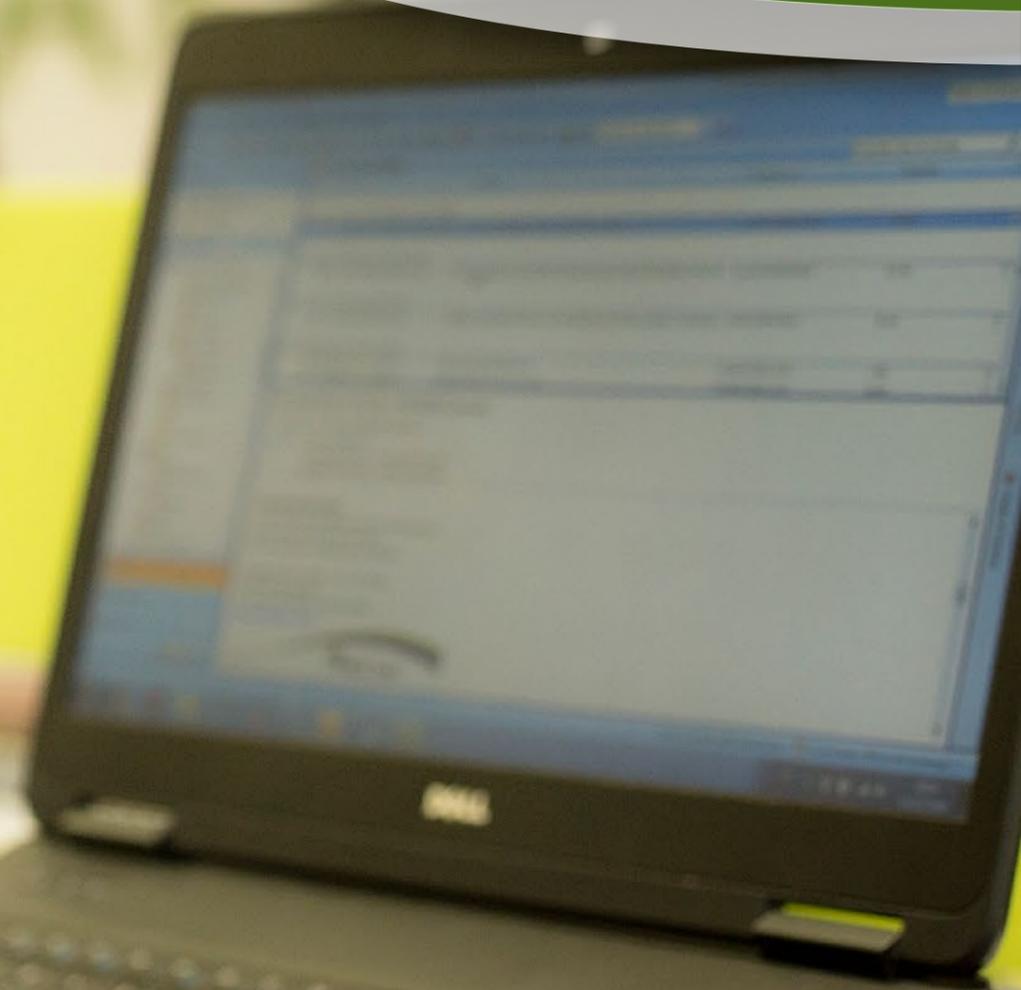


**We are
AES Tietê**



IMOS



WE ARE AES TIETÊ

G4-3

We are an innovative and integrated energy platform adjustable to the demands of our customers. We offer off-the-shelf products and custom solutions that ensure autonomy in energy and allow customers to decide on the most sustainable means of energy supply in all senses: efficiency, availability, reliability, and innovation.

We are part of one of the leading energy industry groups in the country.



OUR SOLUTION PORTFOLIO

G4-4

- **Energy in the free market**, in conventional and incentivized modes
- **Distributed generation based on renewable sources**
- Self-production through **generation plants**
- Battery-based **energy storage**

In addition to AES Tietê, AES Brasil is composed of AES Uruguaiana (generation), AES Eletropaulo (distribution) and AES Ergos (services).

Globally, we are part of the AES Corporation, a group of businesses operating in 17 countries in the Americas, Europe, and Asia, listed at the New York Stock Exchange and with a wide portfolio in energy distribution and generation from thermal or renewable sources, and energy storage. Learn more about **AES worldwide**.

New commercial platform G4-8

In 2016, we restructured our commercial platform and began offering our customers a broad range of innovative solutions in energy. Its new organization allows

AES Tietê to adopt stronger market intelligence procedures, expand the range of products offered and work in partnership and much closer to customers to deliver custom and autonomous solutions. To this end, we engage the agents in the entire value chain, from the early phases of the project to the operation and asset management.

