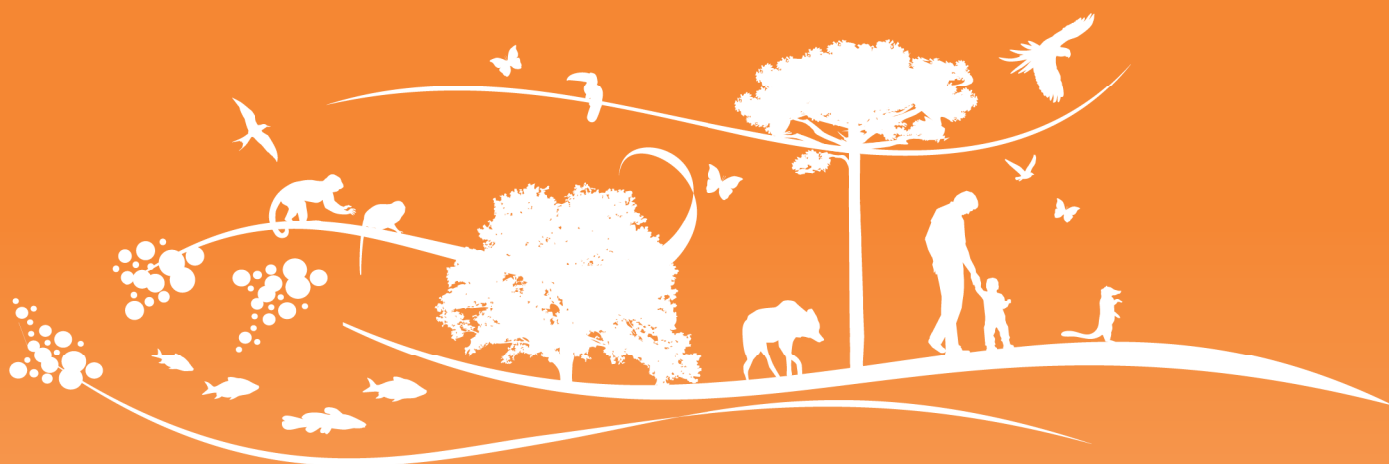




# SUSTAINABILITY PATH



## *Sustainability and Corporate Citizenship Policy*

This document has the purpose of establishing guidelines for sustainability and corporate citizenship in the Company' decisions and actions, seeking corporate sustainability, respect to all stakeholders and broad promotion of diversity and ethics in the conduction of its business. The Policy is based on the Company's corporate mission and values and on the Global Compact, and complements COPEL's Code of Conduct.

The Principles of the Sustainability and Corporate Citizenship Policy are: Commitment; Pro-activity before the Law; Dialogue, Communication and Transparency; Respect to Social-environmental Dynamics; Individual Responsibility and Valuing Diversity.

## INTRODUCTION

Copel was created on October 26, 1954, with shareholding control by the state of Paraná. It went public in April 1994 (BM&FBOVESPA) and in July 1997 it became the first company in the Brazilian energy sector to be listed in the New York Stock Exchange. The Copel brand is also present in the European Economic Community since June 2002, when it joined the Latibex – the Latin-American branch of the Madrid Stock Exchange.

Committed to sustainable development, Copel not only provides electric energy and telecommunication solutions to the entire population of the state of Paraná, but also promotes economic growth with social-environmental responsibility.

The Company's history towards sustainability began a long time ago, through the development of actions that prioritize the care for communities in the surroundings of its projects, with regards to culture, social inclusion, and to the fauna and flora, reinforcing its commitment to the social and economic development of Paraná and other states where it is present.

For believing that sustainable companies add value and strengthen their brands, achieving better conditions to face any economic, social and environmental risks, Copel reinforces that management for sustainability is the means to provide society, the environment and other stakeholders with the opportunity to make the most of the Company's growth and development as partners.

Based on this thought and posture, it became a signatory of the 2000 Global Compact, undertaking to act, now and in the future, with a focus on sustainability, basing its strategic planning on the same principles.

