,809	234,494	228,774
Annual volume of ozone-depleting emissions		**Negligible**	
Annual quantity (in tons) of solid waste generated (refuse, waste, rubble etc.) (*)	6,756	806 (*)	5,296
Total electricity consumption by source (in MWh)			
Fossil fuels	NA	NA	NA
Alternative sources (gas, wind, solar, etc)	NA	NA	NA
Hydroelectric	NA	NA	NA
Total electricity consumption (in MWh)	118,691	115,657	117,339
Electricity consumption per kWh distributed (sold)	0.001	0.001	0.001
Total direct energy consumption by primary source (MWh)			
Ethanol	60	43	56
Diesel	5,186	5,089	5,059
Natural Gas	0	0	0
Gasoline	5,018	5,191	5,355
Total water withdrawal by source (m^3)	**2015**	**2016**	**2017**
Municipal	139,334	133,071	129,155
Surface water (watercourses)	NA	NA	NA
Groundwater (wells)	NA	NA	NA
Total water withdrawal (m^3)	139,334	133,071	129,155
Water withdrawal per employee (m^3)	34.36	34.55	33.57

(*) Includes only waste materials documented on Waste Manifests.

ENVIRONMENT

	2015	2016	2017
Number of employees trained in environmental education programs	286	143	323
Employees trained in environmental education programs out of total employees (%)	7.1	3.7	8.4
Number of hours of environmental training for employees out of total hours of training (%)	0.10	0.29	0.20

RESEARCH & DEVELOPMENT

By field of research (Research & Development Handbook – ANEEL)	2015		2016		2017	
	Amount (R$ thousand)	%	Amount (R$ thousand)	%	Amount (R$ thousand)	%
Alternative sources	203	1.7	4	0.1	–	–
Thermal	–	–	–	–	–	–
River Basin and Reservoir Management	–	–	–	–	–	–
Environment	–	–	–	–	–	–
Safety	237	2.0	310	5.8	288	8.2
Energy Efficiency	–	–	–	–	–	–
Power Systems Planning	859	7.2	763	14.3	300	8.6
Power System Operation	1,089	9.1	413	7.7	–	–
Power System Supervision, Control and Protection	249	2.1	–	–	–	–
Power Supply Quality and Reliability	988	8.3	1,435	26.9	418	12.0
Metering, Billing and Loss Reduction	592	5.0	1,982	36.9	2,047	58.6
Other	7,702	66.6	446	8.4	441	12.6
TOTAL	**11,919**	**100.0**	**5,352**	**100.0**	**3,493**	**100.0**

R&D Investments - Project classification by research stage	2016		2017	
	No. of projects	Investments (in R$ thousand)	No. of projects	Investments (in R$ thousand)
Basic Targeted Research	–	–	–	–
Applied Research	7	1,978	5	1,672
Experimental Development	1	43	2	464
Prototyping	4	2,089	4	1,357
Pilot run	3	1,242	–	–
Placement on market	–	–	–	–
TOTAL	**15**	**5,352**	**11**	**3,493**

Note: in 2016 and 2017, in addition to project expenditure, respectively R$ 668,000 and R$ 693,000 were invested in our Management Project.

RESEARCH & DEVELOPMENT

R&D Investment - Project classification by type of deliverable	2016		2017	
	No. of projects	Investments (in R$ thousand)	No. of projects	Investments (in R$ thousand)
Concept or Method	3	618	2	885
Software	3	805	3	478
System or Process	2	777	2	479
Material or Substance	3	413	–	–
Component or Device	3	2,430	2	674
Machinery or Equipment	1	310	2	978
TOTAL	**15**	**5,352**	**11**	**3,493**

ELECTRICAL EFFICIENCY PROGRAM

Investment made (expenditure)	2015				
	Investment		Source of funding (R$ thousand)		
Project Type	Total (R$ thousand)	%	Company	Third party	Customer
Industrial	–	–	–	–	–
Trade and services	38	0.06	38	–	–
Government	6,129	9.92	5,634	–	495
Public Utility	–	–	–	–	–
Rural	–	–	–	–	–
Residential	4,535	7.34	4,535	–	–
Low-Income Residential	38,320	62.01	38,320	–	–
Public Lighting	–	–	–	–	–
Municipal Energy Management	–	–	–	–	–
Education	11,291	18.27	2,034	9,256	–
EE management	1,485	2.40	1,485	–	–
ABRADEE Campaign	–	–	–	–	–
PROCEL (0.1 NOR)	–	–	–	–	–
TOTAL	**61,798**	**100**	**52,046***	**9,256**	**495**

(*) In 2016 an accounting restatement of R$ 814,600 was made in relation to the CE VII project. This restatement reduced the actual investment recognized in 2015 and affected the amount recognized in 2016. In 2016 Light invested R$ 16,813,000 but recognized R$ 15,999,000 due to the credit of R$ 814,600.

ELECTRICAL EFFICIENCY PROGRAM

INVESTMENT MADE (expenditure)	2016				
	Investment		Source of funding (R$ thousand)		
Project Type	Total (R$ thousand)	%	Company	Third party	Customer
Industrial	–	–	–	–	–
Trade and services	109	0.59	109	–	–
Government	3,375	18.28	3,330	–	45
Public Utility	–	–	–	–	–
Rural	–	–	–	–	–
Residential	390	2.11	390	–	–
Low-Income Residential	9,547	51.71	9,547	–	–
Public Lighting	–	–	–	–	–
Municipal Energy Management	–	–	–	–	–
Education	4,117	22.30	2,515	1,602	–
EE management	923	5.00	923	–	–
ABRADEE Campaign	–	–	–	–	–
PROCEL (0.1 NOR)	–	–	–	–	–
TOTAL	**18,461**	**100**	**16,813**	**1,602**	**45**

INVESTMENT MADE (expenditure)	2017				
	Investment		Source of funding (R$ thousand)		
Project Type	Total (R$ thousand)	%	Company	Third party	Customer
Industrial	–	–	–	–	–
Trade and services	1,679	7.79	1,634	17	27
Government	2,132	9.89	1,756	–	376
Public Utility	–	–	–	–	–
Rural	–	–	–	–	–
Residential	1,756	8,15	1,756	–	–
Low-Income Residential	3,585	16.63	3,457	–	129
Public Lighting	–	–	–	–	–
Municipal Energy Management	–	–	–	–	–
Education	2,571	11.93	2,571	–	–
EE management	672	3.12	672	–	–
ABRADEE Campaign	1,185	5.50	1,185	–	–
PROCEL (0.1 NOR)	7,973	36.99	7,973	–	–
TOTAL	**21,553**	**100**	**21,003**	**17**	**532**

(*) In 2016 an accounting restatement of R$ 814,600 was made in relation to the CE VII project. This restatement reduced the actual investment recognized in 2015 and affected the amount recognized in 2016. In 2016 Light invested R$ 16,813,000 but recognized R$ 15,999,000 due to the credit of R$ 814,600.

