Annual Sustainability Report 2023

Neoenergia

Letter from the CEO GRI 2-22

"In 2023, Neoenergia made significant progress and delivered good results, experiencing sustainable business growth and asset appreciation. This reinforces our dedication to delivering clean, affordable and quality energy to our customers. We raised our ESG targets from 16 to 30 in line with our belief that these criteria are essential and strategic for establishing a resilient and accountable company within a constantly evolving economic, social, and environmental landscape."

For Neoenergia, 2023 was a year featuring manifest achievements, the overcoming of challenges and the delivery of consistent results. Our cash EBITDA grew by 7% to R$ 12.4 billion, leveraged by the startup of new businesses, tariff reviews of three of our distributors, and market growth that accelerated in the last half of the year. Also notable was our spending discipline: it checked the growth in operating expenses to just 2%, thus below inflation in the timeframe in question, absorbing the increase in the business portfolio. Net profit totaled R$ 4.5 billion, down 5% from the previous year, mainly due to positive non-recurring events in 2022.

Anchored by a structured strategy based on appreciating and rotating assets, we concluded significant transactions during the year, such as the startup of a strategic partnership with GIC, Singapore's sovereign wealth fund, which now holds a 50% stake in eight of our operational transmission assets. This has allowed us to create value and reduce leverage. The partnership also foresees joint participation in future transmission auctions, including entrance into other transmission assets as they come on stream.

We were also able to finalize de-risking our shareholdings with Eletrobras. This was a process that began in 2022, leading to full ownership of the Dardanelos hydroelectric plant and smaller stakes in some of our other companies in exchange for the shares in Teles Pires and Baguari, thus optimizing our portfolio and simplifying our structure and governance.

During 2023, we pursued our strategy of sustainable growth investments, which totaled R$ 8.9 billion, in line with the previous year. We concentrated on our distribution and transmission networks, renewable energy generation projects and intelligent energy solutions.

Regarding Distribution, we invested R$ 4.7 billion to expand quality and service to the 16.4 million customers of our five distributors. In addition, we continuously upgraded our client relations management and service channels. As a result of these efforts, we were thrilled when Neoenergia Cosern, which took first place nationwide, and Neoenergia Elektro, which came in second, were recognized as the top achievers in distribution in Brazil by the Abradee 2023 Award.

In Transmission, we invested R$ 3.5 billion and delivered around 1,200 kilometers of lines and three substations, including important stretches involving lots from the 2018 to 2020 auctions (such as the Vale do Itajaí, Lagoa dos Patos and Morro do Chapéu projects), adding Annual Permitted Revenue (RAP) of more than R$ 170 million.

For Renewables, we completed another investment cycle with the launch of the Neoenergia Renewable Complex in Paraíba, Brazil's first associated generation facility; it joins the Chafariz Wind Complex with the Luzia Solar Park, thus optimizing the use of transmission networks and adding 571 MW to our portfolio. Furthermore, we finished the Oitis Wind Complex, which is located between Bahia and Piauí while also boosting our capacity for renewable energy production by an additional 567 MW.

As Brazilian energy transition protagonists, we continue to play an active role in decarbonizing and moving towards clean energy sources. This year, we signed a joint venture with Comerc for distributed generation projects; the expectation is that we will reach 100 MWp of installed photovoltaic power. Furthermore, we are progressing initiatives offering green industrial solutions, hydrogen projects and green fertilizers, as well as electric mobility business models.

We understand that building a resilient, sustainable and socially responsible company requires a solid agenda of commitments in the ESG dimensions. To this end, we raised our ESG targets from 16 to 30. Among the new targets, I would like to highlight the inclusion of commitments related to the installed capacity of repurposed water, the biodiversity assessment and positive impact plan for our assets, the implementation of inclusion and

diversity solutions for customer service, the prioritization of purchases from local suppliers, as well as a green financing framework and green/ESG debt raising, among others.

In this context, our main value and ongoing challenge continue to be to ensure the safety of our workforce and the communities where we operate. Thus, in 2023, we trained more than 3,000 health and safety construction professionals in partnership with Senai, holding lectures and running events dedicated to accident prevention. We also reinforced our investment in raising public awareness of the importance of the safe and efficient use of energy through the Safe Community Program, which reached 250,000 people in 2023, in addition to directing energy efficiency resources towards education and cultural actions aimed at children and adolescents.

We remain committed to increasing the number of women in our workforce, a major challenge for the sector. We ended 2023 with 30.4% of women in leadership positions and a total of 8.4% of women as staff electricians, the result of our Electrician School Program; it not only contributes to reducing gender inequality, but also to training highly qualified professionals for the sector. In 2023, our Program broke the record for the number of graduates: some 300 female electricians received diplomas from the 36 classes we offered during the year.

In addition, in 2023, we celebrated Instituto Neoenergia's fifth anniversary. During the year, it undertook 18 projects and programs in nine states and the Federal District. Through investments totaling more than R$ 19 million, including incentive funds, we elevated our contribution by around 30%, impacting approximately 350,000 people.

Moreover, to broaden our visibility and underpin our purposes and values, we continue to invest in consolidating the Neoenergia brand through partnerships designed to promote decarbonization and raise awareness in society, and engage young people through music and sport. In particular, we support female athletes in various sports throughout the country.

We also reaffirmed our commitment to the principles of governance. We believe they are of fundamental importance to the sustainability and long-term success of our organization, obtaining external certification for our Compliance system and being recognized in 2023 for the fifth consecutive year with the Pro-Ethics seal of approval.

Our sustainable performance ensures that we are listed on important stock indexes, such as the ISE and IDiversa on the B3 exchange. In turn, this facilitates our access to green and competitive financing lines, including a R$ 800 million super green loan we raised with the International Finance Corporation (IFC) for our distributor Neoenergia Elektro to improve, expand and digitalize its network.

And this consistency, which involves our commitment to deliveries, spending discipline and asset appreciation was reflected in the 47% rise in the value of our stock over the year, higher than the Ibovespa and other market benchmark indicators.

We understand that our main mission is to promote the best experience for all our clients through human, quality, agile and resolute service. That is why we have focused on excellence in the execution of the services requested, on designing and simplifying processes and personalizing and humanizing our assistance, maintaining a 360° view of our clients. In 2023, we unified our website and introduced new services through our app, as well as offering other digitalization solutions for our clients. We are also continuing to modernize our stores; by the end of 2024 they are scheduled to be all 100% refurbished.

Meanwhile, as part of our client-centric focus, we continue to invest uninterruptedly in innovation, especially in efficiency, agility and technology programs. In addition to promoting a culture of corporate innovation, we have carried out various initiatives, among which I would emphasize the pioneering R&D Godel Conecta project. It represents a platform that allows distributed generation customers to check the best connection point, optimize the project and link to Neoenergia's networks. This action has been recognized by customers and the regulatory body as an important tool for ensuring the integrity of the process.

Finally, I would like to thank our employees for their dedication throughout the year and all our shareholders for their trust. I invite you to explore our performance this year in detail. I am confident that these achievements demonstrate our ongoing commitment to delivering good results.

Eduardo Capelastegui – Neoenergia CEO

Awards and recognition

Abradee Award – We won recognition for two of our distributors in the 25th edition promoted by the Brazilian Association of Electricity Distributors (Abradee). Neoenergia Cosern won the title of best distributor in Brazil, in the Northeast Region and in Operational Management. Neoenergia Elektro won as the best utility in the Southeast and in the Management Quality and Performance Evolution categories. The two utilities were also classified in other categories of the Award. Neoenergia Elektro came second in the national award and third in Operational Management. Neoenergia Cosern came second in Management Quality.

Aneel Ranking – The National Electricity Agency (Aneel) recognized Neoenergia Cosern as the distributor with the best supply performance in the Northeast and the second best in Brazil among all large companies, i.e. those with more than 400,000 customers. The ranking was based on the Global Continuity Performance (DGC), an index that measures the performance of distributors in relation to the limits set by Aneel itself, which ranges from 0 to 1 (the lower, the better the distributor's performance). Neoenergia Cosern's DGC was 0.58.

Eco Award – We were the winners of the Eco 2023 Prize bestowed by Amcham Brazil, the Brazilian branch of the US Chamber of Commerce. It was the first time we received the award, which recognized the importance of innovative projects that are part of our Electric Mobility Research and Development (R&D) Program: Green Corridor (charging stations for evaluating the performance of hybrid and electric vehicles); Green Trail (environmentally sustainable applications of electric mobility for Fernando de Noronha); and Electric Truck (electric trucks with an electro-hydraulic basket for maintenance services on electricity distribution networks, with an opportunity recharging system on the network itself).

Transparency Trophy – For the third year running, we were among the ten companies in the category with net revenue of over R$ 20 billion that present high quality and transparency in their financial reporting, consistency in the management report and adherence to accounting principles. The Transparency Trophy is an initiative of the National Association of Finance, Administration and Accounting Executives (Anefac), also known as the "Accounting Oscars."

Merco – We are among the three companies in the electricity sector with the best reputation in Brazil, according to the ranking of the Corporate Reputation Business Monitor (Merco). We are also among the 100 largest companies in all sectors. We received recognition for both our 2025 and 2030 ESG targets as well as our financial and economic performance.

Exame Ranking of Corporate Reputation and Leaders – In order to gather information on successful companies, the Exame website surveyed some 370 executives in important businesses with a turnover of more than R$ 200 million. As a result, we were included in the ranking of the 100 companies with the best reputation.

Valor Innovation Brasil Award – We came in fourth in the electricity category and 61st overall in the Valor Econômico newspaper's award ranking. It identifies the most inventive businesses in the nation and lists 150 firms that distinguished themselves over the course of the year in collaboration with Strategy&, PwC's strategic consulting division.

100 Open Corps – We came third in the electricity and renewables segment, and were among the top 50 in the eighth edition of the 100 Open Corps 2023. The ranking highlights the corporations that have the most significant interaction with the startup ecosystem, recognizing them as leaders in open innovation. The award represents a step forward for Neoenergia, which in 2022 was ranked fourth in the electricity and renewables segment.

Latam Aloic Award – We received international recognition and the gold trophy in the Best Citizen Operations Strategy category, offered by the Latin American Alliance of Organizations for Customer Interaction (Aloic). The vote recognized the case history of "End to End Management: Personalization and Welcoming Neoenergia's Customers," which depicts the proactive process of attending to dissatisfied clients.

Smart Customer – We received the 2023 accolade in the Digital Communication category, with the successful case story "Humanizing Digital Transformation: How communication and data analysis strengthen the Customer Experience." The award recognizes business practices that offer a better experience to customers and employees.

S.A. Client Award – The case "Humanizing Digital Transformation: How communication and data analysis strengthen the Customer Experience" was also recognized in this award for the client management area.

Aberje Award – We received the Aberje 2023 award for the Volunteering Program, aimed at the in-house public. In the Event category, we received the award for the Neoenergia Group's 25th Anniversary Celebration.

Atlantic Forest Friendly Company – We were recognized as a company that contributes to the conservation and sustainable use of the Atlantic Forest through actions to support the Atlantic Forest Biosphere Reserve (RBMA), linked to UNESCO's Man and the Biosphere Program (MaB).

IRENA – We were recognized by the publication *Finding common ground for a just energy transition: Labor and employer perspectives*, published by IRENA (International Renewable Energy Agency). The School for Electricians, specifically with its classes exclusively for women, was the subject of an article in the publication *Finding common ground for a just energy transition – Labor and employer perspectives*, launched by the IRENA Coalition for Action, an international coalition that aims to promote renewable energy.

100 Innovative People in Latin America in 2023 – Solange Ribeiro, our Vice President of Regulation, Institutional and Sustainability, was recognized on the list drawn up by Bloomberg Línea. Of the 100 personalities selected, 45 are from Brazil, nominated for exceeding expectations and contributing to the development of their fields.

IIA May Brasil – We topped the IIA May Brasil national recognition for companies that develop the best actions and practices to raise awareness about the Internal Audit profession. The recognition is from IIA Brasil (Institute of Internal Auditors of Brazil) and was announced at the 43rd Brazilian Congress of Internal Auditing (Conbrai 2023 in São Paulo.

Legal practices – Our legal practices and leadership have been recognized in three major Brazilian awards. We were featured in the 7th Best Practices in Legal Department Management Award, created and promoted by InterliJur (Legal Intelligence), and we were among the executives most recognized by the GC Powerlist Brazil 2023. In addition, Legal Counsel Lara Piau was one of the most admired legal executives in Brazil, according to the 16th edition of the Análise Executivos Jurídicos e Financeiros (Legal and Financial Executive Analysis) yearbook.

Presence in ESG indexes and certifications

Corporate Sustainability Index (ISE) – For the fifth year running, our shares are part of the B3 – Brasil, Bolsa, Balcão Corporate Sustainability Index (ISE) portfolio. The 19th B3 ISE portfolio is effective until 2024 and includes 36 sectors. We ranked ninth out of the 78 companies that answered the index questionnaire and were selected to make up the index.

IDiversa – We are part of B3's first diversity index, IDiversa, which aims to make diversity indicators visible and tangible to the market and provide comparability in the performance of the 79 companies classified in the ranking. The assessment takes into account the participation of women, black and indigenous people in the company's workforce.

FTSE4Good Index Series – For the fourth year in a row, we were part of one of the most important international sustainability indices, measured by the Financial Times Stock Exchange (FTSE) Russell, a division of the London Stock Exchange. It is made up of publicly traded companies committed to ESG criteria based on selection yardsticks that consider more than 300 public indicators.

The Sustainability Yearbook – We remain on the international ranking of the best performing companies in the electricity sector for the fourth year in succession. The yearbook, produced by S&P Global ESG, brings together the institutions with the best practices in environmental, social and governance (ESG) aspects.

CDP – In 2022, we scored A- in the CDP Climate booklet and B in the Water Security booklet, scores that place us in a leading position compared to our peers and reflect our business strategy, which is focused on accelerating the energy transition towards climate neutrality. We have officially participated in the CDP since 2021. The 2023 score had not been released as of the date of publication of this report.

Pro-Ethics Seal – We received the Pro-Ethics Company Seal (from the Office of the Comptroller General – CGU) in its 2022-2023 edition for the fifth time in a row, with the following distributors recognized: Neoenergia Coelba, Neoenergia Cosern and Neoenergia Pernambuco.

1. Neoenergia, the energy of the future

1.1 Getting to know Neoenergia

1.1.1 Purpose and values GRI 2-12, 2-23

Continuing to collaboratively build a healthier and more accessible electricity model every day

Our Purpose reflects our commitment to sustainable development, which contributes to a better relationship between the company and people, society and all its stakeholders. It expresses:

- A commitment to the well-being of people and the preservation of the planet.
- A commitment to a real, global energy transition based on decarbonization and, in particular, the electrification of the energy sector and the economy as a whole, which contributes to combating climate change and opens up new opportunities for economic social and environmental development.
- Betting on the development of clean energies.
- The determination to contribute to an energy model based heavily on electricity.
- The aspiration to achieve a new energy model that is more accessible to all, that favors inclusion, equality, equity and social development through a just transition.
- The will to continue building this model in collaboration with the players involved.

Our business values — sustainable energy, integrating force, and a driving force — are used to accomplish this Purpose.

OUR VALUES

Sustainable energy
because we always seek to be a model of inspiration, creating economic, social and environmental value all around us and thinking about the future. This value expresses our commitment to:

- **Responsibility**
- **Ethical behavior**
- **Safety**
- **Transparency**

Integrating strength
because we are quite strong and have heavy responsibilities, we collaborate, pooling our talents for a common goal that is shared by and for everyone. This value represents our dedication to:

- **Diversity**
- **Dialogue**
- **Empathy**
- **Solidarity**

Driving force
because we make small and big changes, we are efficient and demanding, always seeking constant improvement. This value expresses our commitment to:

- **Innovation**
- **Simplicity**
- **Agility**
- **Anticipation**

1.1.2 Presence and activity areas GRI 2-1

We are Neoenergia S.A., an energy solutions company that operates in three strategic segments of the electricity sector: Networks (distribution and transmission); Renewables (wind, hydro and solar generation); and what we term "Liberalized Markets," offering unregulated (or "free choice") retail market solutions (energy trading, energy products and solutions, and thermal generation). We act as a holding company, with majority stakes in the capital of other companies dedicated to these business activities.

