



Eletrobras

ELETROBRAS COMPANIES ENVIRONMENTAL POLICY

Version 4.0

Approved by:

Eletrobras Executive Board – Resolution 154/2019, March 25, 2019

Board of Directors – Deliberation 132/2019, June 27, 2019

Eletrobras companies Environmental Policy

Area responsible for issuance

Generation Management / Superintendence of Expansion and Management of Generation Assets

Target Audience

All employees, managers, officers and directors of Eletrobras companies

Approval

Deliberation 132/2019, of Eletrobras Board of Directors

Repository

All policies of Eletrobras companies are available on the website:
<http://eletrobras.com/pt/Paginas/Estatuto-Politicas-e-Manuais.aspx>

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Maximum revision period: 5 years

Revision History

Version	Approval	Main changes
3.0	01/04/2016	Expansion of scope, including the thematic guideline on Resettlement of Populations Affected by Electric Energy Ventures
2.0	05/16/2013	Expansion of scope, including the thematic guidelines of Biodiversity, Environmental Education, Environmental Communication, Climate Change, Sociopatrimonial and Environmental Management of Reservoirs
-	01/14/2010	Review of the Policy in order to make it unique for all Eletrobras companies, in light of the corporate governance changes promoted by the Pact of Tucuruí
-	03/21/2006	Environmental Policy

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1 Objective

Guide the treatment of environmental issues in Eletrobras companies in line with the principles of sustainability.

2 Principles

- Compliance with relevant legal and regulatory frameworks, as well as with the acts of which Brazil and the companies are signatories.
- Systematic evaluation of the environmental aspects and impacts of its operations, acting in a preventive manner.
- Articulate and integrated acting with stakeholders.
- Seek to continuously improve the environmental performance and increase of eco-efficiency initiatives.
- Integration of environmental aspects to internal and decision-taking processes.
- Assurance of sustainable and efficient use of energy resources.
- Expansion of the “water” theme insertion, as well as its multiple uses, in the business strategy.
- Extension of the mitigation practices of greenhouse gas emissions and adaptation to the effects of climate change.
- Promotion of actions for the conservation and preservation of biodiversity and ecosystem services, and the internalization of natural capital in the business management.
- Consideration of environmental aspects in the value chain and in established partnerships.
- Ethical, upright and transparent acting with all stakeholders.

3 Guidelines

3.1 General Guidelines

Eletrobras companies shall

- Implement eco-efficiency actions as a strategy and business opportunity, prioritizing the reduction of environmental impacts, waste and effluents generation and operational costs.
- Dialogue with local communities in all phases of studies and projects, from the beginning of the companies’ involvement, identifying their expectations and needs.

- Establish a continuous process of communication and clarification to stakeholders about issues related to the aspects, impacts and environmental actions of their ventures.
- To enhance local and regional sustainable development opportunities arising from their businesses.
- Foster the adoption of certified environmental management systems.
- Expand the use of environmental instruments and indicators to benchmark results and improve management.
- Identify the opportunities related to water management in the business, promoting actions for its efficient use, reduction of consumption, reuse and rainfall capture.
- Contribute to the integrated management of hydrographic basins and sustainable use of water resources.
- Prioritize the use of renewable sources in the expansion of electric energy supply, contributing to the transition to a low carbon economy.
- Promote technical cooperation and investment in studies and researches related to the interactions between electric energy and the environment, aiming at the improvement of environmental performance.
- Carry out actions that promote the awareness of environmental aspects in the value chain, in order to rationalize the use and consumption of natural resources and minimize the emission of pollutants and greenhouse gases.
- Promote actions for engagement and capacitation of their employees regarding environmental aspects.
- Ensure corporate integrity in the relationships promoted, acting in accordance with guidelines established in the Integrity Program (Compliance) of Eletrobras companies.

3.2 Specific Guidelines

3.2.1 Climate Change Guidelines

Eletrobras companies shall:

- Adopt a unified strategy to reduce or offset their greenhouse gas (GHG) emissions.
- Identify the main risks and opportunities of climate change for the business.
- Implement actions to manage emissions of greenhouse gases, maintaining a systematic and continuous process and the search for best practices.
- Ensure to stakeholders access to information, especially with the annual issuing of the "Eletrobras Companies Greenhouse Gases Emissions Inventory".
- Promote technologic innovation, research and development related to climate change.