ELECTRICAL EFFICIENCY PROGRAM

OUTCOMES (from projects completed in the year)	2015		
Project Type	Units served	Energy savings (MWh)/year	Peak Shaving (kW)
Industrial	0	0	0
Trade and services	0	0	0
Government	3	16,846	2,641
Public Utility	0	0	0
Rural	0	0	0
Residential	2,350	0	0
Low-Income Residential	118,323	28,059*	19,599*
Public Lighting	0	0	0
Municipal Energy Management	0	0	0
Education	1	0	0
TOTAL	**120,677**	**44,905***	**22,241***

OUTCOMES (from projects completed in the year)	2016		
Project Type	Units served	Energy savings (MWh)/year	Peak Shaving (kW)
Industrial	–	–	–
Trade and services	2	71	24
Government	3	4,462	1,830
Public Utility	–	–	–
Rural	–	–	–
Residential	478,721**	69,020	18,682
Low-Income Residential	–	–	–
Public Lighting	–	–	–
Municipal Energy Management	–	–	–
Education	–	–	–
TOTAL	**478,721**	**73,553**	**20,536**

(*) Restatements to the CE VII M&V report | (**) Residential I Project: 64,816 un and Residential II: 413,905 un.

ELECTRICAL EFFICIENCY PROGRAM			
OUTCOMES (from projects completed in the year)	2017		
Project Type	**Units served**	**Energy savings** (MWh)/year	**Peak Shaving** (kW)
Industrial	0	0	0
Trade and services	6	1,415	246
Government	43	1,336	127
Public Utility	0	0	0
Rural	0	0	0
Residential	6,666	6,444	1.210
Low-Income Residential	19,929	6,797	1,443
Public Lighting	0	0	0
Municipal Energy Management	0	0	0
Education	0	0	0
TOTAL	**26,644**	**15,991**	**3,027**

(*) Restatements to the CE VII M&V report | (**) Residential I Project: 64,816 un and Residential II: 413,905 un.

Appendix III
ANEEL Disclosures - Light Energia

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED [GRI 201-1]

	CONSOLIDATED	
STATEMENT OF ADDED VALUE (R$ THOUSAND)	2017	2016
Revenue	**1,094,749**	**778,642**
Sales of goods, products and services	1,053,944	736,470
Revenue relating to construction of company assets	40,805	42,172
Inputs purchased from third parties	**(612,472)**	**(189,202)**
Cost of goods and services sold	(559,160)	(123,341)
Material, Energy, Outsourced Services and Other	(53,312)	(65,861)
Gross value added	**482,277**	**589,440**
Withholding	**(54,566)**	**(55,448)**
Depreciation and amortization	(54,566)	(55,448)
Net value added	**427,711**	**533,992**
Transferred value added	**(161,807)**	**(305,090)**
Finance revenue	24,791	27,664
Equity in income of associates	(186,598)	(332,754)
Added value to be distributed	**265,904**	**228,902**
Distribution of value added	**265,904**	**228,902**
Personnel	**24,545**	**25,705**
Direct compensation	18,861	19,993
Rewards and Benefits	2,466	2,620
FGTS	2,790	2,570
Other	428	522
Taxes	**191,292**	**200,842**
Federal	185,327	198,639
State	5,010	1,340
Municipal	955	863
Third-party capital remuneration	**123,387**	**176,293**
Interest	122,138	174,879
Rent	1,249	1,414
Interest on equity	**(73,320)**	**(173,938)**
Accumulated losses	(73,320)	(173,938)

GENERATION OUTPUT	2015	2016	2017
Total gross electricity generated (GWh)	3,101	3,721	4,119
Total net electricity generated (GWh)	2,542	3,102	3,403

Note: Not including the Paracambi SHP, which is owned by LightGer, in which Light has a 51% interest.

INTERNAL STAKEHOLDERS	2015	2016	2017
General Information			
Number of employees	213	191	182
Turnover rate (%)	5.4	9,3	10.8
Average overtime per employee/year (hours)	78.1	61.8	103.7
Employees aged 30 or under (%)	25.4	27.2	30.8
Employees aged 31 to 40 (%)	20.7	22.0	25.8
Employees aged 41 to 50 (%)	16.9	16.2	14.8
Employees over 50 (%)	37.1	34.6	28.6
Percentage of female employees (%)	13.6	13.6	12.6
Women in managerial positions - out of total managerial positions (%)	13.3	0.0	0.0
Black female employees (black and mixed race) - out of total employees (%)	3.3	4.2	2.8
Black male employees (black and mixed race) - out of total employees (%)	22.1	24.1	25.8
Black employees (black and mixed race) in managerial positions out of total managerial positions (%)	0.0	0,0	0.0
Percentage of interns out of total employees (%)	4.7	2.6	3.9
Apprentice program employees (%)	0.9	0.5	1.1
Employees with special needs (%)	7	5	3
Compensation (R$ thousand)			
Gross payroll	19,652	20,466	19,746
Compulsory social charges	4,196	4,035	4,316
Total Benefits (R$ thousand)			
Education	262	283	80
Food and Restaurants	1,286	1,339	1,454
Transportation	57	48	18
Health	636	646	534
Foundation	552	531	415
Occupational health and safety	0	0	0
Culture	0	0	0
Training and professional development	0	0	0
Day care and day care allowance	22	18	11
Other	36	25	26