Our controlling shareholder is the Spanish group Iberdrola, which owns a 53.5% stake. We are a privately held, publicly traded company with shares traded on the B3 – Brasil, Bolsa, Balcão exchange in Brazil and on Latibex in Spain.

We are present in 18 states and the Federal District. Our five distributors operate in six states, with a concession area of 845,000 square kilometers and 16.4 million consumer units, served by Neoenergia Coelba (BA), Neoenergia Pernambuco (PE), Neoenergia Cosern (RN), Neoenergia Elektro (SP/MS) and Neoenergia Brasília (DF) which collectively supply energy to 37.6 million people.

In Transmission, we have ten transmission companies in operation, running 2,438 kilometers of lines, and eight more are under construction.

In Generation, our installed capacity in operation is 4,394 MW. We base our generation platform on clean energy sources, with a significant share of renewables (hydro, wind and solar), with long-term concession contracts for generators and energy trading on the regulated market. The assets include five hydroelectric plants (2,159 MW) with direct and indirect participation, 44 wind farms (1,554 MW) and two photovoltaic parks (149 MWp) in operation. We also have a combined-cycle gas-fired thermoelectric power generator, Termopernambuco (533 MW), which is part of the Liberalized business. GRI EU1 | SDG 7.2

The Liberalized operation also includes NC Energia, which sells energy and provides personalized energy management services for end customers, and Neoenergia Serviços, which offers energy products and solutions for customers, including distributed generation projects, electric mobility, engineering works and mass-market products, among others. In 2023, we set up a new company, Neoenergia Soluções Verdes, which offers industrial green solutions and green hydrogen products.

We rely on the Instituto Neoenergia to assist our sustainable development initiatives. The institute works to improve the quality of life and community inclusion in the regions where we operate, particularly in programs that target the most vulnerable individuals.

We ended 2023 with 15,693 own employees, 29,787 third-party contractors and 530 trainees, for a total of 46,010 people. In the period, our net revenue totaled R$ 42.3 billion and EBITDA (earnings before interest, taxes, depreciation and amortization) was R$ 12.4 billion.

1.1.3 Main products and services

GRI 2-6

Our business is electricity, which we offer our clients through a range of products, services and solutions in the fields of:

- Renewables: Electricity generation in wind, hydroelectric and photovoltaic plants;
- Grids: Transmission, sub-transmission and distribution of electricity;
- Liberalized businesses: Energy trading, customized energy management for end customers, thermoelectric generation, distributed solar generation, electric mobility, engineering and construction services, mass insurance, as well as new technologies such as green hydrogen and industrial green solutions.

Networks/Distribution

Neoenergia distributes power through five distributors:

PROFILE OF THE DISTRIBUTORS

Distributor	Concession area	Extent (thousand km²)	No. of clients (million)	Distributed energy (GWh) [1]
Neoenergia Coelba	417 municipalities: 415 in Bahia (except Jandira and Rio Real), Delmiro Gouveia, in Alagoas, and Dianópolis, in Tocantins	567	6.6	23,307
Neoenergia Pernambuco	186 municipalities: 185 in Pernambuco, including Fernando de Noronha, and Pedras de Fogo, in Paraíba	98	4.0	15,127
Neoenergia Cosern	All 167 municipalities in Rio Grande do Norte	53	1.6	6,470
Neoenergia Elektro	228 municipalities: 223 in São Paulo and 5 in Mato Grosso do Sul	121	2.9	19,291
Neoenergia Brasília	Brasília – Federal District	6	1.2	7,120
Total		**845**	**16.4**	**71,315**

[1] Considers captive and free customers and distributed generation (GD).

Networks/Transmission

At the end of 2023, ten transmission assets were in operation, totaling 2,438 kilometers of lines and 13 substations.

TRANSMISSION ASSETS

Transmitters	Location	Extent (km)	Substations (n°)	Went into operation
Afluente T	BA	489.1	3	Dec/90
Narandiba [1]	BA/RN	-	3	Jun/11
Potiguar Sul	RN/PB	190.1	-	Nov/16
Dourados	MS	581.0	1	Aug/21
Atibaia	SP	-	1	Dec/19
Biguaçu	SC	-	1	Jul/20
Sobral	CE	-	1	Jan/20
Jalapão	BA/ TO/ PI/ MA	728.0	-	Jan/22
Santa Luzia	CE / PB	345.0	1	Nov/21
Rio Formoso	BA	210.0	2	Jan/23

[1] Narandiba comprises 3 substations: SE Narandiba, SE Extremoz II and SE Brumado II.

Other assets were under construction or development at the end of 2023: Guanabara (RJ), Itabapoana (RJ, ES, MG), Vale do Itajaí (SC, PR), Lagoa dos Patos (RS, SC), Morro do Chapéu (BA, MG, ES), Estreito (MG), Alto Paranaíba (MG) and Paraíso (MS), with entry into operation scheduled by Aneel between March 2024 and September 2027.

Renewables

The Renewables Business consists of 44 wind farms in operation, 5 hydroelectric plants (with direct and indirect participation) and 2 solar farms, representing 3,862 MW of installed capacity and generating 13,568 GWh in 2023.

In March 2023, we launched the first associated renewable energy generation complex in Brazil. Located in the hinterland of Paraíba, it is characterized by the synergy between the assets of the wind and solar farms, with a transmission line and substation. This feature optimizes the use of the transmission network due to the complementarity of the sources. The ceremony to launch the Neoenergia Renewable Complex was attended by the President of the Republic, Luiz Inácio Lula da Silva, and the CEO of Iberdrola and the Board of Directors of Neoenergia, Ignacio Galán. The complex has the capacity to supply 1.3 million homes a year.

RENEWABLE ASSETS

	Location	Neoenergia stake (%) [1]	Installed capacity (MW)	Neoenergia capacity (MW)[1]
Hydroelectric				
Itapebi	Rio Jequitinhonha (BA)	100	462.0	462.0
Corumbá III	Rio Corumbá (GO)	70	96.5	67.6
Águas da Pedra (UHE Dardanelos)	Rio Aripuanã (MT)	100	261.0	261,0
Belo Monte	Rio Xingu (PA)	10	11,233.1	1,123.3
Geração Céu Azul – Baixo Iguaçu	Rio Iguaçu (PR)	70	350.2	245.1
Wind Complexes				
Arizona 1	Rio do Fogo (RN)	100	28.0	28.0
Calango Complex	Bodó, Lagoa Nova, Santana dos Matos (RN)	100	234.0	234.0
Mel 2	Areia Branca (RN)	100	20.0	20.0
Caetité Complex	Caetité (BA)	100	90.0	90.0
Canoas/Lagoas Complex	Santa Luzia, São José do Sabugi (PB)	100	253.8	253.8
Chafariz Complex	Santa Luzia, Areia de Baraunas, São Mamede, São José do Sabugi (PB)	100	311.8	311.8
Oitis Complex	Dom Inocêncio (PI), Casa Nova (BA)	100	566.5	566.5
Rio do Fogo	Rio do Fogo (RN)	100	49.6	49.6
Photovoltaic Plants				
Luzia 2 (MWp)	Santa Luzia (PB)	100	74.7	74.7
Luzia 3 (MWp)	Santa Luzia (PB)	100	74.7	74.7

[1] Direct and indirect stake.

Liberalized

We have been looking very closely at the Liberalized business market, preparing to act strongly in an open market, one in which customers will be able to choose their electricity supplier. Currently, only clients with a consumption of more than 500 kW can make this choice, which is equivalent to a utility bill of around R$ 140,000.

This liberalization policy was to take effect in January 2024, when business consumers who are in group A, high voltage, will be able to migrate to the free energy market. This means that large and medium-sized companies, such as industrial firms and smaller businesses, will be able to opt for this model. It is estimated that around 100,000 consumer units will be impacted by the change, introducing a spread that had not previously existed.

More than ever, the consumer will play a decisive role in the electricity sector. This is why we have made a consistent effort to place the customer at the center of our decisions.

NC Energia is our company responsible for selling energy from the generation portfolio destined for this “free choice" market, which includes part of the current hydroelectric generation in operation, part of the wind farms in generation and under construction, and the solar projects under implementation. With

commercial offices in São Paulo, Salvador, Recife, Natal, Rio de Janeiro, Campinas, Brasília, Belo Horizonte and Votuporanga, our trading company supplied 5.5 TWh of energy to more than 1,400 consumer units in 2023, an increase of more than 30% on the previous year, fostering the sustainable growth of our renewable generation area.

More than just electricity traders, we want to be seen as solution providers for our customers. We provide a personalized energy management service for end consumers and sell Renewable Energy Certificates (I-REC). The main advantage of these papers is the possibility of generating sustainable value right from the start of the operation, as they guarantee the traceability of the energy, proving that it comes from a renewable source.

Services

Neoenergia Serviços ended 2023 with more than 690,000 customers in its portfolio, including solar energy, engineering, mass-market and electric mobility products and services, which represents more than 50% growth compared to 2022.

Considering the forecast of 3 million fully electric cars in Brazil by 2032, we have approved a plan to expand our operations in electric mobility, offering battery chargers and Smart Charging solutions for companies wishing to electrify their fleets and condominiums, reaching 259 installed points by 2023. We understand that electric mobility is yet another way of promoting decarbonization and contributing to sustainable development. In addition, Neoenergia Serviços operates in electrical infrastructure projects, including substations and high, medium and low voltage lines, as well as in the installation of billing metering systems for free choice customers.

With Smart Solutions, we help clients optimize their energy consumption by installing distributed generation systems using photovoltaic solar panels, contributing to cleaner and more conscious generation.

In the mass insurance segment, the portfolio includes health care products, discounts in the area of education and leisure, popular credit, among other products, offered to a section of the population that would not normally have access to these types of services.

Neoenergia Serviços also operates in electrical infrastructure projects, including substations and high, medium and low voltage lines, as well as in the installation of billing metering systems for free customers.

Green Hydrogen and Green Industrial Solutions

The Liberalized area is also responsible for the green hydrogen projects and green industrial solutions that we are developing to contribute to the decarbonization of the economy. We aim to become a major player in these two areas, being at the forefront of global transformations in industry, mobility and the tertiary sectors.

Green hydrogen is considered a key factor in boosting the global energy transition by decarbonizing the industrial, chemical, fertilizer, steel and heavy transport sectors – activities that are difficult to electrify by conventional means and which today are the main emitters of greenhouse gases on the planet. Produced by electrolysis, it is considered green when the energy used in the process comes from renewable sources.

We signed memorandums of understanding with the governments of the states of Pernambuco, Ceará, Rio Grande do Norte and Rio Grande do Sul. We also entered into an agreement with Prumo, responsible for the Port of Açu, in the state of Rio de Janeiro, for studies into the production of green hydrogen at the site, as well as offshore wind projects.

As for Industrial Green Solutions, in 2023 we made progress in the design of projects and the prospecting of opportunities to amplify sustainability in industries of all sizes that use thermal processes (heat and cold) in their production chain, through the burning of some fossil fuels while seeking to reduce GHG emissions and cut costs.

We are developing new decarbonization applications in partnership with national and international suppliers. Moreover, we also introduced decarbonization options into our portfolio using proven renewable energy sources such as biomethane and biomass.

Thermal generation

The Liberalized area also manages thermal operations, with the Termopernambuco plant, a 533 MW combined cycle gas and steam thermoelectric plant installed in the Port of Suape, in the state of Pernambuco. Termopernambuco is a thermal power plant included in the PPT (Priority Thermal Power Program). It has PPAs with Neoenergia Coelba (65 MW) and Neoenergia Pernambuco (390 MW) lasting until 2024, which guarantee the plant's revenue. At the end of 2021, the company won the first capacity reserve auction and, from 2026 on, it will assume the role of complementing renewable sources in the National Interconnected System (SIN).

1.1.4 Consolidated business model

We developed a strategy and business model based on our vision that the electricity sector should play a fundamental role in combating climate change and creating opportunities for economic, social and environmental development. Decarbonizing the economy is a great opportunity to generate income, create jobs and act to conserve the planet while improving people's health. We believe that the transition to a carbon-neutral economy by 2050 is technologically possible, economically viable and socially essential.

It is our opinion that the innovation of all businesses will drive new generation technologies along with the automation and remote control of transmission and distribution networks. It will also lead to business opportunities in the production of green hydrogen, energy storage and the commercialization of batteries, the expansion of unregulated services, distributed generation and the growth of intelligent mobility.

We perceive a unique potential in electricity to help overcome the climate challenge through its ability to integrate renewable energy into a range of production processes and compete with other generation sources. There are opportunities to present this solution to industries where electricity consumption is still relatively low. This is the case for transportation, which accounts for 25% of global emissions, according to the Intergovernmental Panel on Climate Change (IPCC), heating and cooling.

But the electrification of the economy depends on an efficient, intelligent and flexible electricity transmission and distribution infrastructure that is capable of integrating renewable energies and meeting new requirements in terms of connectivity, digitalization and demand management, in line with what we already are doing in our businesses.

We have committed to contributing to the energy transition, prioritizing decarbonization, renewable energies, decentralization and the digitalization of networks, using smart grids and system integration, through initiatives that are in line with what the International Energy Agency (IEA) requires for the sector.

We have defined five pillars of growth that reinforce this vision:

OUR 5 GROWTH PILLARS

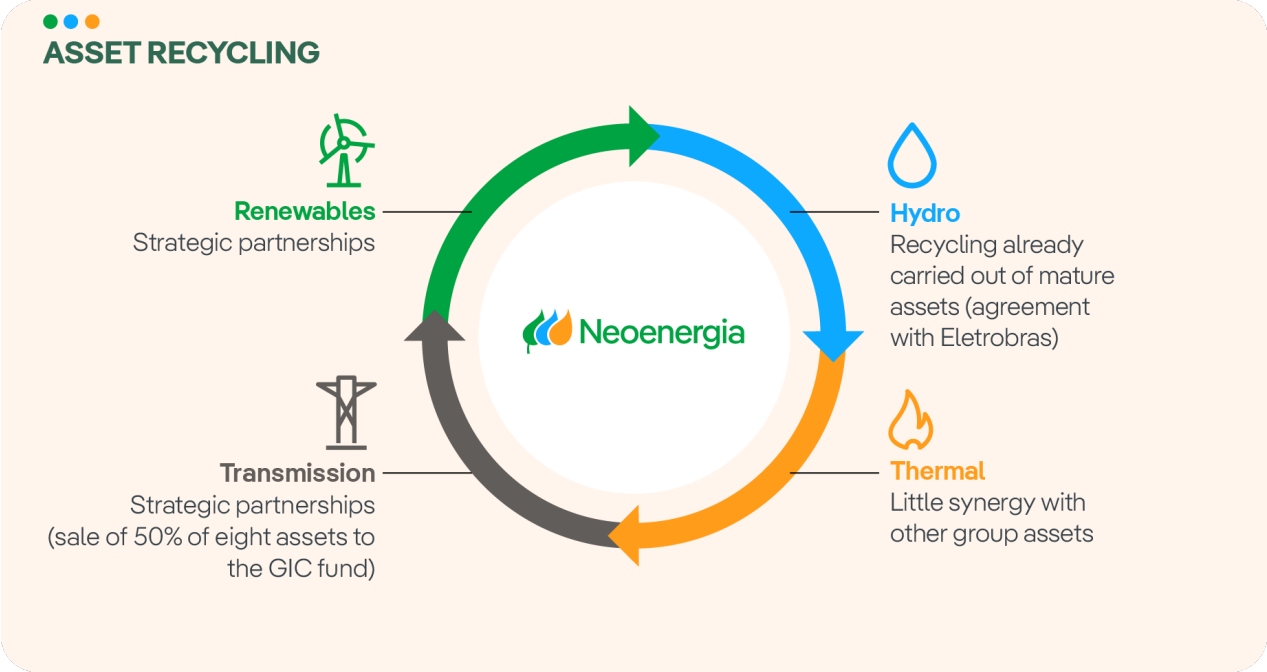
1	**Organic growth of Distribution**	• Exposure in the Northeast, a high-growth region, and to mature regions (SP and Brasília). • Increase of 300,000 customers per year. • Regulated contracts adjusted for inflation. • Efficient operation, with constantly evolving operational indicators.
2	**Investment in Transmission**	• As of 2019, seven lots have been delivered, adding Annual Permitted Revenue (RAP) of R$ 411 million and eight lots are under construction which will add RAP of R$ 1,354 million. • Capex savings and the anticipation of the schedule ahead of Aneel's forecast for the lots already delivered confirm attractive rates of return. • Sale of 50% of eight assets to GIC reflects business potential. • Expansion pipeline via investments in existing projects, without the need for auctions. • Competitive advantages: own workforce, operating history, centralized purchasing/gains in scale.
3	**Growth in Renewables**	• Wind farms with an installed capacity of 1.55 GW. • 5.1 GW in the greenfield pipeline (solar and wind), 100% registered with Aneel. • 80% of the resources sold through 2024 in medium- and long-term contracts. • Green hydrogen and offshore wind projects.
4	**Focus on efficiency in operating expenses**	• Efficient management of operating expenses (Opex), which are growing less than inflation. In all distributors, they are below the regulatory limit. • Integrated assets, creating a favorable environment for efficiencies and synergies. • Internalization of operational activities, increasing efficiency and reducing third-party costs. • Optimization of operational processes, with greater synergy between areas.
5	**Discipline financial**	• Adequate capital structure, with leverage of 3.17 times EBITDA. • Asset recycling opportunities.