- Act regarding the value chain, seeking the reduction of greenhouse gases emissions.
- Support and act in the regulation of climate change issues within the government and civil society.
- Identify and manage risks and vulnerabilities aiming at adapting to climate change.
- Internalize, through economic instruments, externalities associated with GHG emissions.

3.2.2 Biodiversity Guidelines

Eletrobras companies shall:

- Seek to minimize impacts on biodiversity and ecosystem services in planning, implementation and operation of ventures.
- Potentialize actions for the conservation and recovery of biodiversity and ecosystem services in the regions where companies are inserted.
- Align mechanisms of incentive to conservation and recovery of biodiversity and ecosystem services with social and environmental business commitments, generating new business opportunities.
- Encourage cooperation among Eletrobras companies in the preparation of studies, research projects, technological development and innovation, that contribute to the conservation of biodiversity and ecosystem services.
- Use indicators related to biodiversity and ecosystem services in the planning and environmental management of enterprises.
- Disseminate knowledge related to biodiversity and ecosystem services within the scope of their activities.
- Seek to raise awareness among stakeholders about their responsibilities concerning biodiversity and ecosystem services.
- Adopt, whenever possible, criteria related to biodiversity in the processes of contracting suppliers and control of contracts.

3.2.3 Environmental Communication Guidelines

Eletrobras companies shall:

- Promote environmental communication to internal and external target audiences.
- Adopt environmental communication strategies that promote interaction, engagement and participatory processes.
- Base the actions of environmental communication on the social, cultural, environmental and economic knowledge of the local context.
- Use proper language to the target audience.

- Ensure a permanent channel of ethical and transparent dialogue for treatment of stakeholders.
- Keep the community informed on its rights, as well as the policies, phases, rules and procedures inherent to the enterprises.
- Use mechanisms to assess the knowledge and commitment of the internal public on environmental issues.

3.2.4 Environmental Education Guidelines

Eletrobras companies shall:

- Implement environmental education programs in their enterprises, as a qualified relationship strategy with stakeholders.
- Seek internal and formalized integration with other related areas, programs and projects of the company and other institutions, whether public or private.
- Create and manage environmental education programs through participative process.
- Adopt systematic monitoring and evaluation, from social and environmental indicators, to ensure a continuous process of environmental education.

3.2.5 Guidelines for the Relationship between Eletrobras Companies and Indigenous Communities

Eletrobras companies shall:

- Recognize the specificity of indigenous rights contained in the Federal Constitution of 1988 and, in the international commitments, what is internalized by the Brazilian Law, namely the Convention 169 of the International Labor Organization (ILO).
- Interact with indigenous communities considering their own processes of assimilation and response concerning the effects of technical schedules of projects on their ways of life.
- Formulate and implement education and awareness actions for employees, managers, partners and suppliers to promote a qualified understanding of indigenous communities in their socio-cultural characteristics and as a stakeholder.
- Carry out communication actions with indigenous communities considering their ethnic specificities and language.
- Establish permanent dialogue with indigenous communities that have interface with the ventures, in order to build relationships of mutual trust.
- Assess the potential positive and negative interference in indigenous lands and communities in decision making processes of projects and ventures, in order to anticipate risks, costs and opportunities aiming at enhancement of their results, brand and reputation.

3.2.6 Guidelines on Resettlement of Populations Affected by Electric Energy Ventures

Eletrobras companies shall:

- Design location alternatives and project layouts of the electric sector in order to propose, whenever possible, the reduction of physical relocation and socioeconomic impacts on the population.
- Consider the provisions in the legal framework in the process of identifying affected population.
- Promote a broad interaction process with the social groups involved based on the principles of dialogue, social participation and transparency.
- Provide information on the projects, their impacts, compensation and reparation measures, assessment criteria, indemnification forms and rights of the affected population to those involved, in a permanent, transparent and accessible way, through appropriate channels for dissemination of the project.
- Promote participation of the various representation forms - whether formal or informal - indicated by the population itself.
- Seek negotiation in the reparation process.
- Offer in the negotiation process a plurality of optional actions, such as collective resettlement, self-relocation and simple compensation.
- Treat the affected population with isonomy criteria, observing the individual situations.
- Consider existing informal relationships with regard to land tenure and land use for relocation purposes.
- Take into consideration the sociocultural and family ties of the affected populations.
- Ensure compensation with fair values, which allows the recomposition of the affected population living conditions at an equal or superior level of quality compared to that prior to the intervention.
- Support actions that strengthen the independence of economic activities.
- Provide, when applicable, legal and technical assistance for the regularization of ownership of the property to be acquired.
- Provide, when applicable, technical assistance and rural advisory services for the resettled rural population in attendance to the deadlines established by the environmental licenses and/or negotiations.
- Provide social assistance to vulnerable people, especially to the elderly and those with special needs who are directly affected by the enterprise in the process of relocation.
- Negotiate previously the resettlement projects, whether collective and individual, including their conception and definition of their location, with the participation of the population to be resettled.

- Propose that resettlements be located, whenever possible, in the same region, in order to attenuate, at the most, the socio-cultural impact on the resettled population, host communities and on social and economic local and regional flows.
- Provide collective resettlements with road infrastructure, water, sanitation and electricity and, when applicable, social facilities.
- Stimulate sustainable economic activity in compliance with the training of the resettled family unit.
- Avoid to the most the temporary relocation and, in case its necessary, it shall occur for the shortest time possible and enable the affected population sufficient conditions to maintain their basic rights.
- Promote articulation with public and private agents, aiming at the socioeconomic development of the resettled population and the host communities.
- Monitor the evolution of the socioeconomic conditions of the resettled population and host communities with quantitative and qualitative assessments, at least for the period established by the environmental licenses.

3.2.7 Guidelines for Sociopatrimonial and Environmental Management of Reservoirs

Eletrobras companies shall:

- Set specific rules and procedures in the use and occupation of reservoirs and their borders seeking standardization of responses to requests for information and approval.
- Watch out for the recovery and maintenance of the reservoir surroundings, promoting the preservation of water resources, landscape, geological stability and biodiversity, facilitating the gene flow of fauna and flora, protecting the soil and ensuring the well-being of human populations.
- Adopt the best practices of reservoir management, prioritizing measures for the prevention of socio-patrimonial and environmental liabilities.
- Monitor environmental and operational risks resulting from the use of reservoirs and maintain emergency plans updated.
- Align the sociopatrimonial and environmental management instruments of Eletrobras companies with the Master Plans of the Municipalities, the Plans of the Hydrographic Basin Committees and other management tools of various agents.
- Compatibilize, whenever the reservoir operation conditions allow, the multiple uses of water resources.
- Active participation of Eletrobras companies in Hydrographic Basin Committees shall be encouraged.

4 Responsibilities

- **Superintendence of Expansion and Management of Generation Assets** - support the implementation of this policy.
- **Eletrobras Environment Area** - act as manager of the implementation and dissemination of this policy.
- **Eletrobras companies Environment Committee - SCMA** - monitor and evaluate the implementation, and propose updates of this policy.
- **Environment Areas of Eletrobras companies** - operationalize the implementation, dissemination, follow-up and evaluation activities of this policy.
- **Eletrobras Executive Board** - approve this policy and ensure its implementation.
- **Eletrobras Board of Directors** - approve this policy.
- **Executive Boards of Eletrobras companies** - ratify the approval of this policy and ensure its implementation.
- **Eletrobras Companies Board of Directors** - ratify this policy's approval.

5 General Provisions

- This policy is aligned to other Eletrobras companies' policies.
- Eletrobras companies shall ensure that the principles and guidelines set forth in this Policy are followed in the companies where they hold relevant shareholding and make efforts that such principles and guidelines are observed in those where they are a minority shareholder.
- Exceptions, possible violations and cases not covered by this Policy shall be submitted to the Eletrobras companies Environment Committee and forwarded for subsequent approval by the competent bodies.
- This policy may result in other specific normative documents always aligned with the guidelines and principles set forth herein.
- This policy was approved by means of the Resolution 154/2019, dated 03/25/2019, and Deliberation of Eletrobras Board of Directors DEL-132/2019, 06/27/2019.