INTERNAL STAKEHOLDERS	2015	2016	2017
Profit sharing			
Total investment in profit-sharing program (R$ thousand)	1,746	1,977	1,472
Amounts distributed in relation to gross payroll (%)	8.9	9.7	7.5
Highest compensation divided by the lowest compensation in cash paid by the Company (including profit shares and bonuses)	28.4	32.3	26.5
Highest compensation divided by the minimum salary in force (including profit shares and bonuses)	1.49	1.4	1.6
Compensation profile by category - average salary (R$)			
Middle management positions (managers and coordinators)	16,236	15,911	16,510
Administrative positions	3,761	3,978	3,916
Production positions	4,442	4,757	4,717
Retirement provision			
Number of beneficiaries of supplementary pension plans	197	180	166
Number of beneficiaries of pre-retirement plan	0	0	0
Professional Development			
Education Levels (percentage of total employees)			
Illiterate employees (%)	0	0	0
Primary education (%)	7.0	7.9	5.5
Secondary education (%)	54.9	53.4	57.7
Undergraduate (%)	30.1	29.8	30.2
Graduate (specialist, Master's degree, PhD) (%)	7.5	8.4	6.0
Amount invested in professional development and education (% of NOR)	0.04	0.04	0.01
Number of hours of professional development per employee/year (MH), by employee category			
Administrative	21.6	16.6	7.6
Middle management	32.9	20.7	42.1
Operational	12.4	15.7	16.1
Professional	36.0	26.7	31.4
Technical	35.7	29.6	38.8
General	31.7	21.9	27.2
Labor Claims			
Provision for liabilities (R$ thousand)	1,442	1,590	1,925
Number of labor claims brought against the company in the period	3	2	6
Number of labor claims accepted in the period	0	0	2
Number of labor claims rejected in the period	2	2	0
Value of damages and fines paid under court awards in the period (R$ thousand)	0	5	233

HEALTH & SAFETY			
TF (Taxa de Frequência) - TG (Taxa de Gravidade)	**2015**	**2016**	**2017**
Total frequency rate for the period - employees	2.94	0	0
Total severity rate for the period - employees	6	0	0
Total frequency rate for the period - contractors	5.73	4.13	5.25
Total severity rate for the period - contractors	1,762	78	5,292
Total frequency rate for the period - workforce (employees + contractors)	5.05	3.27	3.86
Total severity rate for the period - workforce (employees + contractors)	1,331	61.39	3,894
Fatalities – employees	0	0	0
Fatalities – contractors	0	0	1

SUPPLIERS			
	2015	**2016**	**2017**
Number of outsourced employees	476	647	527

ENVIRONMENT			
	2015	**2016**	**2017**
Annual volume of greenhouse gas (CO_2, CH_4, N_2O, HFC, PFC, SF_6), emissions (in tons of CO_2 equivalent) – Scopes 1 and 2	10,787	9,031	8,507
Annual volume of ozone-depleting emissions	**Negligible**		
Annual quantity (in tons) of solid waste generated (refuse, waste, rubble etc.)	864	498	4,211
Quantity of contaminated PCB waste	0	0	0
Total electricity consumption by source (in kWh)			
Fossil fuels	NA	NA	NA
Alternative sources (gas, wind, solar, etc)	NA	NA	NA
Hydroelectric	NA	NA	NA
Total electricity consumption (in kWh)	204,776	191,985	186,927
Direct energy consumption by primary energy source			
Ethanol	2,834	985	246.29
Diesel	239,890	164,698	140,557
Natural gas	0	0	0
Gasoline	141,759	167,749	157,732
Total water withdrawal by source (m^3)			
Municipal	7,319	6,598	6,110
Surface water (watercourses)	NA	NA	NA
Groundwater (wells)	NA	NA	NA

ENVIRONMENT

	2015	2016	2017
Total water withdrawal (m^3)	7,319	6,598	6,110
Water withdrawal per employee (m^3)	34.36	34.55	33.57
Electricity consumption of generating and auxiliary units (maximum consumption in MWh by hydroelectric plant)	513,424	568,820	757,882
Water consumption per kWh generated (maximum flow rate - m^3/s - per kWh delivered)	7.81	7.81	7.81
Restoration of riparian vegetation (ha)	67.78	64.58	50.64
Fish salvaged in turbines (kg of fish per shutdown)	NA	NA	NA
Fish restocking (number of fry released into reservoirs per year)	NA	NA	NA
Release of untreated sanitary effluent and leakage of lubricating and hydraulic oil from turbines (metric tons per year)	NA	NA	NA
Number of employees trained in environmental education programs	6	6	10
Percentage of employees trained in environmental education programs out of total employees (%)	2.82	3.14	5.49
Number of hours of environmental training for employees out of total hours of training	0.04	0.38	0.16

RESEARCH & DEVELOPMENT

By field of research (Research & Development Handbook – ANEEL)	2015		2016		2017	
	Amount (R$ thousand)	%	Amount (R$ thousand)	%	Amount (R$ thousand)	%
Alternative sources	117	16.1	415	19.7	94	3.8
Thermal	–	–	–	–	–	–
River Basin and Reservoir Management	–	–	–	–	1,121	45.4
Environment	197	27.2	1,308	62.2	172	7.0
Safety	–	–	–	–	–	–
Energy Efficiency	–	–	–	–	–	–
Power Systems Planning	–	–	–	–	–	–
Power System Operation	290	40.1	380	18.1	889	36.0
Power System Supervision, Control and Protection	–	–	–	–	194	7.8
Power Supply Quality and Reliability	–	–	–	–	–	–
Metering, Billing and Loss Reduction	51	7.1	–	–	–	–
Other	69	9.5	–	–	–	–
TOTAL	**725**	**100.0**	**2,103**	**100.0**	**2,471**	**100.0**

Note: in 2016 and 2017, in addition to project expenditure, respectively R$ 38,000 and R$ 56,000 were invested in our Management Project. Respectively.

RESEARCH & DEVELOPMENT

R&D Investments - Project classification by research stage | Innovation stage	2016		2017	
	No. of projects	Investments (in R$ thousand)	No. of projects	Investments (in R$ thousand)
Basic Targeted Research	–	–	–	–
Applied Research	4	1,725	3	267
Experimental Development	–	–	2	1,315
Prototyping	1	378	1	889
Pilot run	–	–	–	–
Placement on market	–	–	–	–
TOTAL	**5**	**2,103**	**6**	**2,471**

R&D Investment - Project classification by type of deliverable	2016		2017	
	No. of projects	Investments (in R$ thousand)	No. of projects	Investments (in R$ thousand)
Concept or Method	3	1,723	3	267
Software	1	2	–	–
System or Process	1	378	3	2,203
Material or Substance	–	–	–	–
Component or Device	–	–	–	–
Machinery or Equipment	–	–	–	–
TOTAL	**5**	**2,103**	**6**	**2,471**