We are committed to maximizing the value of our services and assets and ensuring the excellence of the services provided to our customers. We conduct surveys with our customers to evaluate their level of satisfaction in four aspects: relationship, image, quality in services, and contract management. In 2016, the overall result was 66% of satisfaction among customers – our goal is to reach 90% by 2019.

AES TIETÊ IN NUMBERS*

G4-9 | G4-EU1 | G4-EU2

- **362** employees
- **895** contractors
- **13,108.9 GWh** of energy generated
- **2,658 MW** of installed capacity
- **15,669.5 GWh** of energy billed
- **95%** of energy contracted
- **409 hectares** of reforested areas
- **BRL 4 million** invested in social programs
- **BRL 1,726.6 million** in gross operating revenue
- **BR 101 million** invested in modernization and maintenance of hydroelectric plants

*In 2016.

CORPORATE GOVERNANCE

We believe that adopting best practices in corporate governance is essential for the strategic and efficient management of the business, and therefore, the basis for creating value in the company. To this end, AES Tietê continually works to improve its governance practices, based on the guidelines and recommendations in the IBGC (Brazilian Corporate Governance Institute) Code of Best Practices in Governance. In 2016, our shares became listed as Level 2 at BM&FBOVESPA, one of the segments that list companies with the highest governance standards. **G4-7**

The corporate restructuring, completed at the end of the 2015 fiscal year, was aimed at increasing the liquidity of our shares, strengthening our ability to expand in energy generation – by means of diversification of renewable sources (solar and wind power) – and minimizing risk of water shortage. Our goal was also to have an appropriate structure to expand the number of long-term contracts with our customers, ensuring the predictability of revenue generation for our business.

The Board of Directors of AES Tietê, formed by 11 members and their respective alternates, is responsible for planning as well as handling the company's strategic issues. AES Tietê also has in place a Fiscal Council composed of five members. **G4-34**

The Board of Officers is composed of six members, including the CEO and Vice Presidents, who are responsible for strategic planning and managing our business – all directors began their two-year terms in 2016. Organizational changes were implemented aiming to promote growth through solutions in energy, innovation, and new technologies. The CEO elected for AES Tietê, Ítalo Freitas, reports directly to Julian Nebreda, the new CEO for AES Brasil, which is the controlling company and part of The AES Corporation. To learn about the members of the Board of Directors and of the Board of Officers, as well as their professional experience, visit our **Investor Relations website**. **G4-34²**

Ethics and Compliance

G4-DMA | G4-57 | G4-58

Directors, executives and other employees conduct business according to corporate values (learn about them on page 12), as described in **AES's Values Guide**, the code of conduct that covers all AES companies, globally. **G4-56**

We seek to operate in strict compliance with the Brazilian and industry legislation applicable to our businesses and, in many cases, internally adopt even stricter standards, in line with international standards and best market practices. We have a specific policy and training focused on fighting corruption, aligned with references such as the Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and Law N° 12,846/2013 (Clean Company Act). The actions to be taken if corruption cases are identified are described in AES's Values Guide and may lead to termination of the parties involved and of contracts with third parties.

²Until December 31, 2015, AES Tietê had in place a Sustainability Committee within its governance structure. This body remained effective until the completion of the corporate restructuring, and its internal regiment and structure remained in an updating process throughout 2016, so it can be reestablished.

To ensure the dissemination of values and ethics in relationships with all stakeholders, we have in place AES Brasil's Ethics and Compliance Program, composed of three pillars:

- **Education and training:** covers training and other initiatives, reaching employees at all hierarchical levels, in order to address issues related to aspects such as compliance and anticorruption practices.
- **Contractual compliance:** investigation and due diligence policies and practices of evaluating the business carried out with partners, contractors, and suppliers, in order to identify and mitigate reputational and compliance risks.
- **AES Helpline:** channel for receiving questions, inquiries, and reports of cases that do not conform to our values. Available in Portuguese and in six other languages, the helpline may be accessed by telephone or on the Internet, and is available 24X7.

During the integration period, the Ethics and Compliance Program is presented to new employees, who also receive information about the AES Helpline. Every two years, professionals renew their knowledge of AES's Values Guide through online or classroom training.

Each year, AES Brasil holds World Ethics Day, an awareness event for leaders that promotes activities and discussions about the values of AES Brasil. Every six months, through the Multipliers of Ethics initiative, company leaders address ethical dilemmas and reinforce corporate values with their teams. In addition, aspects about conduct and channels for accessing the AES Helpline are addressed periodically through internal media outlets.

The Ethics and Compliance Program is evaluated every five years by an AES Corp. committee, through interviews and meetings with employees from the various departments. Every two years, a survey is conducted to evaluate the perception of our professionals regarding the

Program and to guide actions toward improving our processes. None of these processes were carried out last year.

In 2016, we registered an increase in the number of reports and queries received by the AES Helpline, a result of the improvements in training and campaigns carried out during the year, which reinforced the use of that channel.