Growing profitably

Our strategy is to grow profitably, both organically and by identifying opportunities for new investments that ensure value creation. Backed by a solid business model, we are prepared to face the volatility of the macroeconomic and sectorial scenarios.

We are moving forward in our commitment to be active in the fight against climate change, promoting the energy transition and investing in growth in renewables and networks. The transmission and distribution networks are the backbone of the system, enabling the integration of new renewable generation capacities and the adoption of new distributed solutions and services.

Profitable growth is expressed by two important moves that we completed in 2023, based on asset recycling and strategic partnerships, optimizing results for our shareholders.



The first was an asset swap signed with Eletrobras and completed in September 2023. We received 49% of the Dardanelos plant's (MT) common shares, giving us 100% of the business's share capital, and a 0.04% stake in Neoenergia Coelba, Neoenergia Cosern and Afluente T. Eletrobras, in turn, took 51% of the shares in the Teles Pires and Baguari I hydroelectric plants. As a result, we fully assumed a high-quality asset with strong cash generation.

Another initiative involved the sale of 50% of eight transmission companies in operation to GIC, a Singaporean sovereign wealth fund, for R$ 1.2 billion. The agreement provides for joint participation in future transmission line auctions and the sale to the fund of other transmission assets that come into operation. We believe that the operation confirms our operational excellence and recognizes the good allocation of capital we have created in recent years.

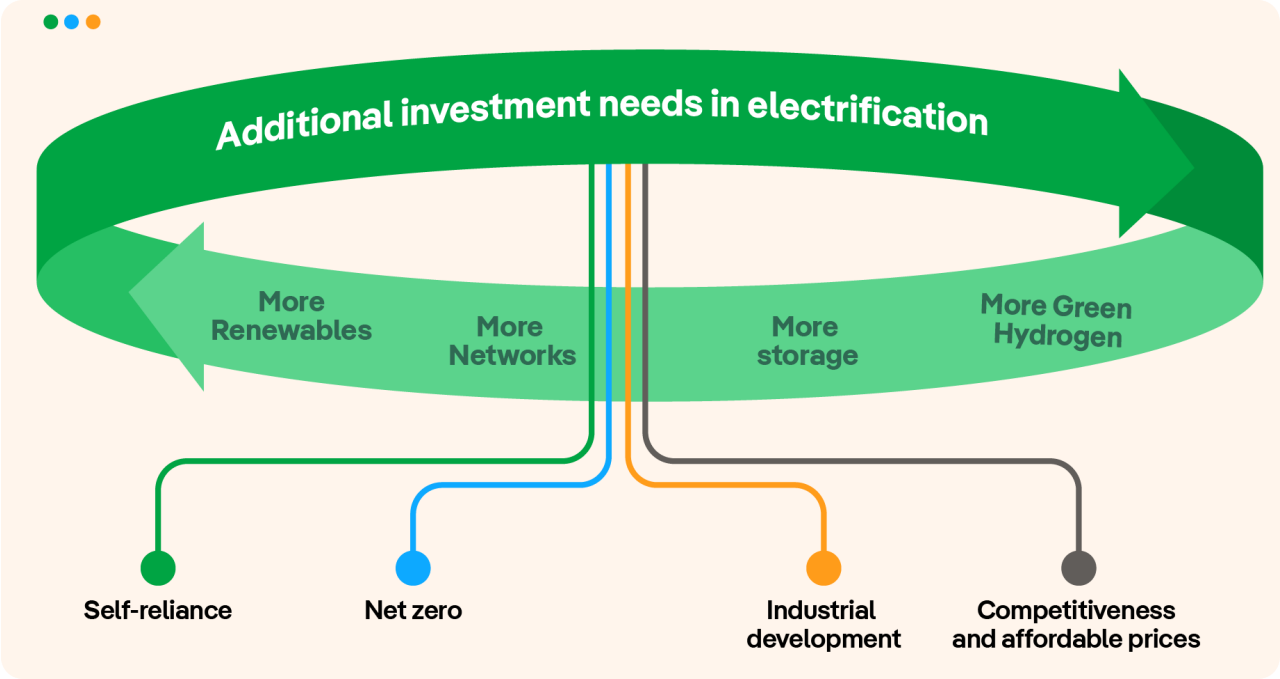
1.1.4.1 A business model that accelerates the creation of value for all

ESG+F (Environmental, social and governance + financial) aspects have been an integral part of our strategy and business model, ensuring the pursuit of sustainable financial results. Our model is guided by:

- Economic and financial management that allows us to accelerate the creation of value for all our stakeholders;
- Investment concentrated on regulated businesses or those with long-term contracts, which provide known and recurring cash flows;
- Dividend policy geared towards a secure and growing return for shareholders in line with the increase in the company's results.

Our business model allows it:

- To meet the expectations of our stakeholders;
- To invest in regulated, long-term businesses that provide known, recurring cash flows;
- To accelerate growth in renewable activities, mainly onshore wind, photovoltaics and green hydrogen production, to meet the decarbonization objectives we have set;
- To diversify geographically, with a presence in an increasing number of states;
- To aim for a secure and growing dividend in line with the increase in the company's results;
- To maintain a solid financial position, capable of meeting our investment objectives.



1.1.5 Neoenergia's brand

Neoenergia

In 2023, we worked to make Neoenergia a nationally known brand, connecting it with people through our purpose of "Continuing to build, every day in a collaborative way, a healthier and more accessible electricity model," and our corporate values: sustainable energy, integrating force and dynamic impulse.

Our efforts may now be directed toward a new, integrated, and more efficient method of communication, particularly with our clients, thanks to the 2022 reinforcement of the Marketing department's structure. Additionally, we have strengthened this strategy by consolidating over 27 websites onto a single platform, enabling us to boost audience interaction across the board.

RESULTS

9.4 points	1.4 billion	48.2 points	2.1 million	# 1	# 1
National spontaneous awareness	Total impressions (knowledge)	Spontaneous awareness in the concession area	Positive digital engagement	On social media (Instagram)	Positive repercussions in the press

Our investment in communication during the year was essentially digital, as we believe this is the way to stay connected, be innovative and continue to lead this changing market. The results of this investment can be seen below, with a spontaneous increase in our awareness of 9.4 points nationwide, 65% higher in the regions where our brand operates without competitors.

In addition to encouraging the development of women's sport in Brazil and training young athletes, we focus on investments that create opportunities to boost women's participation in society, seeking to contribute to gender equality. During the year, we supported women's sports initiatives, such as sponsoring the Brazilian under-23 road cycling and time trial champion, Ana Vitória Magalhães, better known as "Tota." Additionally, we are keeping our agreement with the Brazilian Football Confederation (CBF) through 2024

to sponsor the Brazilian Women's Football Championship as well as the senior and youth teams for the women's national teams.

In the music industry, we served as the official sponsors of The Town 2023 festival, providing energy-saving solutions such as solar-powered lampposts and electric trolleys to make the event more environmentally-friendly. At The Town and Rock in Rio, we also oversaw decarbonization initiatives.

Aiming to be more sustainable, digital and approachable, the Neoenergia brand logo has evolved to a simpler language, featuring solid colors and improving visualization in digital media. The color palette maintains the commitment to the planet: renewable energy, with the color green; water, with the color blue; and the sun, with the color orange. In addition, the logo is 50% lighter than the previous version, which reflects reduced energy consumption and faster download speeds on websites and applications.

If the brand was the primary character in 2023, the client — who is already the center of the business — will take center stage in our communication efforts in 2024. Business and brand work in tandem to create interactions with customers that yield progressively superior outcomes.

1.1.6 Main operating indicators

1.1.6.1 Installed capacity, generation, networks and clients

At the end of 2023, our installed generation capacity was 4,394 MW, of which 3,862 MW came from renewable sources (88%). In the year, 100% of production was from local energy sources.

INSTALLED GENERATION CAPACITY (MW)[1] GRI EU1 | SDG 7.2

	2023	2022	2021
Own renewables	3,862	4,568	4,014
Onshore wind	1,554	1,394	984
Hydroelectric	2,159	3,031	3,031
Solar and others	149	143	0
Thermoelectric – combined cycles[1]	533	533	533
Total	**4,394**	**5,100**	**4,547**

[1] It does not consider Neoenergia Pernambuco's Tubarão plant, which has 4.8 MW of installed capacity and serves the isolated energy system of the Fernando de Noronha Archipelago.

ENERGY GENERATED (GWh) GRI EU2 | SDG 7.2, 14.3 | SASB IF-EU-000.D

	2023	2022	2021
Own renewables	13,568	14,737	11,935
Onshore wind	4,976	3,843	2,313
Hydroelectric	8,350	10,803	9,622
Solar and others	243	91	0
Thermoelectric – combined cycles[1,2]	85	14	3,194
Total	**13,653**	**14,751**	**15,129**

[1] The energy generated (GWh) in 2022 refers to the test generation of machine start-up after a maintenance stoppage, and there is no commercialization of energy.
[2] The increase in natural gas consumption between 2022 and 2023 was due to ONS dispatches to the Termopernambuco plant for a few days in the last two months of the year, for systemic reasons. In addition, gas was consumed due to internal testing activities resulting from machine maintenance actions.

We operate 2,438 kilometers of transmission lines and 725,364 kilometers of electricity distribution lines, 3,004 of which are underground. The following table shows the breakdown by type of line.

ELECTRICITY LINES (KM)
GRI EU4 | SASB IF-EU-000.C

	2023	2022	2021
Transmission (230 kV + 500 kV)			
Overhead	2,438	2,333	2,333
Underground	0	0	0
Distribution (medium and high voltage) and Underground (69 kV + 138 kV)			
Overhead	722,360	705,516	686,324
Underground	3,004	3,262	3,160
Total	**727,802**	**711,111**	**691,818**

Together, our businesses provided energy to 16.4 million consumer units by the end of 2023 (with residential accounts accounting for more than 88% of this total).

ACTIVE ELECTRICITY CONSUMERS (millions)
GRI EU3, 2-6 | IF-EU-000.B

Class	2023	2022	2021
Residential	14.5	14.2	13.9
Industrial	0.0	0,0	0.0
Institutional	0.2	0.2	0.2
Commercial	1.1	1,1	1.1
Others (rural and own consumption)	0.5	0.5	0.6
Total	**16.4**	**16.0**	**15.7**

PRODUCING USERS (No.)

	2023	2022	2021
Users who, in turn, are also electricity producers for the distributors	728,061	449,750	114,235

1.1.6.2 Operations (activity and production centers)

GRI 2-1

We consider our operations to be grouped into a total of 67 activity and production centers as at the end of 2023. We operate in hundreds of locations, but in order to meet the criteria required by the GRI Standards, we have used the following rationalization.

NUMBER OF OPERATIONS

	2023	2022	2021
Corporate	1	1	1
Thermal generation	2	2	2
Distribution and transmission	57	57	57
Renewables	7	7	12
Total	**67**	**67**	**72**

1.1.7 Corporate and governance structure, ownership and legal form GRI 2-1

With shares traded on the B3 – Brasil, Bolsa, Balcão, in São Paulo – and Latibex, in Madrid, we are a private, publicly traded company that acts as a holding company, with a stake in the capital of other companies dedicated to the business activities. Our controlling shareholder is the Spanish group Iberdrola and we also have shareholdings from Previ and shareholders who trade our shares on the market (free float), in transactions on the stock exchanges.

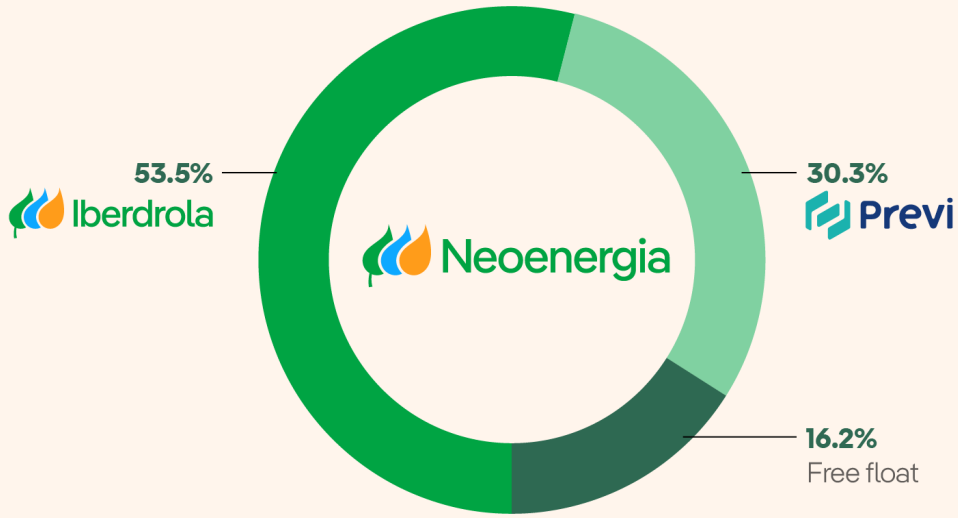
Our corporate and governance organization is based on a decentralized decision-making structure. The holding company is responsible for corporate strategy and supervision, leaving the management of each subsidiary company to each respective governance body. To make management more transparent, the Boards of Directors of Neoenergia, Neoenergia Coelba, Neoenergia Cosern, Neoenergia Pernambuco and Neoenergia Elektro have independent directors. Although Neoenergia Brasília is a privately held company, it follows the same guidelines as the other distributors and also elects an independent board member. The other companies in the group have no independent members.

GOVERNANCE STRUCTURE

Board of Directors	
Support committees	▪ Audit ▪ Financial ▪ Remuneration and Succession ▪ Related Parties ▪ Sustainability

Businesses		
Renewables	Networks	Liberalized
▪ 5 hydroelectric plants ▪ 44 wind farms in 7 wind complexes ▪ 2 solar parks	▪ 5 distributors and 1 diesel thermal plant located in the Fernando de Noronha District (PE) ▪ 10 transmission companies in operation	▪ 1 energy trading company ▪ 1 gas and steam thermal generator ▪ 3 service companies

SHAREHOLDERS STRUCTURE



Our practices aim to guarantee the rights of stakeholders, following the guidelines of the Brazilian Corporate Governance Institute (IBGC). This model promotes synergy between the controlled companies and the holding company, allowing us to unify processes and gain scale.