Ibase Social Balance Sheet / 2017

Company: CONSOLIDATED

1 - CALCULATION BASIS AMOUNT (THOUSAND R$)	2017			2016		
Net revenue (NR)	11,314,559			9,645,237		
Operating result (OR)	1,373,953			850,968		
Gross payroll (GP)	375,846			373,352		
2 - INTERNAL SOCIAL INDICATORS	Amount	%/GP	%/NR	Amount	%/GP	%/NR
Food	34,542	9%	0%	31,335	8%	0%
Mandatory social charges	74,177	20%	1%	72,784	19%	1%
Private pension plan	7,842	2%	0%	9,068	2%	0%
Health	19,628	5%	0%	18,324	5%	0%
Occupational health and safety	631	0%	0%	615	0%	0%
Education	899	0%	0%	812	0%	0%
Culture	0	0%	0%	0	0%	0%
Professional training and development	2,431	1%	0%	3,033	1%	0%
Daycare or daycare allowance	1,253	0%	0%	1,311	0%	0%
Profit sharing	39,496	11%	0%	26,859	7%	0%
Others	7,293	2%	0%	6,092	2%	0%
TOTAL - Internal Social Indicators	**188,192**	**50%**	**2%**	**170.233**	**46%**	**2%**
3 - EXTERNAL SOCIAL INDICATORS	Amount	%/OR	%/NR	Amount	%/OR	%/NR
Education	5,857	0%	0%	5,402	1%	0%
Culture	4,121	0%	0%	11,028	1%	0%
Health and sanitation	862	0%	0%	3,330	0%	0%
Sports	1,502	0%	0%	8,924	1%	0%
Hunger combat and food security	0	0%	0%	0	0%	0%
Others	17,357	1%	0%	18,389	2%	0%
Total contributions to society	**29,699**	**2%**	**0%**	**47,073**	**6%**	**0%**
Taxes (excluding social charges)	5,788,018	421%	51%	5,255,339	618%	54%
Total - External Social Indicators	**5,817,717**	**423%**	**51%**	**5,302,412**	**623%**	**55%**
4 - ENVIRONMENTAL INDICATORS	Amount	%/OR	%/NR	Amount	%/OR	%/NR
Investments related to production / operation of the company	60,459	4%	1%	51,574	6%	1%
Investments in external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investments	**60,459**	**4%**	**1%**	**51,574**	**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 0% to 50% ( ) meets 51% to 75% (X) meets 76% to 100%			( ) does not have targets ( ) meets 0% to 50% ( ) meets 51% to 75% (X) meets 76% to 100%		

5 - EMPLOYMENT INDICATORS	2017	2016
Number of employees at the end of the year	4,064	4,085
Number employees hired in the year	531	327
Number of outsourced employees	7,731	7,480
Number of trainees	71	49
Number of employees above 45 years old	844	986
Number of women working at the company	1,000	1,008
% of management positions held by women	22.17%	23.10%
Number of black employees	1,966	1,910
% of management positions held by black employees	21.67%	19.90%
Number of disabled employees or employees with special needs	196	183

6 - MATERIAL INFORMATION ON CORPORATE CITIZENSHIP	2017	2018 Goals
Relation between the highest and the lowest remuneration paid by the company	76	NA
Total number of occupational accidents	13	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 std	( ) is not involved (X) follows ILO standards ( ) promotes and follows ILO std
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	( ) are not taken into account ( ) are suggested (X) are required
With regards to the participation of employees in voluntary work programs, the company:	( ) is not involved ( ) supports it (X) organizes and encourages it	( ) is not involved ( ) supports it (X) organizes and encourages it
Total number of complaints and criticisms from consumers:	At the company **263,367** At Procon **1,095** At court **83,391**	At the company **Reduzir 10%** At Procon **Reduzir 10%** At court **Reduzir 10%**
% of complaints and criticisms responded or solved:	At the company **96.5%** At Procon **99.9%** At court **58.0%**	At the company **100%** At Procon **100%** At court **100%**
Total value added to be distributed (in R$ thousand):	In 2017: **9,111,367**	In 2016: **8,674,344**
Distribution of Added Value (DVA):	**83.06%** government **4.17%** employees **0.00%** shareholders **11.41%** third parties **1.36%** retained	**87.07%** government **4.65%** employees **0.00%** shareholders **11.89%** third parties **-3.61%** retained
7 - OTHER INFORMATION	0	

Ibase Social Balance Sheet / 2017

Company: LIGHT SESA

1 - CALCULATION BASIS	AMOUNT (THOUSAND R$) 2017			2016		
Net revenue (NR)	9,801,523			8,657,674		
Operating result (OR)	931,546			387,955		
Gross payroll (GP)	344,191			338,355		
2 - INTERNAL SOCIAL INDICATORS	Amount	%/GP	%/NR	Amount	%/GP	%/NR
Food	32,782	10%	0%	29,604	9%	0%
Mandatory social charges	68,590	20%	1%	66,939	20%	1%
Private pension plan	7,210	2%	0%	8,211	2%	0%
Health	18,846	5%	0%	17,438	5%	0%
Occupational health and safety	646	0%	0%	646	0%	0%
Education	899	0%	0%	812	0%	0%
Culture	0	0%	0%	0	0%	0%
Professional training and development	2,351	1%	0%	2,750	1%	0%
Daycare or daycare allowance	1,206	0%	0%	1,284	0%	0%
Profit sharing	37,446	11%	0%	23,739	7%	0%
Others	7,286	2%	0%	5,964	2%	0%
TOTAL - Internal Social Indicators	**177,261**	**52%**	**2%**	**157,387**	**47%**	**2%**
3 - EXTERNAL SOCIAL INDICATORS	Amount	%/OR	%/NR	Amount	%/OR	%/NR
Education	5,763	1%	0%	5,136	1%	0%
Culture	3,821	0%	0%	9,578	2%	0%
Health and sanitation	0	0%	0%	0	0%	0%
Sports	1,502	0%	0%	8,924	2%	0%
Hunger combat and food security	0	0%	0%	0	0%	0%
Others	15,868	2%	0%	19,803	5%	0%
Total contributions to society	**26,954**	3%	**0%**	**43,441**	**11%**	**1%**
Taxes (excluding social charges)	5,420,714	582%	55%	5,144,698	1326%	59%
Total - External Social Indicators	**5,447,668**	**585%**	**56%**	**5,188,139**	**1337%**	**60%**
4 - ENVIRONMENTAL INDICATORS	Amount	%/OR	%/NR	Amount	%/OR	%/NR
Investments related to production / operation of the company	45,073	5%	0%	39,542	10%	0%
Investments in external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investments	**45,073**	**5%**	**0%**	**39,542**	**10%**	**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 0% to 50% ( ) meets 51% to 75% (X) meets 76% to 100%			( ) does not have targets ( ) meets 0% to 50% ( ) meets 51% to 75% (X) meets 76% to 100%		

5 - EMPLOYMENT INDICATORS	2017	2016
Number of employees at the end of the year	3,847	3,852
Number employees hired in the year	510	314
Number of outsourced employees	7,204	6,832
Number of trainees	62	44
Number of employees above 45 years old	769	896
Number of women working at the company	960	965
% of management positions held by women	23.08%	24.49%
Number of black employees	1,907	1,847
% of management positions held by black employees	24.18%	21.94%
Number of disabled employees or employees with special needs	191	178