With that purpose, the Company invests in responsible management, with an integrated and balanced operation towards all stakeholders, valuing transparency in all relationships. Copel has adopted the GRI - Global Reporting Initiative guidelines in the preparation of its Management and Sustainability Report, and the best results achieved were the market's perception and confidence that the Company's business is conducted in an ethical, responsible and socially aware manner. In May 2008, Copel's shares started to officially integrate the Level 1 of Corporate Governance of the São Paulo Stock Exchange – BM&FBOVESPA.

The overview we have presented can be further explored at [www.copel.com](http://www.copel.com). On this website you will find technical information about the company, its products and services, in addition to publications of the annual sustainability reports and all issues of the Jornal Copel & Sustentabilidade [Copel & Sustainability Newspaper].

### Contact Information

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# Copel & Sustainability

## OUR PATH - 1954 to 1999

### Concept

Adoption of social responsibility, focusing on social initiatives

### Mission

Being profitable in its areas of operation

### Focus

Customers

1954

- Installs the Figueira Thermal Power Plant, which leveraged the economic and social development of the municipality of Figueira.

1960

- Publishes the Report entitled "Copel and the Environment," which establishes policies for the rational use of natural resources by the electric sector.

1964

- Completes the construction and launches the Mourão Hydropower Plant (Mourão HPP), increasing energy supply in the Northern region of Paraná.

1971

- Launches the Gov. Parigot de Souza HPP (260 MW), the largest underground station in the Southern region of Brazil.  
- Begins the production and implementation of forest and ornamental seedlings in the Júlio de Mesquita Filho HPP (Foz do Chopim).

1976

- Creates the Aquaculture Service Station of the Gov. Parigot de Souza HPP (Capivari-Cachoeira).

1978

- Optimizes the right of way of transmission lines located at Avenida das Torres - Curitiba/PR.

1980

- Achieves an international milestone as the world's largest concrete dam, with the installation of the Gov. Bento Munhoz da Rocha Netto (Foz do Areia) HPP - 1,676 MW.

1984

- Implements the Rural Electrification Program with the purpose of fostering rural production and reducing the migration of rural communities, promoting the development of Paraná's inland.

1986

- Launches the Procel and Procel at School Projects, and creates the Internal Commissions Against Energy Waste, promoting energy preservation and efficient use.

1987

- Incorporates the environmental variable to the construction of new projects with the development of an EIS/EIR for the Gov. Ney Braga HPP (Segredo), a pioneer in the energy sector.

1992

- Launches the Gov. Ney Braga HPP (1,260 MW), reducing the state's dependency on energy bought from other states.  
- Launches the Experimental Station for Ictiologic Studies - Support to the monitoring of post-filling of the Gov. Ney Braga HPP's reservoir, the beginning of studies on the reproduction of native fish of the Iguazu river to repopulate the Company's reservoirs.

1994

- Goes public and registers with the Brazilian Comissão de Valores Mobiliários [Securities and Exchange Commission] - CVM.

1995

- Uses solar energy, implementing the Energy Conservation Project at Ilha do Mel/PR.  
- Implements the Ventar Project to identify Paraná's wind power potential.

1996

- Installs the photovoltaic station for charging batteries in the community of Barra do Ararapira, North coast of Paraná.  
- Begins research on the Reproduction of Surubim do Iguazu, a large fish from the Iguazu river under threat of extinction, at the Experimental Station for Ictiologic Studies.

1997

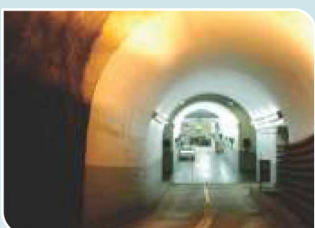
- Trades PNB shares on the New York Stock Exchange - NYSE - 1st company in the energy sector.

1998

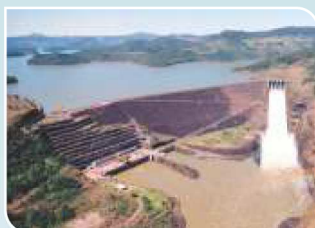
- Implements a compact network of protected distribution, reducing environmental impacts.