1.2 Our ESG+F Proposal

Our Governance and Sustainability System is centered around ESG+F criteria.

In 2022, the Board of Directors approved 16 ESG+F commitments to be achieved in 2025 and 2030 and, in 2023, we expanded this commitment with the inclusion of a further 14 targets, closing the year with 30. These targets take into account the material issues for the company's sustainable management and our commitment to the SDGs.

The execution of the ESG+F strategy revolves around three pillars which, together with financial solidity, reinforce the integration of these themes into our strategy and business model:

- Environmental performance, combating climate change and preserving and restoring biodiversity, through environmental policies;
- Social commitment, manifested in social policies;
- Corporate governance standards and policies, in line with best market practices.

The initiatives follow Neoenergia's General Sustainable Development Policy, which determines the general principles and foundations that should govern our sustainability strategy.

Giving back fairly to all those who contribute to the success of our project enables us to guarantee that all corporate and business activities are dedicated to and encourage the creation of sustainable value for all our stakeholders (clients, shareholders, employees, third-party contractors, suppliers, regulatory bodies, governments, and communities impacted by our business).

Neoenergia's performance in ESG aspects is consolidated in quarterly earnings releases and annual publications, such as the Annual Sustainability Report (ESG+F Commitments), the Integrated Report and the Fiscal Transparency Report. The commitments made are monitored by internal controls and audited internally.

1.2.1 ESG + F Commitments

With the expansion of our ESG+F targets from 16 to 30, we made new environmental, social, governance and sustainable finance commitments. The aim was to strengthen our position as a company committed to continuing to build, every day and collaboratively, a healthier and more accessible electricity model.

Among the new targets were biodiversity assessment, installed capacity for reusable water, cybersecurity, quality of energy supply, beneficiaries of the Instituto Neoenergia, inclusion and diversity solutions for customers, among others. We also revised some of the targets for 2030 to make them more challenging, such as the proportion of women in relevant positions (from 32% to 35%), in leadership positions (from 35% to 40%) and of black people (black and brown) in director, superintendent, managerial and supervisory slots (from 25% to 40%).

The ESG agenda is part of our business strategy and is aligned with our commitments to the Global Compact Principles and the Sustainable Development Goals (SDGs), both initiatives of the United Nations (UN).

In the following tables we present the results we achieved in 2021, 2022 and 2023 and the targets for 2025 and 2030.

ESG TARGETS

Environmental

	2021	2022	2023	2025	2030	Related SDGs
Emissions[1]						
Emissions of gCO2/kWh in generation (scope 1)	61	1,3	3,6	36	20	7 13
Network digitalization						
% High Voltage and Medium Voltage networks digitalized	72%	75%	77.5%	83%	90%	1
Fleet electrification						
% High Voltage and Medium Voltage networks digitalized	5%	8%	9.7%	13%	50%	7 9 13
Sustainable light vehicle fleet[2]						
% of total light vehicle fleet (flex, hybrid or electric)	NA	NA	99,6%	99%	100%	7 9 13
Installed repurposed water capacity						
Million liters	NA	NA	7,3	7,5	10	6 14
Biodiversity assessment[3]						
% of assets with biodiversity assessment and positive impact plan	NA	NA	0%	20%	100%	13 15

Social

	2021	2022	2023	2025	2030	Related SDGs
Women in relevant positions[4]*						
% of women in management and supervisory positions	23%	28%	31,1%	31%	35%	5 10
Women in leadership positions*						
% of women in leadership positions in the Board of Directors, Superintendence and Management positions	26%	29%	30,4%	33%	40%	5 10
Trained female electricians[5]						
% of women trained in electrician schools	15%	37%	40.3%	30%	35%	5 10
Women in electrician jobs						
% of women in electrician positions	4%	6%	8,4%	9%	12%	5 10
Racial diversity*						
% of black and brown people in executive, supervisory, management and supervisory positions	Censo	30%	30%	35%	40%	10
Corporate volunteering[6]*						
Number of volunteers (employees and companions)	2,000	3,511	3,767	3,700	4,700	2 10 13

ESG TARGETS

Social

	2021	2022	2023	2025	2030	Related SDGs
Safety (ISO 45001)[7] *						
% of own employees working on ISO 45001-certified sites	38	48	50.8%	50%	60%	3 6
Safety[8]						
Number of workplace accidents with and without time off (own staff)	0.44	0.26	0.23	≤0.43	<0.39	3 6
Training[9]						
Average number of hours spent training employees and professionals from the communities where we operate	76	89	94	67	70	4 5 8
Digital customers						
% of digital transactions / (Human transactions + Digital transactions)	NA	NA	94.1%	95.1%	95.1%	9 13
Inclusion and diversity for customer service						
Number of solutions implemented	NA	NA	13	22	NA	10
Beneficiaries of the Neoenergia Institute[10]						
Annual beneficiaries of the programs (thousand)	NA	NA	347.2	280	412	1 7 8
Quality of supply						
Equivalent duration of interruptions per consumer unit	NA	NA	9.68	9.29	8.44	1 7 9
Purchasing from local suppliers[11]						
% of invoiced purchases from local suppliers	NA	NA	99.5%	>90%	>90%	-
Purchasing from sustainable suppliers[12]						
% of relevant suppliers classified as sustainable	72%	75%	89.2%	>80%	>85%	-
Human Rights Due Diligence Procedure						
Continuous review	NA	NA	✓	✓	✓	7 11 13
Formal stakeholder engagement process						
Expand stakeholder engagement through various mechanisms and channels.	NA	NA	✓	✓	✓	7 11 13
Cybersecurity assessments[13]						
Number of annual assessments or external verifications	NA	NA	374	316	316	8 9 17
Cybersecurity training[14]						
Number of annual training hours in cybersecurity and information protection	NA	NA	12,272	11,500	13,100	4 8 9

ESG TARGETS

Governance

	2021	2022	2023	2025	2030	Related SDGs
Variable remuneration ESG						
% of variable remuneration for long-term incentives linked to ESG	30%	30%	30%	30%	33%	5 13
Corporate governance practices						
Maintain best governance practices	✓	✓	✓	✓	✓	5 16 17
Independent external certification or validation of the compliance system						
Obtain/maintain (annually)	NA	NA	✓	✓	✓	16

Sustainable financing

	2021	2022	2023	2025	2030	Related SDGs
Green financing framework						
Annual review and update (if applicable)	✓	✓	✓	✓	✓	5 6 7 13 16
ESG financing						
% of new financial contracts in the three-year period 2023/2025 and 2026/2030 with ESG/green rating (with European taxonomy)	NA	NA	49%	>60%	>75%	5 6 7 13 16

* Targets established in 2022 and revised in 2023.
NA – Not applicable. Target created and approved by the Board of Directors in 2023.

[1] Emissions: In 2023, the reduced intensity of emissions is due to the fact that the Termopernambuco plant, which runs on natural gas, was only dispatched by the National System Operator (ONS) in the last quarter.

[2] Sustainable light vehicle fleet: Although the 2025 commitment was already achieved in 2023, the challenge remains given the regular need to renew vehicles. This target remains challenging and under evaluation since the metrics achieved are still subject to variation.

[3] Biodiversity Assessment: In 2023, the definition of Neoenergia's Biodiversity Accounting Framework was the first product to meet this target. Based on the methodology defined, we were able to begin the process of measuring assets in order to carry out the biodiversity assessment and the positive impact plan.

[4] Women in relevant positions: In 2023, we reviewed the assumptions and initiatives aimed at selecting professionals to ensure the presence of female candidates. This action, which is in line with our commitment to gender equality, has shown very positive results. However, the target remains challenging and under evaluation since the metrics achieved are still subject to variation.

[5] Women trained as electricians: In 2023, we expanded our focus on in-house training of women in the distributors' Electrician Schools. This action, which strengthens our commitment to gender equality, has presented very positive results. However, the target remains challenging and under evaluation, given that the metrics achieved are subject to variation.

[6] Corporate volunteering: With the aim of boosting our social commitment, in 2023 we developed a major awareness campaign to promote the Corporate Volunteering Program. The initiative showed positive results, but the target remains challenging and under evaluation, since the metrics achieved are subject to variation.

[7] Safety (ISO 45001): In 2022, we had anticipated this certification in the Neoenergia Brasília and O&M Transmissão companies. This meant that the target proposed for 2025 was met beforehand. In 2024, this target's metrics will be reassessed to ensure that we improve our performance and commitment to occupational health and safety management.

[8] Safety: In 2023, the growing commitment of our leaders to accident prevention, combined with integrated initiatives, ensured that our safety figures for our own staff improved. However, this target remains challenging and under evaluation, given that the metrics achieved are subject to variation.

[9] Training: The voluntary initiatives promoted by the businesses, which are increasingly engaged in generating value and knowledge, added to the mandatory training resulting from the high level of in-house courses in 2023, resulted in the value set for 2025 being exceeded. As such, this target's metrics will be reassessed to ensure that we improve our performance and commitment to the issue.

[10] Beneficiaries of the Instituto Neoenergia: Committed to maintaining our social commitment, we expanded the number of incentivized projects in 2023, which resulted in exceeding the target set for 2025 and 2030. This target's metrics will therefore be reassessed to ensure that our performance improves.

[11] Purchases from local suppliers: We are committed to maintaining and expanding our chain of local suppliers. However, even though it appears to have been met, the target remains challenging and under evaluation, given that certain products and services are not always available locally.

[12] Purchasing from sustainable suppliers: In 2023, we achieved the metrics set for 2025 and 2030. However, the objective remains challenging and under evaluation, as these results are subject to variation.

[13] Cybersecurity assessments: In 2023, we expanded our defense processes against cyber threats through an increase in digital scans, which led to exceeding the target set for 2025. However, this target remains challenging and its metrics will be reassessed to ensure the company's greater security and commitment to the issue.

14 Cybersecurity training: The voluntary initiatives promoted by the businesses, added to the mandatory training in 2023, resulted in the value set for 2025 being exceeded. As such, this target's metrics will be reassessed to ensure that the company's performance is improved and that it is committed to the issue.

1.2.2 Neoenergia's contribution to the SDGs

Our sustainable development strategy is aligned with the business project, which seeks to create value in a sustainable manner for all our stakeholders. The main references are our Purpose and Values, respect for human rights, and actions to eliminate or minimize the economic, social and environmental impacts of all our activities.

The initiatives we develop seek to contribute to building a fairer, more equal and healthier society and to achieving the Sustainable Development Goals (SDGs), especially those related to clean and affordable energy (SDG 7) and action against global climate change (SDG 13).

Our commitment to contributing to the SDGs is overseen by our governance bodies. It is up to the Sustainability Committee, which supports the Board of Directors, for example, to monitor the group's contribution to achieving the SDGs. As such, these goals inspire or are included as a fundamental element in the following documents:

- Bylaws
- Purpose, Values and Code of Ethics
- Environmental Policies
- Social Commitment Policies
- Policies and regulations related to corporate governance

Due to the cross-cutting nature of the SDGs, we take part in Iberdrola's Global SDG Advisory Committee which, every quarter, reviews the actions carried out and analyzes their alignment with the priority SDGs and those that directly contribute to them, as well as proposing and promoting new challenges and initiatives which contribute to achieving the goals that have been set.

1.2.3 Our main focus: SDGs 7 and 13

We focus our efforts on the SDGs where we have identified where we can make the most significant contribution: providing clean and affordable energy (goal 7) and climate action (goal 13). This commitment is part of our governance and sustainable management model and is formalized in objectives linked to the remuneration of the management team.

ACTIONS ALIGNED WITH THE SDG TARGETS

MAIN FOCUS

- 8,827 new energy connections through the Light for All Program
- 3.7 million customers registered for the Social Energy Tariff
- 249,377 units benefited by the Energy Efficiency Program
- Savings of 74,002 MWh/year in energy consumption from energy efficiency projects
- 3,862 MW of generation capacity is from renewable sources
- R$ 630 million investments in renewable generation
- Development of green hydrogen and offshore wind projects
- R&D and innovation projects focused on clean energy

- Target to reduce energy generation emissions to 20 gCO2/kWh generated by 2030
- Target of electrifying 50% of the light vehicle fleet by 2030
- Target of 100% of the light vehicle fleet sustainable (flex, hybrid or electric) by 2030
- Target of 95.1% digital customers (with user registered on channels) by 2030
- Construction of the Green Corridor, between Salvador and Natal, in northeastern Brazil
- Climate adaptation project at Termopernambuco
- Carbon pricing project
- Consideration of climate risk in investment decisions

DIRECT CONTRIBUTION

- Target of 10 million liters of installed reusable water capacity by 2030
- Water management and consumption actions at all our units
- HPP projects to restore river headwaters in the surrounding municipalities

- Target for Equivalent Duration of Interruptions per consumer unit of 8.44 (DEC) by 2030
- Target of 90% of HV and MV networks digitalized by 2030
- Target of 100% of the light vehicle fleet sustainable (flex, hybrid or electric) by 2030
- Target of 95.1% digital customers (with user registered on channels) by 2030
- Target of 316 annual cybersecurity assessments by 2030
- Target of 13,100 hours of cybersecurity education and training by 2030
- R$ 160.3 million invested in R&D and Innovation projects
- Smart solutions in Liberalized Business

- Target of reaching 100% of assets with biodiversity assessment and positive impact plans by 2030
- Participation in Iberdrola's Global Trees Program, whose target is to plant 20 million trees by 2030
- Investment in a protected and multiplexed aerial network to minimize impacts on vegetation
- Construction of the Biodiversity Corridor at the HPP Baixo Iguaçu
- Reforestation in the Permanent Preservation Areas of the HPP reservoirs
- Partnership with SOS Mata Atlântica to plant trees in the Forests of the Future Program
- Neoenergia Institute programs: Flyways Brasil and Social Acceleration Impactô ODS
- Caatinga Restoration Project

- Target of 316 annual cybersecurity assessments by 2030
- Goal of maintaining best governance practices by 2030
- Participation in national and global entities and forums, such as the UN Global Compact; Juntos pelo Desenvolvimento Sustentável, by Comunitas; Ethos Institute; Brazilian Business Council for Sustainable Development (CEBDS), Transforma Brasil, etc.
- Neoenergia Institute projects
- Neoenergia Volunteer Program
- Energy Efficiency Program
- Customer donations to social projects through energy bills

ACTIONS ALIGNED WITH THE SDG TARGETS

INDIRECT CONTRIBUTION

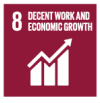
- Neoenergia Institute projects, with the goal of serving 412,000 beneficiaries by 2030
- Low Income Social Tariff, with 3.7 million beneficiaries in the year
- Energy efficiency projects in low-income communities

- Corporate Volunteering Program, with a target of 4,700 volunteers by 2030
- Neoenergia Institute Projects: Bright Minds, Educating through Sport and SER Program Health, Education and Income

- Workplace accidents: target of <0.39 accidents with and without time off for own employees (0.44 in 2021) by 2030
- Target of 95.1% digital customers (with users registered on channels) by 2030
- Health plan for employees and their families
- Internal health and vaccination campaigns
- Occupational Health and Medical Control Program
- Hazard identification, risk assessment and incident investigation
- SER Program - Health, Education and Income

- Three-year target of 70 of training hours for employees and professionals in the communities where we operate by 2030
- Target of 35% training for women in Electricians' Schools by 2030
- Cybersecurity education and training target of 13,100 hours by 2030
- Training of employees, with an annual average of 100.48 hours of training
- Neoenergia Institute projects: Idea Desk and Educational Practices, Cultural and Artistic Workshops (OCA), Flyways Brasil, Transforming Energy into Culture, To Inspire Award, Cultural Illumination Program, Inspiring Women, Brilliant Minds and Educating through Sports.