6 - MATERIAL INFORMATION ON CORPORATE CITIZENSHIP	2017	2018 Goals
Relation between the highest and the lowest remuneration paid by the company	35.44	NA
Total number of occupational accidents	13	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 std	( ) is not involved (X) follows ILO standards ( ) promotes and follows ILO std
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	( ) are not taken into account ( ) are suggested (X) are required
With regards to the participation of employees in voluntary work programs, the company:	( ) is not involved ( ) supports it (X) organizes and encourages it	( ) is not involved ( ) supports it (X) organizes and encourages it
Total number of complaints and criticisms from consumers:	At the company **263.367** At Procon **1.095** At court **83.391**	At the company **Reduce 10%** At Procon **Reduce 10%** At court **Reduce 10%**
% of complaints and criticisms responded or solved:	At the company **96,5%** At Procon **99,9%** At court **58%**	At the company **100%** At Procon **100%** At court **100%**
Total value added to be distributed (in R$ thousand):	In 2017: **8.530.938**	In 2016: **8.231.432**
Distribution of Added Value (DVA):	**83,89%** government **4,04%** employees **0,00%** shareholders **10,98%** third parties **1,09%** retained	**73,65%** government **5,58%** employees **1,50%** shareholders **14,45%** third parties **4,82%** retained

7 - OTHER INFORMATION	0

Ibase Social Balance Sheet / 2017

Company: LIGHT ENERGIA

1 - CALCULATION BASIS AMOUNT (THOUSAND R$)	2017			2016		
Net revenue (NR)	927,823			627,738		
Operating result (OR)	269,687			393,368		
Gross payroll (GP)	19,746			20,466		
2 - INTERNAL SOCIAL INDICATORS	Amount	%/GP	%/NR	Amount	%/GP	%/NR
Food	1,454	7%	0%	1,339	7%	0%
Mandatory social charges	4,316	22%	0%	4,035	20%	1%
Private pension plan	415	2%	0%	531	3%	0%
Health	534	3%	0%	646	3%	0%
Occupational health and safety	0	0%	0%	0	0%	0%
Education	80	0%	0%	283	1%	0%
Culture	0	0%	0%	0	0%	0%
Professional training and development	0	0%	0%	0	0%	0%
Daycare or daycare allowance	11	0%	0%	18	0%	0%
Profit sharing	1,472	7%	0%	1,977	10%	0%
Others	43	0%	0%	72	0%	0%
TOTAL - Internal Social Indicators	**8,325**	**42%**	**1%**	**8,901**	**43%**	**1%**
3 - EXTERNAL SOCIAL INDICATORS	Amount	%/OR	%/NR	Amount	%/OR	%/NR
Education	78	0%	0%	248	0%	0%
Culture	0	0%	0%	750	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	2,352	1%	0%	1.912	0%	0%
Total contributions to society	**2,430**	**1%**	**0%**	**2,910**	**1%**	**0%**
Taxes (excluding social charges)	147,702	55%	16%	147,277	37%	23%
Total - External Social Indicators	**150,132**	**56%**	**16%**	**150,187**	**38%**	**24%**
4 - ENVIRONMENTAL INDICATORS	Amount	%/OR	%/NR	Amount	%/OR	%/NR
Investments related to production / operation of the company	15,836	6%	2%	12,032	3%	2%
Investments in external programs and/or projects	0	0%	0%	0	0%	0%
Total environmental investments	**15,836**	**6%**	**2%**	**12,032**	**3%**	**2%**
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 0% to 50% ( ) meets 51% to 75% (X) meets 76% to 100%			( ) does not have targets ( ) meets 0% to 50% ( ) meets 51% to 75% (X) meets 76% to 100%		

5 - EMPLOYMENT INDICATORS	2017	2016
Number of employees at the end of the year	182	191
Number employees hired in the year	17	7
Number of outsourced employees	527	647
Number of trainees	7	5
Number of employees above 45 years old	71	88
Number of women working at the company	23	26
% of management positions held by women	0.00%	0.00%
Number of black employees	52	54
% of management positions held by black employees	0.00%	0.00%
Number of disabled employees or employees with special needs	5	5

6 - MATERIAL INFORMATION ON CORPORATE CITIZENSHIP	2017	2018 Goals
Relation between the highest and the lowest remuneration paid by the company	17.38	NA
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 std	( ) is not involved (X) follows ILO standards ( ) promotes and follows ILO std
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	( ) are not taken into account ( ) are suggested (X) are required
With regards to the participation of employees in voluntary work programs, the company:	( ) is not involved ( ) supports it (X) organizes and encourages it	( ) is not involved ( ) supports it (X) organizes and encourages 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 2017: **265,904**	In 2016: **228,902**
Distribution of Added Value (DVA):	**71,94%** government **9,23%** employees **0,00%** shareholders **46,40%** third parties **-25,57%** retained	**87,74%** government **11,23%** employees **0,00%** shareholders **77,02%** third parties **-75,99%** retained

7 - OTHER INFORMATION	0


Light

LIGHT ANNUAL REPORT 2017

GRI CONTENT INDEX

Light

GRI Content Index

This report has been prepared in accordance with the GRI Standards: Comprehensive option **[GRI 102-54]**.

The Light Annual Report 2017 also includes all the specific indicators of the electric sector applicable to the company.

The GRI Content Index in accordance with the GRI Standards: 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; and
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; and
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; and
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.

GRI Materiality Disclosures Service
Light S.A.
Apr 2018

GRI CONTENT INDEX [GRI102-55] "In Accordance" with the GRI Standards: Comprehensive option