1999

- Launches the Wind Map for the State of Paraná, consolidating data from wind speed measurements conducted in the Ventar Project.  
- The first fuel cell with commercial generation is created. International highlight: availability of this type of energy in the National Interconnected System.  
- Start-up of the 1<sup>st</sup> Wind Power Plant in the Southern region of Brazil, in the municipality of Palmas/PR, with 5 wind turbines.  
- Joins the IBOVESPA portfolio - the average performance indicator of the prices of the most liquid shares in the Brazilian stock market.  
- Publishes the Balance Sheet - template of the Brazilian Institute of Social and Economic Analysis - IBASE.  
- Implements the Corporate Volunteer Program - Eletricidadania.  
- Start-up of the Gov. José Richa HPP (Caxias) - 1,240 MW, accounting for 25% of the budget allocated for the environmental area.



GPS HPP



GBM HPP



Rural Electrification



GNB HPP



# Copel & Sustainability

## OUR PATH 2000 to 2010

### Concept

Corporate Social Responsibility /  
Corporate Citizenship

### Mission

Generating, transmitting, distributing and trading energy, as well as providing co-related services, promoting sustainable development and maintaining a balance between the interests of the Paraná community and shareholders

### Focus

Shareholders  
and the society

#### 2000

- Launches the Iguaçu Regional Museum at the Gov. Ney Braga HPP, for keeping and spreading the knowledge generated by the Programs for Scientific Use of the Flora and Fauna, Recovery of Cultural Memory and Archaeological Recovery of Copel's projects in the Iguaçu river, as well as actions regarding Environmental Education and Equity Education.

#### 2002

- Starts trading PNB shares in Euros on LATIBEX - the Latin-American branch of the Madrid Stock Exchange.

#### 2003

- Approves the Sustainability and Corporate Citizenship Policy.
- Implements the Code of Conduct.
- Changes the original project of the Bateias-Jaguariaiva Transmission Line in order to preserve a community of miquiqui or woolly spider monkeys.
- Implements the Paraná Digital Program: digital inclusion in schools of the state's public education network.

#### 2004

- Creates the Ethical Guidance Council.
- Implements the Tribute to Iguaçu Program – awareness and empowerment of the community in the surroundings of the Iguaçu River, with a focus on life quality.

#### 2005

- Creates the Confidential Communication Channel - receives reports of non-compliance with the code of conduct, legal provisions and internal regulations.
- Joins the ISE Portfolio of BM&FBOVESPA (2005/2006, 2007/2008 and 2009/2010) .

#### 2006

- Implements the Riparian Forest Program, with the purpose of promoting the environmental recovery of the banks of its reservoirs.
- Implements the Social-environmental Responsibility Program for Urban Forestry - Copel's contribution to the city governments of the State of Paraná to improve the management of urban forestry activities, aiming at a balanced interaction between the distribution network and forestry.

#### 2007

- Launches the Plant Nursery's Visitor Center at Faxinal do Céu, with the implementation of Environmental Education initiatives.

#### 2008

- Implements the Water Tribute Program, expanding the scope of the Iguaçu Tribute Program, seeking participative management in order to improve the quality and availability of water in the reservoirs.
- Trades Carbon Credit certificates generated by the Santa Clara and Fundão HPPs, with authorization from the UN, a pioneering initiative for hydropower plants in Brazil.
- Participates in the Programa Gestão Ambiental Integrada por Microbacias [Integrated Program for Environmental Management through Micro-basins] – PGAIM, which is linked to the State Government, applying the methodology in 6 priority micro-basins.
- Revises the Code of Conduct through a public hearing.
- Annual development and disclosure on the Company's website of the corporate inventory of greenhouse gases, in accordance with the definitions of the GHG Protocol Brazilian Program.
- Launches the Institutional Program for Environmental Education towards Sustainability.

#### 2009

- Launches the Paraná Wind Atlas with new data from more modern measurements and models.
- Starts purchasing energy from the Biogas Program, new in Paraná and Brazil
- Starts developing a georeferenced and multi-purpose database - Sistema de Informações Geográficas Socioambiental [Social-environmental Geographic Information System] - SIG-SAM.
- Starts creating a water database with the Otto-codification methodology developed by the Agência Nacional das Águas [National Water Agency] – ANA, coordinated by the Paraná Institute of Water, with the participation of the State's Cartography Technique Chamber.
- Starts developing the Reservoir Management process – multi-disciplinary actions, aiming to improve the quality and availability of water in Copel's reservoirs by managing information on the reservoir and micro water basins management.