- Goal of increasing the participation of women in leadership positions to 40% by 2030
- Target of increasing the participation of women in relevant positions to 35% by 2030
- Target of 40% of black and brown people in leadership positions
- Target of 12% of women in electrician positions by 2030
- Target of maintaining best governance practices by 2030
- Pay equity between men and women
- Support program for female employees who suffer domestic violence
- Neoenergia Institute projects: Educating through Sport, Cultural and Artistic Workshops (OCA), Inspire Award, Inspiring Women and Transforming Energy into Culture



- Three-year target of 70% of training hours for employees and professionals in the communities where we operate by 2030
- Cybersecurity education and training target (number of hours) to 13,100 by 2030
- Workplace accidents: target to achieve a rate of <0.39 accidents with and without lost time for own employees (0.44 in 2021) in 2030
- Target of 316 annual cybersecurity assessments by 2030
- Neoenergia Institute projects, with a target of serving 412,000 beneficiaries by 2030
- Hiring labor from local communities, with a goal of having 12% women in electrician positions by 2030
- Sustainable purchasing practices, with the commitment to increase the percentage of relevant suppliers classified as sustainable to more than 85% by 2030
- Around 4,000 jobs created in Brazil in the last three years
- Internship program

ACTIONS ALIGNED WITH THE SDG TARGETS

INDIRECT CONTRIBUTION

	• SInclusion and diversity solutions for customer service, with the goal of having 22 solutions in place by 2025 • Neoenergia Institute projects, with the goal of serving 412,000 beneficiaries by 2030 • Corporate Volunteering Program, with a target of 4,700 volunteers by 2030
	• Neoenergia Institute projects: Coralizar, Flyways Brasil, Cultural Lighting Program and Territory Networks for Childhood Project
	• Neoenergia Institute projects: Cultural and Artistic Workshops (OCA) and Flyways Brasil Project
	• Target installed capacity for reusable water of 10 million liters by 2030 • Flyways Brasil and Coralizar projects, developed by the Neoenergia Institute
	• Target of maintaining independent external certification of the Compliance System by 2030 • Target of maintaining best corporate governance practices by 2030 • Participation in the Alliance for Integrity global campaign and the Anti-Corruption Platform of the Global Compact Brazil Network • Code of Ethics and whistleblowing channel • Pro-Ethics Seal • Human rights training for own and third-party security personnel • Participation in the Together for Sustainable Development Program • Neoenergia Institute projects: Cultural Illumination, Transforming Energy into Culture, Inspire Award, Ideas Desk and Educational Practices

2. Environmental

Focus on decarbonization, biodiversity and sustainable use of resources

We have a firm commitment to the environment, integrating it with all our activities, processes and initiatives to reduce greenhouse gas (GHG) emissions, ensure the conservation, protection and promotion of biodiversity, as well as using natural resources sustainably and efficiently.

With these priorities in mind, we have defined environmental commitments. In the following table, we present the results we achieved in 2021, 2022 and 2023 and the targets for 2025 and 2030.

ESG TARGETS

Environmental

	2021	2022	2023	2025	2030	Related SDGs
Emissions[1]						
Emissions of gCO2/kWh in generation (scope 1)	61	1,3	3,6	36	20	7 13
Network digitalization						
% High Voltage and Medium Voltage networks digitalized	72%	75%	77,5%	83%	90%	1
Fleet electrification						
% High Voltage and Medium Voltage networks digitalized	5%	8%	9.7%	13%	50%	7 9 13
Sustainable light vehicle fleet[2]						
% of total light vehicle fleet (flex, hybrid or electric)	NA	NA	99,6%	99%	100%	7 9 13
Installed repurposed water capacity						
Million liters	NA	NA	7,3	7,5	10	6 14
Biodiversity assessment[3]						
% of assets with biodiversity assessment and positive impact plan	NA	NA	0%	20%	100%	

The decarbonization of our activities is associated with the start-up and operation of emission-free power generation facilities and complementary initiatives. It includes the replacement of equipment that uses substances that reduce the ozone layer, the operation of buildings, offices and work centers maintained in accordance with sustainability standards. It also comprehends the progressive replacement of our companies' fleets with emission-free ones. We have set targets for all light vehicles to be 100% sustainable by 2030, considering flex-fuel, hybrid and electric vehicles, with 50% of them being electrified.

Reducing indirect emissions takes the form of our commitment to providing our clients with green energy, products and services, and the progressive decarbonization of our supply chain.

Climate action is supported by another commitment: the protection of nature, jointly addressing three factors driving the environmental crisis: climate, biodiversity and the over-exploitation of natural resources.

The efficient use of natural resources to tackle the energy transition is another major challenge we face, as does the entire energy sector. We pay attention to the efficient management of water resources, due to their environmental and social implications, and we strive to make rational and sustainable use of water

and address the risks related to its scarcity. In addition, we work with our suppliers and other agents in the value chain to develop circular economy systems, with more recovery and recycling initiatives.

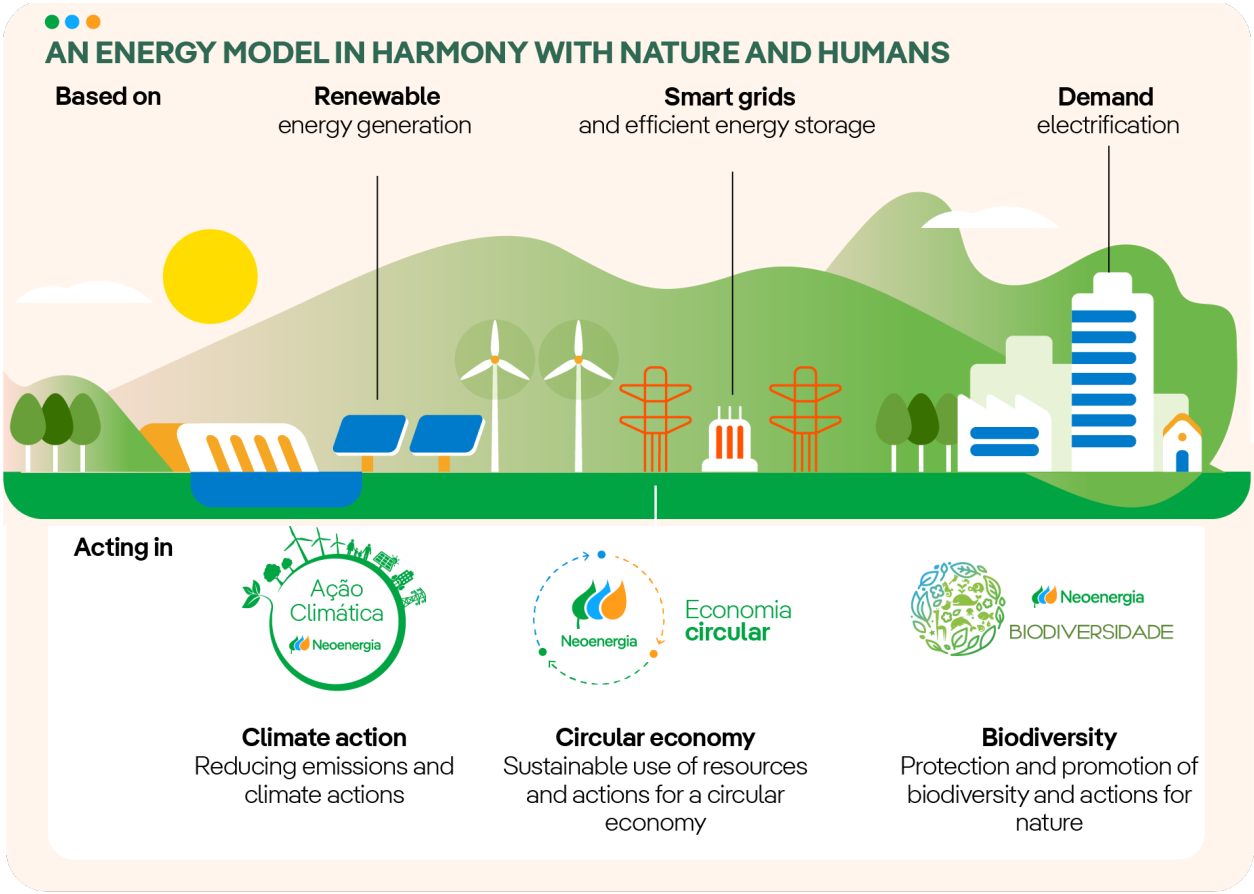
Biodiversity loss is critical for us since we interact with many different ecosystems and species over a vast geographical area. Aware of the urgency of halting and reversing an unprecedented loss of biodiversity and responding to the demands of the scientific community, we launched our Biodiversity Plan 2030 together with Iberdrola. It includes a commitment to have a net positive impact on biodiversity by 2030.

2.1 Fighting climate change and protecting biodiversity

2.1.1 Neoenergia and nature

We work to build a business model that is in harmony with nature and human beings, committed to sustainable development and the supply of clean, renewable energy to meet the growing demand for this service. Likewise, we are committed to continuing to lead a sustainable energy matrix.

We also see economic and social development as strongly linked to the use of natural capital, which must



take place responsibly to ensure the integrity of ecosystems and biological diversity. To meet these commitments, we work on three fronts. Together, act to reduce or eliminate our main impacts. We set forth, and regularly update, action plans associated with each of the following lines of work:

- Climate action: establishes the strategy, work plans and objectives for reducing emissions and combating climate change.
- Circular economy: promotes the sustainable use of resources, increases the useful life of our assets and seeks to reduce the use of raw materials and the generation of waste.
- Biodiversity protection: integrates biodiversity conservation into decision-making, minimizes negative effects and structure impact recovery and compensation programs.

2.1.2 Environmental governance and management

2.1.2.1 Environmental policies and climate change

GRI 3-3_300 – MATERIAL TOPICS: CLIMATE CHANGE AND ENERGY TRANSITION | BIODIVERSITY

GRI 2-23 | SDG 16.3

We integrate our environmental policies into our sustainable development strategy and they help us respond to climate challenges, objectives and targets, preserve the environment and biodiversity, and help identify and seize the opportunities of the energy transition. They express our commitment to creating value that takes into account and respects natural capital, since this is the capital we use to develop our activities. And we seek to involve different stakeholders in this prioritization, including the communities where we are present. In line with the objectives of the Paris Agreement and the United Nations 2030 Agenda, our environmental policies are as follows:

a. Sustainable Management Policy

We have defined an energy model that aligns our actions with a sustainable energy model and contributes to achieving the Sustainable Development Goals (SDGs). To this end, we base our operating principles on economic activities that are environmentally sustainable, competitive, provide a high quality of service, generate shared value, respect human rights and promote the use of clean and renewable electricity, as established in our Sustainable Management Policy.

b. Environmental Policy

Our Environmental Policy establishes a reference framework for integrating the protection of nature and the environment into our business strategy and our investments and operations. It defines the basic action principles, which involve respect for nature, biodiversity and historical-artistic heritage, the sustainable use of natural capital, compliance with legislation, stimulating innovation and the use of the mitigation hierarchy principle (avoid, minimize, remedy and, ultimately, compensate) in all our activities.

c. Biodiversity Policy

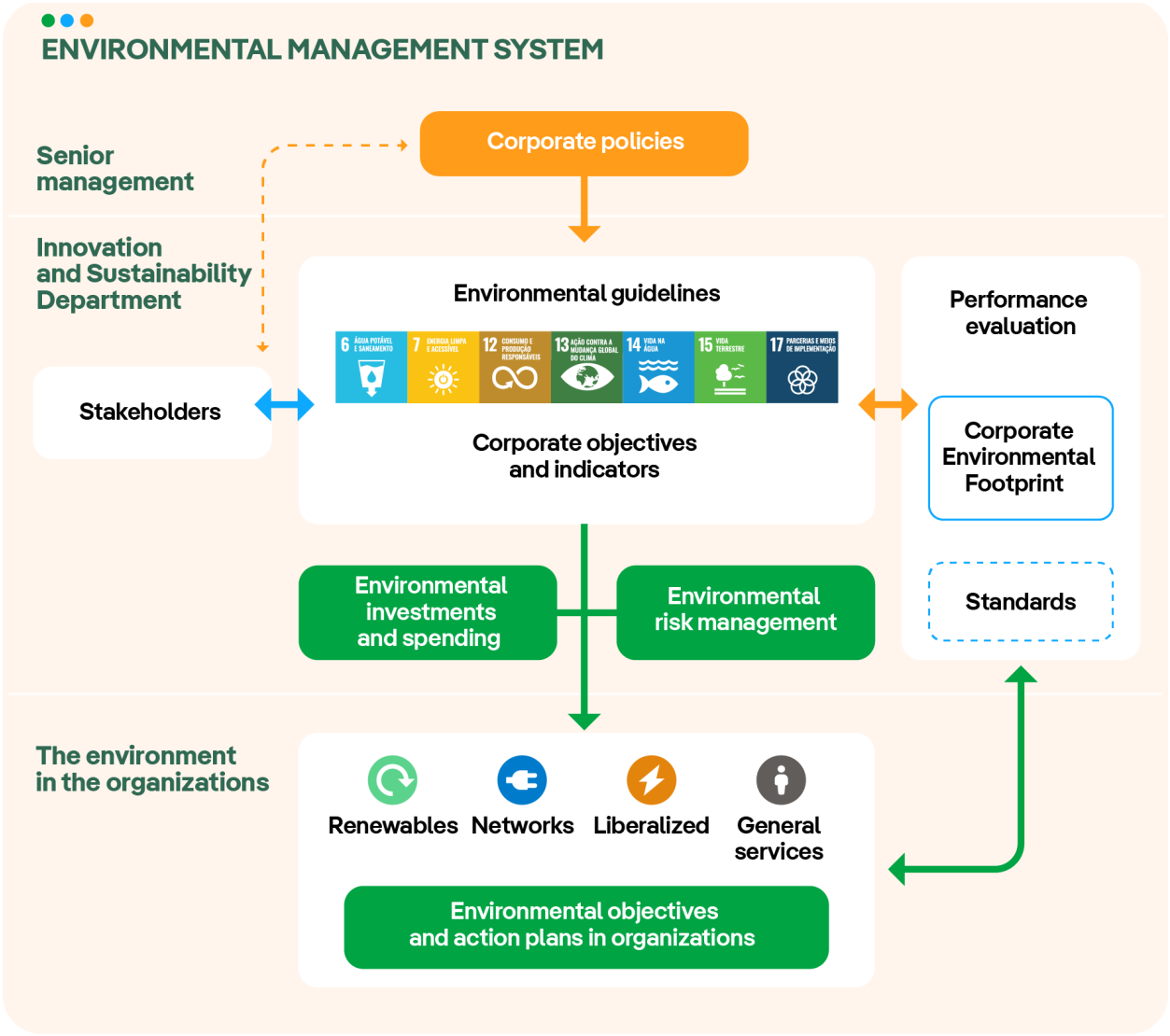
The commitment to combating biodiversity loss and generating a positive net impact through our activities is expressed in our Biodiversity Policy, which integrates biodiversity into strategic planning. It sets out four lines of action: i) to protect biodiversity and make sustainable use of natural capital; ii) to identify, quantify and continually assess the impacts and degree of dependence of our activities; iii) to collaborate with interest groups; and iv) to value and raise awareness of the importance of protecting and conserving biodiversity.

d. Climate Action Policy

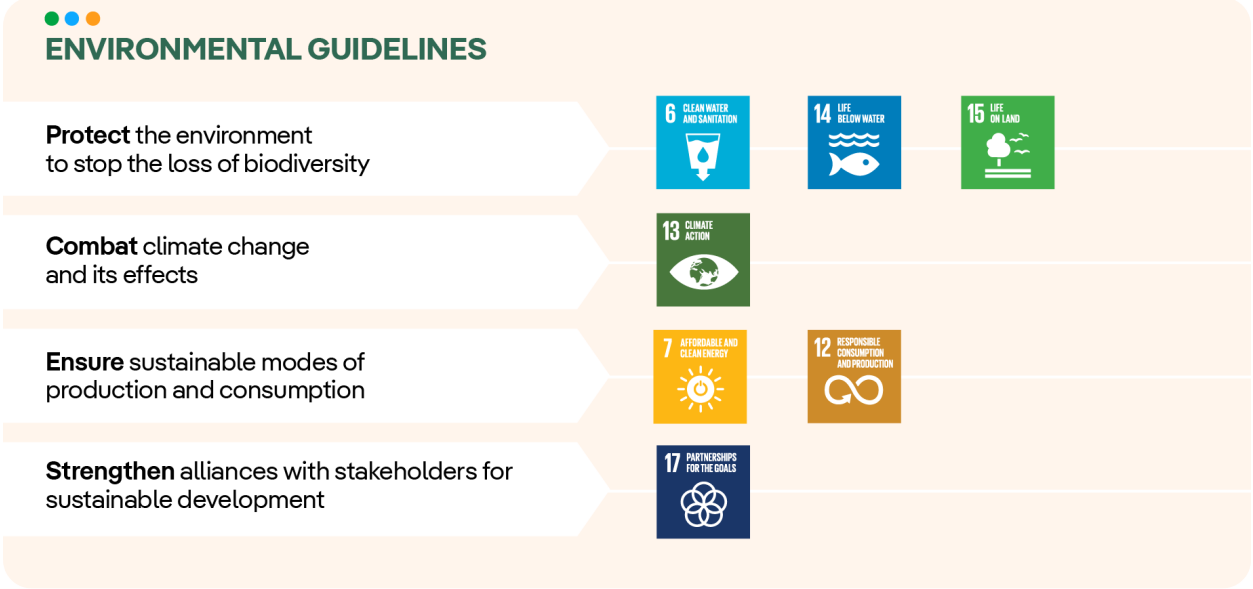
Our Climate Action Policy determines the framework of our strategy and business model, reinforcing our commitment to the campaign against climate change, assuming a leadership position (directly and by establishing alliances), promoting awareness (the impacts, challenges and benefits of its realization) and contributing to a carbon-neutral and sustainable future.