GRI *Standard*	Disclosure	Page/link	P. G. C.*	SDG
[GRI101] Foundation 2016				
General Disclosures				
[GRI102]				
General Disclosures 2016	Organizational Profile			
	102-1 Name of the organization	Annual Report, page 7		
	102-2 Activities, brands, products, and services	Annual Report, page 7 Light does not sell products that are banned in certain markets or subject to stakeholder questions or public debate.		
	102-3 Location of headquarters	Av. Marechal Floriano, 168 - Centro - Rio de Janeiro		
	102-4 Location of operations	Annual Report, page 7		
	102-5 Ownership and legal form	Annual Report, page 7		
	102-6 Markets served	Annual Report, page 52		
	102-7 Scale of the organization	Annual Report, page 7		
	102-8 Information on employees and other workers	Appendices, pages 4, 6, 7		
	102-9 Supply chain	Annual Report, page 41		
	102-10 Significant changes to the organization and its supply chain	Annual Report, page 7		
	102-11 Precautionary Principle or approach	Annual Report, pages 26, 44		
	102-12 External initiatives	Annual Report, page 28	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	
	102-13 Membership of associations	We are members of some entities of the electricity sector, including the Brazilian Association of Electricity Distributors (Associação Brasileira de Distribuidores de Energia Elétrica – Abradee), the Brazilian Association of Energy Trading Agents (Associação Brasileira dos Agentes Comercializadores de Energia – Abraceel), and the Brazilian Association of Large Energy Generation Companies (Associação Brasileira de Grandes Companhias Geradoras de Energia – Abrage).		
	EU1 Installed capacity	Annual Report, page 71		
	EU2 Net energy output broken down	Appendices, page 3		
	EU3 Number of residential, industrial, institutional and commercial customer accounts	Appendices, page 18		
	EU4 Length of above and underground transmission and distribution lines	Annual Report, page 37		
	EU5 AAllocation of CO_{2e} emissions allowances or equivalent	The Company does not participate in the carbon market.	7, 8, 9	

* Principle of the Global Compact

GRI Standard	Disclosure	Page/link	P. G. C.*	SDG
[GRI101] Foundation 2016				
General Disclosures				
[GRI102]				
General Disclosures 2016	Strategy			
	102-14 Statement from senior decision-maker	Annual Report, page 2	8, 9	
	102-15 Key impacts, risks, and opportunities	Annual Report, pages 19, 26 http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	Ethics and Integrity			16
	102-16 Values, principles, standards, and norms of behavior	Annual Report, page 13, 24	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	
	102-17 Mechanisms for advice and concerns about ethics	Annual Report, page 24	10	
	Governance			
	102-18 Governance structure	Annual Report, page 20		
	102-19 Delegating authority	Annual Report, page 22 http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-20 Executive-level responsibility for economic, environmental, and social topics	Annual Report, page 22		
	102-21 Consulting stakeholders on economic, environmental, and social topics	Annual Report, page 22		
	102-22 Composition of the highest governance body and its committees	Annual Report, page 20 http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-23 Chair of the highest governance body	http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-24 Nominating and selecting the highest governance body	Annual Report, page 20 http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-25 Conflicts of interest	http://ri.light.com.br/sustentabilidade/modelo-de-negocio	10	
	102-26 Role of highest governance body in setting purpose, values, and strategy	Annual Report, page 21		
	102-27 Collective knowledge of highest governance body	In 2017, Light did not offer to its Board of Directors any type of additional specialization on social and environmental subjects.		

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GRI Standard	Disclosure	Page/link	P. G. C.*	SDG
[GRI101] Foundation 2016				
General Disclosures				
[GRI102]				
General Disclosures 2016	Governance			
	102-28 Evaluating the highest governance body's performance	Annual Report, page 22		
	102-29 Identifying and managing economic, environmental, and social impacts	Annual Report, page 21 http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-30 Effectiveness of risk management processes	Annual Report, page 21 http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-31 Review of economic, environmental, and social topics	Annual Report, page 22 http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-32 Highest governance body's role in Annual Reporting	Annual Report, page 11		
	102-33 Communicating critical concerns	Annual Report, page 22		
	102-34 Nature and total number of critical concerns	Annual Report, page 22		
	102-35 Remuneration policies	Annual Report, page 23 Appendices, page 11, 12 http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-36 Process for determining remuneration	http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-37 Stakeholders' involvement in remuneration	http://ri.light.com.br/sustentabilidade/modelo-de-negocio		
	102-38 Annual total compensation ratio	The relationship between the individual's remuneration paid and the remuneration of all the employees were 1,856%. 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.		
	102-39 Percentage increase in annual total compensation ratio	The ratio between the increase in the remuneration of the highest paid individual and the remuneration of all employees was 71%.		

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GRI Standard	Disclosure	Page/link	P. G. C.*	SDG
[GRI101] Foundation 2016				
General Disclosures				
[GRI102]				
General Disclosures 2016	Stakeholder Engagement			
	102-40 List of stakeholder groups	http://ri.light.com.br/sustentabilidade/relatorios		
	102-41 Collective bargaining agreements	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_com-promisso-com-a-forca-de-trabalho.aspx		
	102-42 Identifying and selecting stakeholders	http://ri.light.com.br/sustentabilidade/relatorios		
	102-43 Approach to stakeholder engagement	Annual Report, page 55 http://ri.light.com.br/sustentabilidade/relatorios		
	102-44 Key topics and concerns raised	Annual Report, pages 12, 55, 81		
	Reporting Principles			
	102-45 Entities included in the consolidated financial statements	Annual Report, pages 7, 11		
	102-46 Defining report content and topic Boundaries	Annual Report, pages 12, 81 http://ri.light.com.br/sustentabilidade/relatorios		
	102-47 List of material topics	Annual Report, pages 12, 81 http://ri.light.com.br/sustentabilidade/relatorios		
	102-48 Restatements of information	Annual Report, page12		
	102-49 Changes in reporting	Annual Report, page 12		
	102-50 Reporting period	Annual Report, page 11		
	102-51 Date of most recent report	Annual Report, page 11		
	102-52 Reporting cycle	Annual Report, page 11		
	102-53 Contact point for questions regarding the report	Annual Report, page 12		
	102-54 Claims of reporting in accordance with the GRI Standards	GRI Summary Annual Report, page 11		
	102-55 GRI content index	GRI Summary Annual Report, page 12		
	102-56 External assurance	GRI Summary Annual Report, page 11		

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GRI Standard	Disclosure	Page/link	Omissions			P. G. C.*	SDG
			Part omitted	Reason	Explanation		
			NO DATA				
Material Topics							
[GRI200] Standards Economic Topics							
Economic Performance							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 72-74				1, 7, 8, 9	
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI201] Economic Performance 2016	**201-1** Direct economic value generated and distributed	Appendices, pages 2, 16, 29					
	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report, page 44				7, 8, 9	
	201-3 Defined benefit plan obligations and other retirement plans	http://ri.light.com.br/sustentabilidade/modelo-de-negocio				1	
	201-4 Financial assistance received from government	Appendices, page 22					
Market Presence							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI202] Market Presence 2016	**202-1** Ratios of standard entry level wage by gender compared to local minimum wage	Appendices, page 6				1	
	202-2 Proportion of senior management hired from the local community	http://ri.light.com.br/sustentabilidade/modelo-de-negocio					
Indirect Economic Impacts							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 61-65					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI203] Indirect Economic Impacts 2016	**203-1** Infrastructure investments and services supported	Annual Report, pages 36, 61					
	203-2 Significant indirect economic impacts	Annual Report, pages 61, 63					