#### 2010

- Launches the Centro de Referência para Sustentabilidade das Araucárias [Sustainability Reference Center for Brazilian Pines] – CERES das Araucárias, in Faxinal do Céu.
- Classifies the Faxinal do Céu Plant Nursery as Botanical Garden, due to its characteristics of landscape and ex-situ conservation of the species.
- Implemented the Climate Change Corporate Management Program. It has the purpose of determining its positioning with regards to the issue, identifying opportunities and risks related to the Company's business, and encouraging innovation in technologies and processes in order to promote the reduction of GHG emissions.



Faxinal do Céu Botanical Garden



Muriqui Monkey



CERES das Araucárias



Paraná Digital

# Copel & Sustainability

PRESENT - 2011

## Concept

Corporate Sustainability

## Mission

Providing energy and solutions for sustainable development

## Focus

Sustainable Growth

### 2011

- Implements the Sustainable Local Development in the municipalities of Ortigueira and Telêmaco Borba – Mauá HPP
- Conducts the 1st Research in the Latin-American Energy Sector focused on the care and satisfaction of customers with physical disabilities and visual and hearing impairment.
- Adheres to the 4th issue of the Gender and Ethnicity Pro-equity Program.
- Establishes a project portfolio for wind power plants.
- Conducts the Repopulation Program with Native Species in the Iguaçu River. Campaign to raise awareness among the community of fishermen, seeking to reduce the removal of young fish of the Surubim do Iguaçu species.
- Officially launches the Social-environmental Geographic Information System - SIG-SAM and the water database with the Ottocodification methodology.
- Participates in the structuring of the Programa Estadual de Água e Solos [State Program of Water and Soil] – PROESAS.
- Develops the proposal for the Social-environmental Education Project and the Multi-purpose System under the scope of PROESAS, with a focus on the municipalities surrounding Copel's projects and the respective contribution basins.

- Receives the IstoÉ Dinheiro Award for Social Responsibility and Governance in the Energy Sector.
- Receives the SESI Award for Quality at Work – Accessibility.
- Receives the Avelino Vieira Award for Socially Responsible Companies, for its magnificent and inestimable initiative in favor of the environment in Brazil, from the Curitiba Rotary Club.
- Launches the Caviúnas Plant Nursery – Mauá HPP.
- Conducts the Program for Recovering Native Bees in the region of the Mauá HPP. This was a pioneer Program in Brazil which recovered beehives of species under threat of extinction.
- Develops the Copel Agenda for Climate Change, with the purpose of disclosing the Company's commitments to sustainable management of GHG emissions, thus complying with its Sustainability Platform.
- Develops the catalog of fish species present in the Iguaçu river, in partnership with Unioeste.



Surubim do Iguaçu



Invoices in Braille



Caviúnas Plant Nursery



Recovery of bees

## OUR FUTURE - FUTURE

### as of 2012

- Remaining in the portfolio of the Índice de Sustentabilidade Empresarial [Corporate Sustainability Index] – ISE of BM&FBOVESPA.
- Comprising the portfolio of the Dow Jones Sustainability Index.
- Incorporating the concept of Green Economy to its practices.
- Adhering to the National Plan to Fight Sexual Violence Against Children and Adolescents.
- Adjusting the scope practices and criteria related to energy efficiency.
- Expanding its efforts regarding diversity.
- Improving the application of the sustainable construction concept.



## NATIONAL AND INTERNATIONAL HIGHLIGHTS

2000

- Joins the Global Compact.
- Adopts the Ethos Indicators for Social Responsibility.



Pacto Global  
Rede Brasileira

2002

- Determines international standards of economic and financial transparency for adjustment to the Sarbanes-Oxley Act.

2005

- Joins the portfolio of the Corporate Sustainability Index – ISE of BM&FBOVESPA.
- Adopts the guidelines for sustainability reports issued by the Global Reporting Initiative - GRI.
- Starts the process of certification in compliance with Standard AA1000, (Account Ability 1000).



2006

- Adopts the Good Practices Code issued by the Brazilian Institute of Corporate Governance.

2009

- Adheres to the Gender Pro-equity Program.



2011

- Adheres to the National Compact for Eradicating Slave Work.
- Joins the Portfolio of the Carbon Efficiency Index - ICO2 of BM&FBOVESPA.