2.1.2.2 Environmental Management System

Our Environmental Management System (EMS) is guided by environmental policies and follows the Iberdrola Group's global guidelines. In accordance with the activities of the various businesses and while honoring regional differences, we uphold a consistent environmental framework across our firms. The ISO 14001 standard, upon which the EMS is built, enables both the optimization of environmental investments and costs as well as ongoing resource management improvement.



The system also aims to measure and evaluate our environmental performance from a life cycle perspective. Through the EMS, these policies are converted into the following guidelines:



2.1.2.3 Corporate Environmental Footprint

The Corporate Environmental Footprint (CAP) of Iberdrola's parent company, which includes Neoenergia, measures our environmental performance, assessing the impacts of our activities on the environment from a life cycle perspective (ISO/TS 14072:2014). The general and guiding objectives of the CAP are:

- To identify, assess and interpret the significance of environmental aspects and impacts related to management systems, as defined in ISO 14001:2015;
- To be a strategic tool for comprehensive environmental assessment, which can lead to the adoption of decisions that link business competitiveness with the management of environmental variables;
- To be a decision-making tool for prioritizing actions aimed at reducing our most significant environmental impacts;
- To help monitor our performance and enable environmental improvements to be traced;
- To inform stakeholders about the evolution of our environmental impacts;
- To be a communication tool with stakeholders.

In line with this performance, we participate, through Iberdrola, in the European project Rules Electricity Environmental Footprint (REEF) project in the development of Environmental Footprint (EF) rules for products in the electricity sector: it will provide common standards for calculating the CAP in the industry. For more information, see our Corporate Environmental Footprint.

2.1.2.4 Certifications

GRI 2-23

Our Environmental Management System is based on international procedures and standards that are audited by reputable independent organizations. We currently have ISO 14001 certifications for companies in the Networks, Renewables and Liberalized businesses. Based on this, we aim to promote innovation and eco-efficiency and progressively reduce our environmental impacts. We adopt the precautionary principle when planning and carrying out activities, adopting measures to minimize environmental risks. We also apply the mitigation hierarchy (avoid, minimize, remedy, and, as a last option, compensate) in all projects. In environmental impact assessment processes, we analyze alternatives for the location of projects, being decisive in avoiding the installation of new infrastructure in protected areas or areas of high biodiversity value.

All our certifications are presented in Annex 1: Additional information.

2.2 Climate Action

GRI 3-3_305 – MATERIAL TOPIC: CLIMATE CHANGE AND ENERGY TRANSITION

Our business strategy is geared towards accelerating a just energy transition towards climate neutrality by offering a clean, reliable and intelligent business model. We see the climate agenda as socially necessary and an opportunity to expand our portfolio, contributing to climate resilience both at the overall business level and individually in each unit.

2.2.1 Climate governance

We incorporated the fight against climate change as a priority in our Corporate Governance System as of 2018, when we approved an initial policy on the subject. The current Climate Action Policy sets the framework for our strategy and business model, in line with the Paris Agreement and the 2030 Agenda in the fight against climate change. In it, we commit to continuing to take a leadership role (directly and by establishing alliances), promoting awareness (about the impacts, challenges and benefits of

decarbonization) and contributing to a carbon-neutral, sustainable and socially beneficial future.

The Policy also considers implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for the identification and reporting of long-term risks and opportunities related to climate change. Since 2021, we have taken the TCFD recommendations into account as basic principles for our strategic planning, decision-making processes, as well as in the analysis, management and reporting of non-financial indicators.

The adoption of these recommendations is reflected in the CDP Climate 2022 questionnaire (the 2023 assessment has not been released as of the publication of this report), which scored A-, placing us among the leading companies in terms of environmental performance in the CDP Climate. The report, in turn, reflects the communication of the management of climate risks and opportunities that we do on a daily basis.

The GHG emissions inventory report has been published since 2019, and is guaranteed and recognized with the Gold Seal of the Brazilian GHG Protocol Program (the inventory can be accessed on the Sustainability page of our website).

TCFD

Our management of climate risks and opportunities is supported by the four main components of the Task Force on Climate-related Financial Disclosures: governance, strategy, risk management, and metrics and targets. To bring transparency to our procedures and outcomes in accordance with market expectations and norms, we disclose our progress yearly on stock exchange indices and in the CDP Climate Notebook.

CORE ELEMENTS OF TCFD

Governance (CDP: items C1.1, C1.2, C1.3)

Our Board of Directors (BoD) considers climate change to be a priority and thus builds it into the decision-making process. The Sustainability Committee is the statutory body that advises the Board on issues such as contributing to sustainable development, decarbonizing the economy, raising awareness and combating climate change, biodiversity, social action, preserving human rights, quality and innovation. The Innovation, Sustainability, Climate Change and Corporate Social Responsibility Superintendency is responsible for actions to comply with the policy, raise awareness, promote adaptation and mitigate climate change, as well as other issues on the sustainable agenda. The Corporate Risk Superintendency is in charge of controlling and adequately monitoring the strategic risks of activities and business, including climate issues.

Strategy (CDP: items C2.1, C2.2, C2.3, C2.4, C3.1)

With the support of innovation, we focus on promoting and distributing clean, safe and reliable energy. The topic is approached from the perspectives of both risks and opportunities. Our business strategy is geared towards the electrification of the economy and the decarbonization of the electricity sector. This occurs by investing in the expansion of wind and solar power plants, with the flow of generation through transmission projects, the digitalization of networks and intelligent solutions for customers. A number of research and development and innovation (R&D+I) projects are underway to find solutions and create products and services that promote the decarbonization and electrification of the Brazilian economy, most notably the installation of a pilot unit for the production of green hydrogen.

Risk management (CDP: items C2.1, C2.2, C2.3)

The climate change topic is part of our corporate risk matrix and the TCFD methodology is the main guiding standard for managing risks and opportunities, promoting measures to create climate resilience in assets, decarbonizing production processes and continuously improving our climate agenda. Based on this methodology, the Innovation, Sustainability, Climate Change and Corporate Social Responsibility Superintendency, with the support of the Risk Department and the business and corporate areas, maps climate risks (physical and transition) and opportunities. This knowledge guides action plans for mitigation and adaptation and supports our investment strategy. The decision on new wind and solar generation projects takes into account a climate dossier, which influences the investment dossier, which is the instrument that determines the decision about the project.

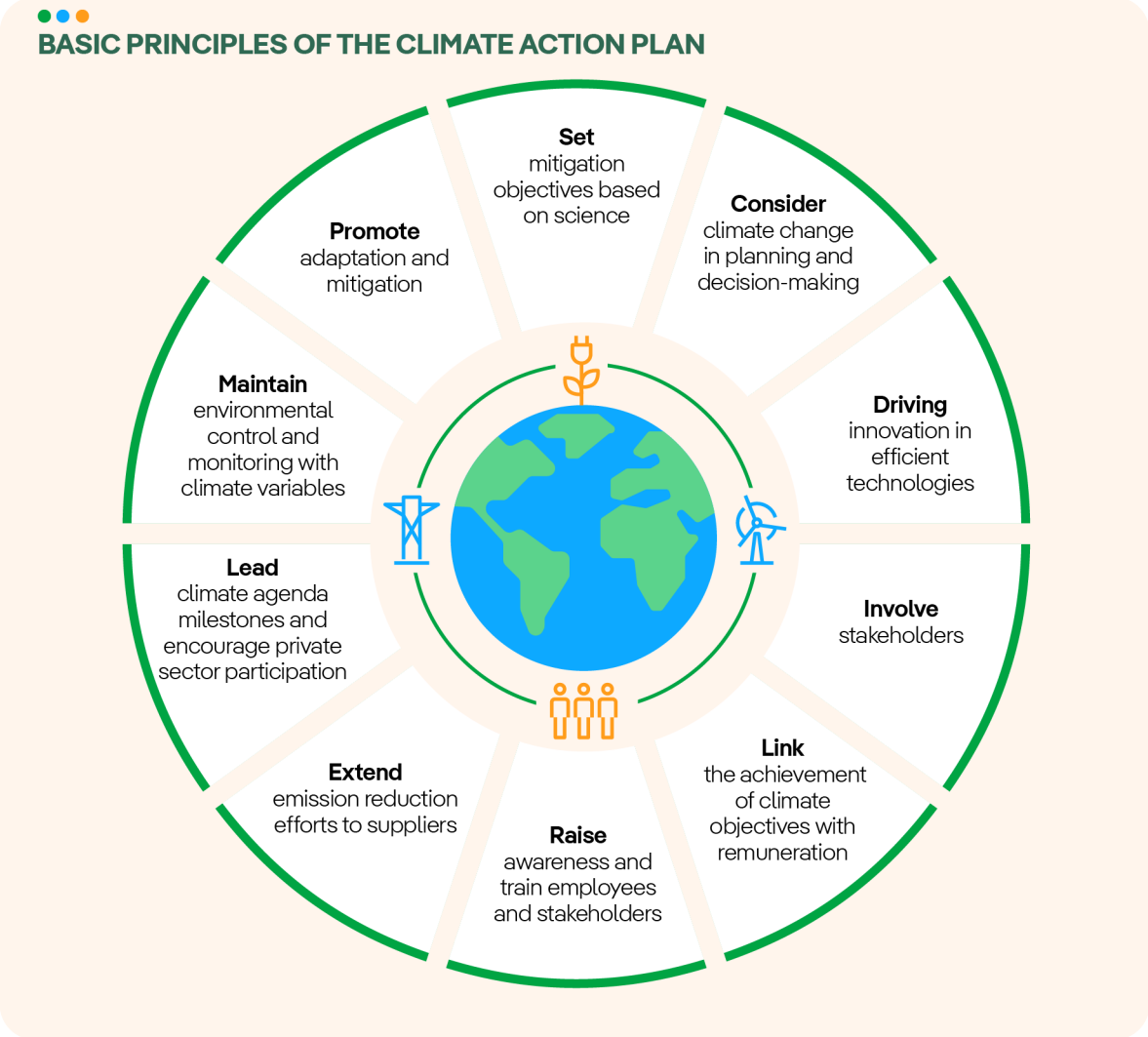
Metrics and targets (CDP: items C4.1, C4.2, C4.3, C5.1, C6.1, C6.2)

- Greenhouse gas inventory – Scopes 1, 2 and 3: creates the baseline for monitoring compliance with targets.
- The goal of reducing the intensity of emissions from generation is part of our ESG commitments, in addition to the goal of reducing emissions towards climate neutrality.
- Commitments under the UN Global Compact's Forward Faster initiative, aimed at accelerating private sector action, the SDGs and the 2030.Internal Carbon Pricing Agenda (ICP) process: identifies decarbonization routes and abatement costs for initiatives.
- Immersion in science-based methodologies through participation in the Global Compact's Climate Ambition Accelerator Program.
- Energy Compact commitment.

Climate Action Plan

Iberdrola Group's Climate Action Plan, which extends to its subsidiaries in all countries, including Neoenergia, is based on defining the associated levers, actions and metrics that, in turn, contribute to the decarbonization of the economy. In this respect, the Plan includes key elements such as:

- Investing in technological and business innovation;
- Establishing alliances and active participation in the main milestones of the climate agenda;
- Supporting the main initiatives seeking greater climate ambition;
- Raising awareness of this issue through external and internal actions in collaboration with leading institutions.



Corporate entities and internal committees oversee the policies to make sure they are implemented and followed as best as possible. The approval, oversight, and periodic reporting on the Climate Action Plan are the responsibilities of Iberdrola's Board of Directors. The firm and the Board of Directors fulfill this commitment through the Annual Report, which includes non-financial information.

Neoenergia's Board, in line with Iberdrola, has instituted a training and knowledge refreshment program for its members, which includes decarbonization and the combat against climate change among its topics. This meets the need for professionalization, diversification and qualification in relevant topics. The Annual Activity Report of the Board and its Committees describes and lists the issues dealt with by these bodies. GRI 2-17

2.2.2 Climate action objectives and elements

We were present at the Climate Conference (COP28) held in Dubai in November-December 2023. Neoenergia's Vice-President for Regulation, Institutional, Innovation, Sustainability and Corporate Social Responsibility and Vice-President of the UN Global Compact Council, Solange Ribeiro, took part in the events promoted by the Global Compact Brazil Network – *Transition in the Global South: building a net zero economy* and *The future of human rights in a sustainable and equitable society*. Both meetings dealt with themes that are central to us: energy transition with a focus on people and human rights.

Representing the Brazilian Business Council for Sustainable Development (CEBDS), of which she is a board member, Solange Ribeiro also presented her vision in the Brazil discussion panel along with advances, opportunities and her leadership role in the global climate agenda. She highlighted the progress made in this agenda in Brazil, featuring nature-based solutions and the path to COP30, which will be held in Belém (PA) in 2025.

2.2.2.1 Climate goals

Climate change is a key element in defining our strategy, with a focus on promoting clean technologies, innovation and establishing alliances with research institutions, sector groups and startups, for example. We approach the issue not only as a risk factor, but also as an opportunity for growth through mitigation and adaptation actions during the transition to a low-carbon economy.

We are committed to reducing the emissions intensity of our energy generation from the 61 grams of CO_2e per kWh recorded in 2021 to 36 grams of CO_2e per kWh generated in 2025 and 20 grams of CO_2e per kWh in 2030, with the aim of achieving carbon neutrality by 2040. Between 2017 and 2023, the emissions intensity per kilowatt of energy generated fell from 128 gCO_2e /kWh to 3.6 gCO_2e /kWh. The figure for 2023, as well as that for 2022 (1.3 g CO_2e /kWh), reflect atypical years. In 2022, the Termopernambuco combined cycle natural gas thermoelectric plant did not start operating for commercial purposes. In 2023, due to orders from the ONS, the plant was only active for a few days in the last two months of the year.

Other environmental commitments we have made include: achieving 83% of digitalized high- and medium-voltage networks by 2025 and 90% by 2030; expanding the electrification of our own light vehicle fleet to 50%; and reaching a 100% sustainable fleet by 2030 (flex-fuel, hybrid and electric vehicles), contributing to lower GHG emissions in the corporate inventory.

To meet our commitment to reducing emissions, we will continue to promote a fully integrated business model to foster renewable generation and digitalization, coupled with an investment plan for a zero-carbon future.