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
				NO DATA			
Material Topics							
[GRI200] Standards Economic Topics							
Procurement Practices							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI204] Procurement Practices	**204-1** Proportion of spending on local suppliers	Appendices, page 7					
Anti-Corruption							16
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 25, 28					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI205] Anti-corruption 2016	**205-1** Operations assessed for risks related to corruption	As a result of all initiatives described in its report, Light considers that 100% of operations are submitted to risk analysis relating to corruption.				10	
	205-2 Communication and training about anti-corruption policies and procedures	Annual Report, page 25				10	
	205-3 Confirmed incidents of corruption and actions taken	Annual Report, page 25					
Anti-Competitive Behavior							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI206] Anti-competitive Behavior 2016	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None					
Availability and Reliability							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 36-39					
	103-3 Evaluation of the management approach	Annual Report, page 16					
Availability and reliability 2016	**EU6** Management approach to ensure short and long-term electricity availability and reliability	Annual Report, page 38					
	EU10 Planned capacity against projected electricity demand	Appendices, page 3					

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Reason	Explanation	P. G. C.*	SDG
Material Topics							
[GRI200] Standards Economic Topics							
Demand-Side Management							12
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 61-63					
	103-3 Evaluation of the management approach	Annual Report, page 16					
Demand-Side Management 2016	**EU7** Demand-side management programs	Annual Report, page 61					
Research And Development							9
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 39-41					
	103-3 Evaluation of the management approach	Annual Report, page 16					
Research And Development 2016	**EU8** Research and development activity and expenditure	Annual Report, page 39					
Plant Descomissioning							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
Plant Descomissioning 2016	**EU9** Provisions for decommissioning of nuclear power sites	The company does not have nuclear or thermal power plants.					
System Efficiency							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 56-58					
	103-3 Evaluation of the management approach	Annual Report, page 16					
System Efficiency 2016	**EU11** Average generation efficiency of thermal plants	The company does not have nuclear or thermal power plants.					
	EU12 Transmission and distribution losses as a percentage of total energy	Annual Report, page 57					

NO DATA

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI300] Standards Environmental Topics							
Environmental Compliance							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI301] Materials 2016	**301-1** Materials used by weight or volume	Non-material aspect					
	301-2 Recycled input materials used	Non-material aspect				8, 9	
	301-3 Reclaimed products and their packaging materials	0%, energy generation, distribution and commercialization activities do not use packaging materials					
Energy							12
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 45, 61					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI302] Energy 2016	**302-1** Energy consumption within the organization	Appendices, page 14					
	302-2 Energy consumption outside of the organization	Appendices, page 14					
	302-3 Energy intensity	Annual Report, page 45					
	302-4 Reduction of energy consumption	Annual Report, page 61				7, 8, 9	
	302-5 Reductions in energy requirements of products and services	Annual Report, page 61				8, 9	
Water							6
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 36					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI303] Water 2016	**303-1** Water withdrawal by source	Appendices, pages 3, 14				8	
	303-2 Water sources significantly affected by withdrawal of water	Appendices, page 4				8	
	303-3 Water recycled and reused	Non-significant volume.				8	
Biodiversity							15
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI304] Biodiversity 2016	**304-1** Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Performed monitoring of fauna and flora to evaluate the recovery of areas impacted during construction of the Jacarepagua-Curicica line.				8	

Omissions: Part omitted / Reason / Explanation — NO DATA

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI300] Standards Environmental Topics							
Biodiversity							15
[GRI304] Biodiversity 2016	**304-2** Significant impacts of activities, products, and services on biodiversity	Annual Report, page 36				8	
	304-3 Habitats protected or restored	http://www.light.com.br/grupo-light/Sustentabilidade/compromisso-com-o-meio--ambiente.aspx.					
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	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.					
	EU13 Biodiversity of offset habitats compared to the biodiversity of the affected areas	Monitoring quoted in indicator **GRI 304-1**				7, 8, 9	
Emissions							13
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 44, 45					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI305] Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	Annual Report, page 44 Appendices, page 15				8, 9	
	305-2 Energy indirect (Scope 2) GHG emissions	Annual Report, page 44 Appendices, page 15				8, 9	
	305-3 Other indirect (Scope 3) GHG emissions	Annual Report, page 44				8, 9	
	305-4 GHG emissions intensity	Annual Report, page 44				8, 9	
	305-5 Reduction of GHG emissions	Annual Report, page 44				7, 8, 9	
	305-6 Emissions of ozone-depleting substances (SDG)	Non-significant emissions				8	
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Non-significant emissions				8	
Effluents and Waste							12
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					

NO DATA

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Reason	Explanation	P. G. C.*	SDG
Material Topics							
[GRI300] Standards Environmental Topics							
Effluents and Waste							12
[GRI306] Effluents and Waste 2016	**306-1** Water discharge by quality and destination	Non-significant volume, relating only to administrative activities.				8	
	306-2 Waste by type and disposal method	Appendices, page 13				8	
	306-3 Significant spills	No significant spills were recorded in recent years.				8	
	306-4 Transport of hazardous waste	Appendices, page 13				8	
	306-5 Water bodies affected by water discharges and/or runoff	None.				8	
Environmental Compliance							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 43-45 Anexos, págs. 13, 14					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI307] Environmental Compliance 2016	**307-1** Non-compliance with environmental laws and regulations	For the company, significant fines are those that, individually or together, total at least R$1 million. Accordingly, in 2017, the sum of sanctions related to non-compliance with environmental laws and regulations did not reach this amount.				8	
Supplier Environmental Assessment							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 41-43					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI308] Supplier Environmental Assessment 2016	**308-1** New suppliers that were screened using environmental criteria	Annual Report, page 41 http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx					
	308-2 Negative environmental impacts in the supply chain and actions taken	There is no specific study on significant environmental impacts on the entire supply chain.					