Internal Carbon Pricing (PIC)

In partnership with the Getulio Vargas Foundation's Center for Sustainability Studies (FGVces), we developed an Internal Carbon Pricing (ICP) project in 2021 that has been transformed into a corporate process. It is an engine for engagement and the identification of opportunities to reduce emissions, looking

for new potential decarbonization routes.

The first Marginal Abatement Curve (MAC Curve) generated an internal carbon price covering 12 potential emissions reduction projects. These include, for instance, measures for the electrification of the fleet and the development of two electric trucks, the result of an R&D project we undertook and whose use will be phased in.

In 2023, the PIC served as a relevant input for designing our decarbonization strategy with a view to submitting science-based targets to the Science Based Targets initiative (SBTi) by 2025 and obtaining approval for this initiative.

2.2.2.2 Investment plan

Our commitment to combating climate change was materialized through investments of R$ 8.9 billion in 2023, with an emphasis on electrification of the economy, innovation and technological advances, as well as greater connectivity with consumers. This program resulted in an important boost in the field of renewables, which reached 3,862 MW of installed capacity, corresponding to 88% of the company's total generation.

As a result, we continue to identify and consolidate new opportunities for growth in renewable sources, contributing to the decarbonization of the Brazilian electricity matrix. A highlight in 2023 was the inauguration of the first associated renewable energy generation complex in Brazil. Situated in the rural areas of Paraíba, the Neoenergia Renewable Complex integrates solar and wind power production from the Neoenergia Chafariz and Neoenergia Luzia complexes in a way never seen before.

The energy generated by the Complex is 0.6 GW, enough to supply 1.3 million homes/year. A pioneering project in the country, the initiative is notable for the synergy between the assets of the wind and solar farms and the transmission line and substation. Because of the complementarity of the sources, this characteristic maximizes the usage of the transmission network.

This way, we meet the demand for expansion of the National Integrated System (SIN), diversify our clean energy portfolio, reinforce our commitment to the development of the Brazilian energy sector in an innovative, efficient and sustainable way, as well as position ourselves at the forefront of the market liberalization process when more consumers are buying energy generated in the unregulated environment. Accompanying the advances in the regulation of offshore wind generation in Brazil, we are playing an active role in the construction of the Brazilian regulatory framework and making progress in the development of projects already registered with Ibama.

Supported by our Research and Development area, we are also seeking to lead the way in the production of green hydrogen, internalizing and replicating knowledge from our parent company Iberdrola, which is pioneering the production of green hydrogen and possesses the largest plant for this fuel in Europe, to produce fertilizers without GHG emissions.

According to the International Energy Agency's World Energy Outlook 2023 report, demand for hydrogen should increase by 60% a year until 2030, as per the Announced Pledges Scenario (APS). However, despite continued strong growth, by 2050 it will only reach 60% of the level required under the Net Zero Emissions Scenario (NZE). In the first scenario, the average global temperature rises by 1.7°C and in the second by 1.5°C compared to the pre-industrial period. For this to happen, it is important to expand wind and solar generation, which is strategic to the growth of green hydrogen production in the world. Due to the abundance of wind and solar energy, as well as the competitive prices of generation based on these two sources, Brazil has comparative advantages to assume global leadership in this sector.

2.2.2.3 Technological and business innovation for climate change

Innovation is a key factor in our strategy, as it is a tool that boosts competitiveness, maximizes the use of technology in activities that add value by providing more sustainable and efficient solutions, and contributes to the combating of climate change. Some representative examples of our innovation projects with an impact on climate action and decarbonization are: the commitment to green hydrogen, digitalization and automation or disruptive technologies.

INNOVATION WITH AN IMPACT ON CLIMATE ACTION

Green hydrogen

Green hydrogen is considered a strategic energy vector for decarbonizing sectors that are difficult to electrify, such as the fertilizer, chemical and steel industries, as well as heavy long-distance land, naval and air transportation. Hydrogen is obtained from the electrolysis of water, a process in which electricity generated from renewable sources such as wind and solar power is used to separate water molecules into hydrogen and oxygen without emitting carbon dioxide, which is why it is called "green." This hydrogen can replace fossil fuels and inputs, mitigating the effects of global warming and contributing to a sustainable future. Financed with funds from Aneel's Research, Development and Innovation Program (PDI), we have started to develop a sustainable mobility project with local production of green hydrogen from photovoltaic solar energy. We have already signed memoranda of understanding with the governments of Pernambuco, Ceará, Rio Grande do Norte and Rio Grande do Sul to develop this energy option, encouraging the generation of renewable energy.

Big Data

We have developed technologies that use big data incorporated into solutions, such as Godel – Neoenergia's Network Observatory, which came out of Aneel's PDI program. One of the pillars of this technology is Godel Perdas, which consists of intelligent sensors installed in the networks, loss calculation applications and analytics. A pioneer in the sector, the product is Neoenergia's intellectual property, with patents and software registrations widely applied in the electricity sector. There are already more than 10,000 sensors installed in our networks and 9,900 in other distributors around Brazil. Godel Analytics Losses, as a big data visualizer, makes it possible to analyze large amounts of data and consult the results of losses by feeder section and by equipment, making it possible to plan actions intelligently and assertively. In addition, reducing losses means fewer GHG emissions from the national electricity system. In 2023, we received additional recognition for the Godel Connect project, awarded 1st place in the Distribution Systems Study Group during the XXVII National Seminar on Electricity Production and Transmission (SNPTEE).

Digitalization and automation

Digitalization is one of the three main trends driving the transformation of the energy system and catalyzing the transition to a sustainable model (the other two are decarbonization and electrification). Technologies such as artificial intelligence (AI), the Internet of Things (IoT), the cloud and blockchain (an advanced database that allows information to be shared) are being adopted, which can help overcome the challenges of integrating renewable energy sources and developing smart grids. Digitalization is part of our strategy to improve the quality of services for our clients and is one of the pillars supporting the decarbonization of the electricity sector. To this end, we have invested in network automation, including around 17,500 remote-controlled reclosers and switches, and by implementing decentralized self-healing logic, we will be able to self-recompose the networks, benefiting more than 800,000 customers by 2023 alone. We have also made progress with Automatic Grid Recomposition (AGR), which uses artificial intelligence to act in a similar way to the controllers at the Operation Centers. With this automation, we have made it faster and more efficient to serve around 465,000 customers of the Neoenergia Pernambuco and Neoenergia Cosern distributors. Another initiative is the Mobile Inspection and Commissioning Solution (SMIC) for the maintenance of our Transmission assets. The tool, installed on tablets distributed among the field teams, allows activities to be recorded in real time, which speeds up operations.

Drones

Examples of the use of these devices include the inspection of wind farm components or high-voltage power lines. In distribution networks, the use of drones has made it possible to reduce the interruption time of the electricity supply after emergencies and extreme weather events.

More information on the innovation strategy and projects is presented in section 3.4.1 RDI Project, innovation and digital transformation.

2.2.2.4 Alliances, collaborations and partnerships

Consistent with our strategy, we support ambitious approaches within the framework of climate policies and the establishment of plans and objectives. Through alliances, declarations and commitments, we publicly support the decarbonization of the economy as a central axis for green recovery practices, which aligns climate objectives with a pathway for robust and sustainable economic growth. In addition, we have identified the need for all players to be in sync and committed to combating climate change, which involves raising awareness in society.

We participate in the Entrepreneurs for the Brazilian Business Council for Sustainable Development (CEBDS) Climate initiative, actively contributing to helping prepare legislation for the creation of the Brazilian Emissions Trading System (SBCE). We are committed to reducing greenhouse gas (GHG) emissions, establishing Internal Carbon Pricing, decarbonizing operations and value chains and investing in green technologies. Furthermore, we are an active member of CEBDS' Climate, Energy and Sustainable Finance and Biodiversity and Biotechnology thematic forum efforts through specific chambers. The second chamber's advocacy of standing forests and opposition to unlawful deforestation is closely tied to the climate change agenda.

In 2023, we joined the Global Compact's Forward Faster Initiative, which aims to promote ambitious actions and accelerate private sector actions to achieve the goals of the SDGs, particularly gender equality, living wages, climate action, water resilience and sustainable financing and investment. We are also signatories to the Energy Compact, a United Nations initiative, and have adopted targets for climate neutrality and universal access to clean and affordable energy for the Brazilian population.

As of 2007, our organization has embraced the ten principles of the United Nations Global Compact, resolving to include the concepts of labor and human rights, environmental protection, and anti-corruption in our operations. We are committed to promoting the 2030 Agenda, contributing to the fulfillment and dissemination of the Sustainable Development Goals (SDGs). Our vice-president for Regulation, Institutional, Innovation, Sustainability and Corporate Social Responsibility, Solange Ribeiro, is vice-president of the Global Compact Council.

2.2.2.5 Just and inclusive transition

The transition to a decarbonized model will involve structural changes with a strong impact on certain regions, areas and interest groups. In order to leave no one behind, we seek to promote a sustainable, fair and inclusive transition, sharing value with society and in line with the objectives of the Paris Agreement. Internal and external actions are aimed at generating knowledge and mobilizing interest groups around the issue of climate change.

Of particular note are the energy efficiency educational projects, which address the efficient and safe use of energy, correlating the content with climate change. The issue is also one of the action pillars of the Instituto Neoenergia through its Coralizar and Flyways biodiversity conservation projects that contribute to the fight against climate change, and Impactô ODS (SDG Impact – projects are detailed in sections 3.6.4 – Instituto Neoenergia and 3.6.1.3 Energy Efficiency).

Within the process of a fair energy transition, it is important to encourage clean generation, but also to guarantee universal and affordable access for all, as defined in SDG 7, which is a priority for us. Through the Social Electricity Tariff, a discount offered to low-income families, we have promoted access to energy (see 3.6.1.2 – Access for vulnerable customers). **IF-EU 240a.4 SASB**

CLIMATE CHANGE AWARENESS INITIATIVES

Internal actions	External actions
▪ Courses on Iberdrola's global platform ▪ Workshops and training on climate change projects coordinated by the Innovation, Sustainability, Climate Change and Corporate Social Responsibility Superintendency in partnership with business and corporate areas ▪ Training for the Board of Directors on climate change and human rights ▪ Workshop for senior management on energy transition	▪ Educational projects on energy efficiency, with a focus on the efficient use of electricity ▪ Instituto Neoenergia projects in the Biodiversity and Climate Change pillar ▪ Social tariff for low-income families ▪ Participation of the Vice President of Regulation, Institutional and Sustainability in national and international events dealing with energy transition and combating climate change

2.2.3 Managing climate risks and opportunities

GRI 201-2 | SDG 13.1 | PG 7

Risks

Climate change brings with it various risks which, for the most part, are not new to Neoenergia. They are dealt with and monitored by our General Corporate Risk Management Policy – approved by the Board of Directors in 2017 and revised in April 2023.

Climate change is expected to intensify the threat of the risks already managed, causing an increase in the sensitivity of assets to these events. Technological and geographical diversification is a factor in adapting to and mitigating physical risks, since we have assets distributed across different regions of Brazil as well as various generation, transmission and distribution businesses. The frequency and intensity of extreme or acute weather events is expected to increase in the coming years. To manage physical climate risk, we have developed innovative methodologies with the support of external partners such as the Coppe/UFRJ Climate Center, WayCarbon, NINT and Clima Tempo.

To improve our analysis of the physical climate risks of our assets, we created a methodology for assessing the physical risk of Termopernambuco, our thermoelectric plant which operates on a combined cycle of natural gas and steam. The project, a partnership with the Coppe/UFRJ Climate Center carried out in 2019 and 2020, looked at the dimensions of climate threats, sensitivity and adaptive measures to assess the thermoelectric plant's degree of exposure to physical risks, such as rising temperatures and sea levels, rainfall variations, among others.

We customized the methodology for other assets (hydroelectric, transmission, distribution and wind generation) in 2021, considering a pilot for each business based on georeferenced climate projections for the pilot assets. Waycarbon supported the diagnosis of georeferenced climate threats. And in partnership with NINT, in 2021 and 2022 we identified expected future climate threats for all our assets, such as variations in temperature, rainfall, fires, floods, etc. We also carried out in-depth research and diagnostics into the risks and opportunities of the energy transition. The projections of physical climate threats come from databases of the National Institute for Space Research (INPE), the World Bank's ThinkHazard tool and the World Resources Institute's (WRI) Aqueduct platform.

In 2023, together with Clima Tempo, we carried out a project to build climate scenarios in the state of Pernambuco, analyzing the occurrences of shutdowns and their current and future impact in terms of wind, temperature and rainfall, and their projections up to 2040. The result of this work will be the preparation of the state's Climate Change Adaptation Plan. We also have an R&D project to develop a market forecasting methodology for the energy planning of our five distributors. This project considers a time horizon of up to ten years of maximum temperature and high thermal sensation.

These partnerships are coordinated by the Innovation, Sustainability, Climate Change and Corporate Social Responsibility Superintendency with the involvement of employees from the business and corporate areas. This internalizes knowledge about the scientific basis of global climate change, with the support and expertise of key areas that deal with the impacts of climate change in the day-to-day operation and maintenance of assets.

The analysis of our vulnerability to climate risk is an ongoing task, subject to continuous methodological refinements and updates as global and regional climate projections are perfected in the scientific fields. Recently, knowledge and analyses produced with the support of partnerships were revisited, considering the guidelines of the European taxonomy and its evidence included in the Sygris online platform for managing sustainability indicators.

An analysis of the risks of climate change is part of the Investment Dossier, a document that supports the decision to proceed with a given project. This is a means of internalizing knowledge about global climate change right from the project formulation stage, minimizing economic losses. The result of this effort to create diagnoses of the risks and opportunities of climate change is based on the TCFD methodology and has been reported in the CDP Climate Notebook since 2020. The main risks presented are: mandatory carbon pricing, hydrological and acute physical risk of flooding.

Opportunities

Scenarios from the International Energy Agency (IEA) point to the need for a faster energy transition, based on the electrification of transportation and supported by improved policies and financial instruments. This requires more ambitious targets for reducing GHG emissions, greater electrification of energy consumption, improved infrastructure, greater efficiency, flexibility of the electricity system and improved quality of service.

The vectors of growth would benefit from higher investments in renewable sources, i.e. 70% by the middle of the century to guarantee global wind and solar sources, in transmission and distribution networks to accelerate network reinforcement, and infrastructure improvements needed to guarantee system integration with supply.

Brazil is following the global trend through energy planning that takes into account the Brazilian objectives and targets presented in the Paris Agreement, contributing to an even cleaner energy matrix, including the future growth of wind and solar sources. The planning foresees that 85% of the electricity matrix in 2030 will be renewable, with wind and solar sources accounting for 47% of the ten-year expansion.

As a company focused on investments in clean energy for decarbonization, decentralization and digitalization of networks, we have identified how climate change can become an opportunity for our business.

In 2021, we entered the large solar generation market, expanded our installed capacity for onshore wind generation, prospected offshore wind projects, invested in grid digitalization and electromobility. We also signed memoranda of understanding with the governments of Pernambuco, Ceará, Rio Grande do Norte and Rio Grande do Sul for the development of offshore wind farms, promoting the generation of renewable energy.

We actively contributed to the drafting of legislation dealing with the creation of the Brazilian Emissions Trading System (SBCE), in collaboration with associations such as CEBDS and ABEEólica. In the CDP Climate section, we report on the following climate opportunities:

- Development and expansion of low-carbon products and services;
- Access to new capital markets, such as sustainable finance and green bonds;
- Development of new products and services through IDP projects and with a focus on innovation;
- Expansion of renewable generation, in projects that can generate carbon credits.