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI400] Standards Social Topics							
Employment							8
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 46					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI401] Employment 2016	**401-1** New employee hires and employee turnover	Appendices, page 5				6	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx					
	401-3 Parental leave	Appendices, page 6					
	EU14 Programs and processes to ensure the availability of a skilled workforce	Annual Report, page 49					
	EU15 Percentage of employees eligible to retire in the next 5 and 10 years	Appendices, page 9					
	EU16 Policies and requirements regarding health and safety	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx					
	EU17 Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	Appendices, page 7					
	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx				1, 2	
Labor/Management Relations							8
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 46					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI402] Labor/Management Relations 2016	**402-1** Minimum notice periSDG regarding operational changes	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx				3	
Occupational Health and Safety							3
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 46-48					
	103-3 Evaluation of the management approach	Annual Report, page 16					

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI400] Standards Social Topics							
Occupational Health and Safety							3
[GRI403] Occupational Health and Safety 2016	**403-1** Workers representation in formal joint management–worker health and safety committees	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx				3	
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Appendices, pages 7, 8, 9				1	
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Annual Report, page 48				1	
	403-4 Health and safety topics covered in formal agreements with trade unions	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-a-forca-de-trabalho.aspx					
Training and Education							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 49-51					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI404] Training and Education 2016	**404-1** Average hours of training per year per employee	Annual Report, page 50					
	404-2 Programs for upgrading employee skills and transition assistance programs	Annual Report, page 51					
	404-3 Percentage of employees receiving regular performance and career development reviews	Annual Report, page 51					
Diversity and Equal Opportunity							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI405] Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	Appendices, page 10				6	
	405-2 Ratio of basic salary and remuneration of women to men	Appendices, page 6				6	

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI400] Standards Social Topics							
Non-Discrimination							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI406] Non-Discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken	Annual Report, page 25				1, 2, 3	
Freedom of Association and Collective Bargaining							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI407] Freedom of Association and Collective Bargaining 2016	**407-1** Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None.				3	
Child Labor							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI408] Child Labor 2016	**408-1** Operations and suppliers at significant risk for incidents of child labor	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx				1, 2, 5	
Forced or Compulsory Labor							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI409] Forced or Compulsory Labor 2016	**409-1** Operations and suppliers at significant risk for incidents of forced or compulsory labor	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx				1, 2, 4	
Security Practices							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, pages 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 46-48					
	103-3 Evaluation of the management approach	Annual Report, pages 16					

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI400] Standards Social Topics							
Security Practices							
[GRI410] Security Practices 2016	**410-1** Security personnel trained in human rights policies or procedures	Appendices, page 7				1, 2	
Rights of Indigenous Peoples							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI411] Rights of Indigenous Peoples 2016	**411-1** Incidents of violations involving rights of indigenous peoples	In 2017, we received and processed 6 complaints related to impacts on society and / or local communities, four of which are considered unfounded and 2 are coming, resolved within the regulatory deadline.					
Human Rights Assessment							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Non-material aspect					
	103-2 The management approach and its components	Non-material aspect					
	103-3 Evaluation of the management approach	Non-material aspect					
[GRI412] Human Rights Assessment 2016	**412-1** Operations that have been subject to human rights reviews or impact assessments	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx					
	412-2 Employee training on human rights policies or procedures	Annual Report, page 25					
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Annual Report, page 35					
Local Communities							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 61-65					
	103-3 Evaluation of the management approach	Annual Report, page 16					

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI400] Standards Social Topics							
Local Communities							
[GRI413] Local Communities 2016	**413-1** Operations with local community engagement, impact assessments, and development programs	Annual Report, pages 61, 63				8	
	413-2 Operations with significant actual and potential negative impacts on local communities	None.					
	EU19 Stakeholder participation in decision making processes related to energy planning and infrastructure development	The participation of stakeholders, including shareholders, the government, and regulatory agencies in the execution of the company's strategy is presented in the report.					
	EU20 Approach to managing the impacts of displacement	No communities were displaced.				1, 2	
	EU22 Number of people physically or economically displaced and compensation	None.				1, 2	
Supplier Social Assessment							8
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 41-43					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI414] Supplier Social Assessment 2016	**414-1** New suppliers that were screened using social criteria	Annual Report, page 41 http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx				1, 2, 3, 4, 5	
	414-2 Negative social impacts in the supply chain and actions taken	Annual Report, page 41 http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-fornecedores.aspx					
Public Policy							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 63					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI415] Public Policy 2016	**415-1** Political contributions	Law No. 9,096, dated September 19, 1995, prohibits the financing of political campaigns.					

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			NO DATA				
Material Topics							
[GRI400] Standards Social Topics							
Customer Health and Safety							3
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 49					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI416] Customer Health and Safety 2016	**416-1** Assessment of the health and safety impacts of product and service categories	Annual Report, page 44					
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Appendices, page 8				1	
	EU25 Number of injuries and fatalities to the public involving company assets	Appendices, page 8					
Marketing and Labeling							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 52-56					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI417] Marketing and Labeling 2016	**417-1** Requirements for product and service information and labeling	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-clientes.aspx					
	417-2 Incidents of non-compliance concerning product and service information and labeling	None.					
	417-3 Incidents of non-compliance concerning marketing communications	None.					
Customer Privacy							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary **103-2** The management approach and its components **103-3** Evaluation of the management approach	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.					
[GRI418] Customer Privacy 2016	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	None.					

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI400] Standards Social Topics							
Socioeconomic Compliance							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 39, 66					
	103-3 Evaluation of the management approach	Annual Report, page 16					
[GRI419] Socioeconomic Compliance 2016	**419-1** Non-compliance with laws and regulations in the social and economic area	Annual Report, pages 39, 66 Appendices, page 8					
Disaster/Emergency Planning and Response							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 46-49					
	103-3 Evaluation of the management approach	Annual Report, page 16					
Disaster/ Emergency Planning and Response 2016	**EU21** Contingency planning measures, disaster/ emergency management plan and training programs, and recovery/restoration plans	Annual Report, pages 46, 49					
Access							7
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 36-39					
	103-3 Evaluation of the management approach	Annual Report, page 16					
Access 2016	**EU23** Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	Annual Report, page 36					8
	EU26 Percentage of population unserved in licensed distribution or service areas	0%					
	EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	Appendices, page 8					
	EU28 Power outage frequency	Annual Report, page 38					
	EU29 Average power outage duration	Annual Report, page 38					

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GRI Standard	Disclosure	Page/link	Omissions: Part omitted	Omissions: Reason	Omissions: Explanation	P. G. C.*	SDG
Material Topics							
[GRI400] Standards Social Topics							
Access							7
Access 2016	**EU30** Average plant availability factor by energy source and by regulatory regime	Appendices, page 3					
Provision of Information							
[GRI103] Management Approach 2016	**103-1** Explanation of the material topic and its Boundary	Annual Report, page 12					
	103-2 The management approach and its components	Annual Report, pages 12, 24, 28, 52-56					
	103-3 Evaluation of the management approach	Annual Report, page 16					
Provision of Information 2016	**EU24** Practices to address language, cultural, low literacy and disability	http://www.light.com.br/grupo-light/Sustentabilidade/relacoes-sustentaveis_compromisso-com-os-clientes.aspx				6	

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