MAIN CLIMATE RISKS AND OPPORTUNITIES GRI 201-2 | SDG 13.1 | PG 7

RISKS	OPPORTUNITIES
Risk of mandatory carbon pricing We are following the movement to create a mandatory Brazilian GHG Emissions Trading System (SBCE) for carbon in Brazil, which could price Termopernambuco's emissions. Our Internal Carbon Pricing Project (ICP) estimated the impact on the profitability of the thermoelectric plant, exploring different market designs (% offset/compensation, emissions threshold, free allocation, revenue recycling, carbon price).	**Low-carbon products and services** It allows the company to expand and consolidate sustainable businesses already underway and new ones: expansion of onshore wind generation; large-scale solar generation; licensing of offshore wind farms; investment in electric mobility and green hydrogen products; nature-based solutions; marketing of renewable energy sales through PPA s(Power Purchase Agreements) contracts and associated with Renewable Energy Certificates (RECs), sale of carbon credits.
Hydrological risk In electricity generation, the variability of weather conditions (temperature, rainfall, droughts) is a natural condition of the business and the hydrological issue represents a potential risk to operations. In Brazil, market regulations are geared towards mitigating the hydrological risk of individual plants through the Energy Reallocation Mechanism (MRE). In addition, there is a compensation factor, the Generation Scaling Factor (GSF). In 2021, when Brazil went through its	**New product and service development** R&D and innovation projects are important for anticipating trends and developing products that will be required by the decarbonization and digitalization process, putting the company ahead in the sector. Once tested on a pilot scale, these projects can be commercialized and become new business fronts. Today we are investing in electric mobility, through the development of the largest green corridor in the Northeast; in a green hydrogen pilot plant; in digital

worst water crisis in 91 years, these two instruments, associated with energy purchase and sale operations and hydrological insurance, minimized the impacts of the crisis on our results, as well as the geographical allocation of the plants in various river basins and the heterogeneity of our businesses – distribution, transmission, wind and solar generation.	modernization projects; in energy storage using lithium-ion batteries, just to name a few examples. A more complete list can be found in 3.4.1. R&D Projects, innovation and digital transformation.
Acute physical risk of flooding and extreme winds	**Access to new capital markets**
Extreme weather events, such as heavy rainfall, flooding and extreme winds, can raise the frequency or duration of power interruptions as well as oblige distributors' maintenance and operations teams to carry out inspections of certain network assets more frequently than is currently the case. Diagnoses of vulnerability to climate risk, with action plans for adaptation, minimize the threat of an exaggerated increase in operating and maintenance costs that could lead to an imbalance between business revenues and expenses.	We were the first company in the Brazilian electricity sector to issue green debentures, in 2019. We were also pioneers in issues backed by a green financing protocol, the Green Finance Framework. Access to green bonds and sustainable financing has been growing in the company as an important driver to accelerate our investments in decarbonization, climate adaptation, decentralization and digitalization of the Brazilian electricity system. More information in 5.1.2. Finances ESG.

2.2.3.1 Identifying and assessing climate opportunities and risks

Fighting climate change with a people-centric approach is becoming increasingly crucial for a more resilient business and the well-being of individuals, as is protecting the environment and biodiversity. Leaders and institutions in the public and private sectors are putting out plans for economic growth that acknowledge the planet's sustainability as a chance to support the shift to a new, inclusive, durable, sustainable and carbon neutral socioeconomic model. This is the "green recovery," and we will not stop working toward it.

Transformative trends in the energy sector are intensifying as action to combat climate change grows around the world. The business strategy reflects the current energy context and the trends identified for the future:

Decarbonization – There is an urgent need to promote decarbonization, for which the massive use of renewable energies and investment in electricity grids is essential. Innovation and technological progress will accelerate the reduction of renewable energy costs, which, together with greater digitalization and efficiency, will also intensify the process of electrifying the economy.

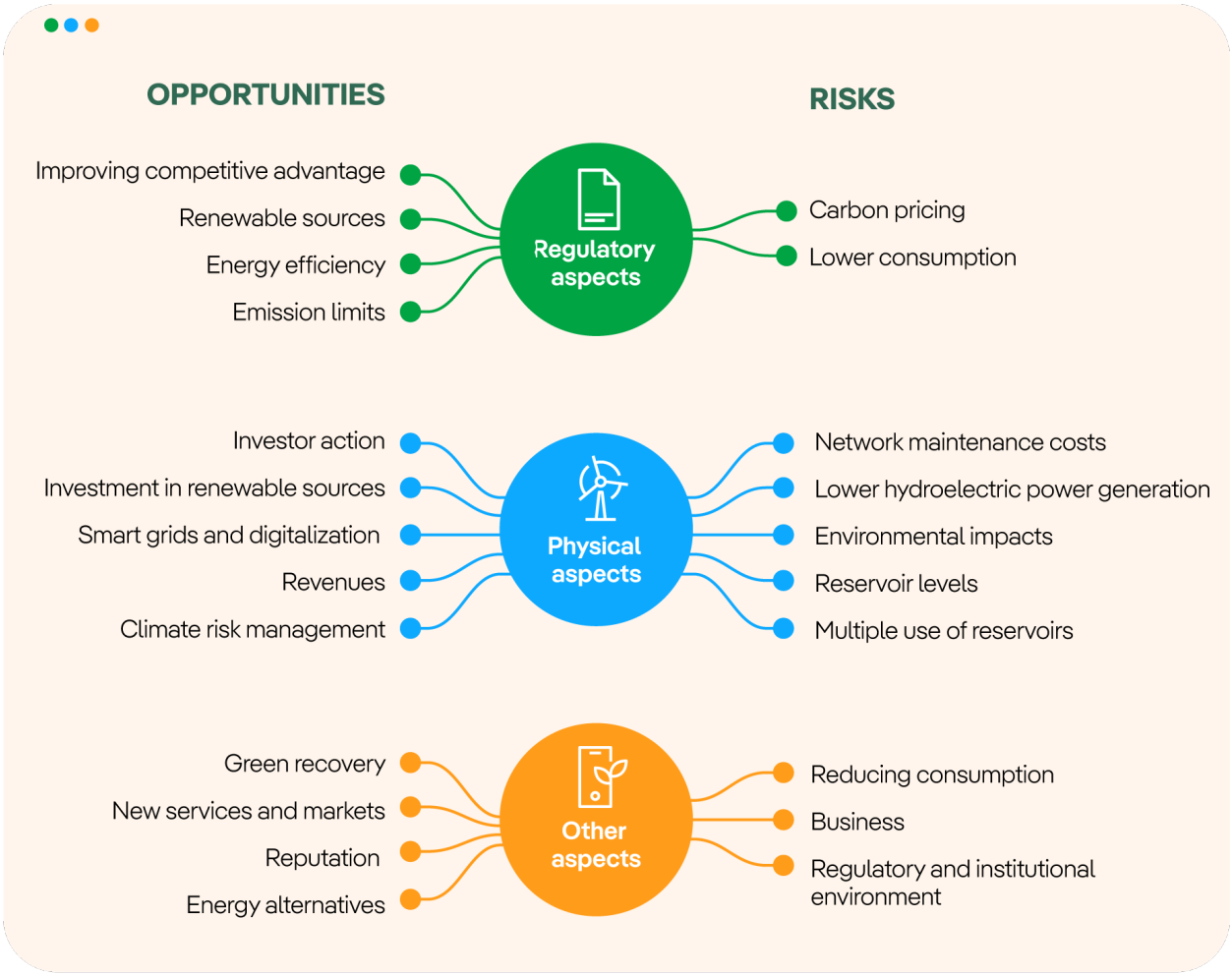
Increased demand for electricity – The progressive electrification of the economy will cause global demand for electricity to rise over the next few years. The International Energy Agency's (IEA) World Energy Outlook 2023 estimates that by 2050, this demand could be up to 150% higher than today, depending on the scenario. The increase will be 80% in the Stated Policy Scenario, which maps out a trajectory that reflects current policies. The increase reaches 120% in the Announced Commitments Scenario, according to which all the targets announced by governments will be met on time and in full, and upsurges to 150% in the Zero Emissions Scenario, which describes an economic path for the world to achieve net-zero carbon emissions and a stabilization of 1.5°C in the increase in the average global temperature.

Electrification of final consumption – Electricity is expected to increase its share of the world's total final energy consumption from 20% today to more than 30% in 2030 and above 60% in 2050, according to the IEA's Zero Emissions Scenario document. The expected progressive electrification of energy uses and the demand for new services will empower clients, placing them at the center of the energy transition.

Massive use of renewable sources – The electrification of consumption will lead to the need to multiply the world's capacity from renewable sources by 2.5 times to reach approximately 7,000 GW by the end of this decade, according to Bloomberg New Energy Finance's (BNEF) New Energy Outlook. Existing thermal capacity will be replaced in order to meet demand from new uses (such as transportation, buildings, industry, etc.). In addition, the transmission segment is also growing to support the flow of renewable energies, such as wind and solar.

Nature-based solutions (NBS) – NBS projects the possibility of reducing the global carbon footprint, improving biodiversity and contributing to a more sustainable economy. We are committed to taking a leading role in the conservation and promotion of biodiversity in the electricity sector, as well as integrating

into our activities the United Nations' "Living in harmony with nature" vision for 2050. From this perspective, biodiversity must be valued, conserved, restored and used wisely in order to maintain ecosystem services, foster a healthy planet and provide essential benefits for all people.



Reference scenarios

In the World Energy Outlook 2023 (WEO-2023), the International Energy Agency assesses three main scenarios for the future, including the latest data on the energy market and costs. Common to each is the growing demand for energy services, driven by powerful underlying economic and demographic forces. Each scenario models a different set of responses to the current global energy crisis.

Net Zero Emissions by 2050 – NZE – It defines a path towards stabilizing the global average temperature at 1.5°C above pre-industrial levels. It has been updated, starting from a higher level of fossil fuel demand and emissions than the version published in 2022. The IEA concluded that the path to net zero emissions by 2050 has narrowed since the first version published in 2021, but is still feasible if urgent measures are implemented in the short term by both the private and public sectors. The scenario also meets the UN's energy-related Sustainable Development Goals (SDGs), achieving universal access to energy by 2030 and ensuring major improvements in air quality.

Announced Pledges Scenario (APS) – It assumes that governments will meet, in full and on time, all the climate-related commitments they have announced, including long-term net-zero emissions targets and pledges set out in Nationally Determined Contributions (NDCs), as well as commitments in related areas such as energy access. As most governments are still a long way from announcing or implementing policies to fully meet their commitments and pledges, this scenario could be considered giving them the benefit of the doubt, and very considerable progress would have to be made for this to be achieved. This scenario is associated with a temperature increase of 1.7°C by 2100 (with a 50% probability).

Stated Policies Scenario – STEPS) – This scenario does not look at what governments say they will achieve, but at what they are actually doing to meet the goals and objectives they have set. The analysis assesses the relevant regulatory, market, infrastructure and financial constraints. As with the APS, this scenario is not designed to achieve a specific result. It assumes that emissions will remain close to current levels, and that the increase in average temperatures will be around 2.4°C by 2100 (with a 50% probability).

BUSINESS IMPACT

Positive impact | Negative impact | Not significant

Business	Type of impact	Scenario STEPS[1] Low	Scenario STEPS[1] Medium	Scenario STEPS[1] High	Zero Emissions Scenario Low	Zero Emissions Scenario Medium	Zero Emissions Scenario High
Commercial	GWh	–				↑	
Generation	MW/GWh	–			↑		
Grid	Investiment (R$)	–					↑

[1]Scenario STEPS: Stated Policies Scenario

It is crucial that we comprehend these transition scenarios and incorporate them into our financial choices. The commercial effects and energy generation are continuously reviewed, and the networks of all assets are reinforced for modernity and resilience. The private sector bears the responsibility of combating climate change while also offering chances for job creation, economic growth, and revenue generation. As a result, we are dedicated to achieving climate neutrality in accordance with the principles of the Zero Emissions 2050 vision.

We believe that the disclosure of financial aspects related to climate change, in a consistent and improved manner, allows us to establish a constructive and well-informed analysis of the opportunities and risks related to our activities. The impacts analyzed above for Iberdrola Group are reflected in the climate risks and opportunities reported in the CDP Climate Report.

The climate risks reported are related to risk categories currently monitored by the Corporate Risk Management department (business risk, regulatory risk and environmental risk). Among the potential risks we have mapped is the ESG+F risk, which reinforces the monitoring of climate risk (see section 4.3.3 – Main risk factors).

Considering these climate risks, we have implemented a set of management mechanisms to minimize future economic losses, protecting the business, based on our capacity for adaptation and climate resilience.

- Risk management and resilience mechanisms
- Our main risk management mechanisms and mitigating actions are as follows:
- Integration of climate change as a key element of corporate management and governance;
- Risks arising from climate change affect normal business variables and, consequently, variables that are already managed (to a greater or lesser extent) in normal business operations, such as equipment performance, quality levels, emergency plans and recovery plans, which have management processes that already contribute to climate resilience;
- Insurance cover;
- Diversification of assets (different geographical locations, technologies, lifespan, etc.);
- The fact that we anticipate the transformation of the business model to adapt to climate change has allowed us to minimize the transition risks and take advantage of the associated opportunities;

- The design and specifications of new equipment take into account more severe climate scenarios, and technological improvements will allow us to extract greater economic value from the changes implemented;
- Proactive attitude in collaboration with third parties, participating in the dialogue on climate adaptation and energy transition, as well as in collaboration with other agents in the sector and in the processes of capturing knowledge of climate science as a key action to profitably advance the development of the activity's resilience;
- Continuous innovation as a strategic action;
- Emissions intensity targets and preparation of a decarbonization roadmap to meet SBTi targets in Brazil;
- Climate change is considered when making decisions for new investments.

2.2.4 Indicators and metrics

The monitoring of a series of indicators on climate change and energy transition allows us to outline a climate strategy towards the decarbonization of our portfolio and production processes to ensure our resilience in the range of scenarios analyzed. The indicators that support the development of low-emission products, services and/or technology include: emissions intensity (monitored annually by the greenhouse gas emissions inventory and quarterly in internal processes), energy use, energy intensity, energy mix, renewable installed power, water origin and use, Research and Development + Innovation (RDI) projects, as well as capital investments (Capex).

As part of our ESG commitments, we have set ourselves the following targets: i) reduce the intensity of emissions from generation to the level of 20 grams of CO_2e per kWh by 2030 (in 2021 it was 61 grams); ii) move from the level of 5% of the electrified light vehicle fleet to 50% by 2030; iii) maintain 100% of the sustainable light fleet (flex, hybrid and electric vehicles); iv) reach 90% of high and medium-voltage networks digitalized, up from 72% in 2021; v) contribute to the supply chain being in line with our sustainable purchasing criteria, which include indicators related to combating climate change.

The target is for 80% of suppliers to be sustainable by 2025, rising to over 85% by 2030. All our ESG commitments, including others of an environmental, social and governance nature, are detailed in section 1.2.1 – ESG+F Commitments and are available on our corporate website.

We understand that it is necessary to internalize the scientific basis as a premise and baseline for our environmental goals. This is why, since 2022, we have participated in the Climate Ambition Accelerator Program and the Climate Action Platform of the Brazil Network of the UN Global Compact for the establishment of climate goals according to science-based targets, the Science-Based Targets Initiative (SBTi), as well as joining the Global Compact's Forward Faster Initiative in 2023. In 2023, we further developed the goal-setting exercise to continue discussions with senior management.

2.2.5 Other aspects associated with the energy transition

2.2.5.1 Demand management

GRI ex-EU6

Demand management programs seek to promote the intelligent use of electricity grids to help make their use more efficient for consumers and, consequently, reduce greenhouse gas emissions and contribute to the fight against climate change.

Our main initiative in this line is the Energy Efficiency Program (PEE), which brings together various projects designed to encourage the conscientious, efficient and safe consumption of electricity among all classes of customers, but with an emphasis on low-income residential consumers. The program includes replacing incandescent and fluorescent light bulbs with LED units, awareness campaigns and training for teachers and students on the topics of combating energy waste and efficiency, among other initiatives.

The program also covers the public sector and welfare institutions with the replacement of lighting fixtures on urban roads with LED models, the renovation of electrical installations and the installation of photovoltaic panels.

Clients in the commercial and industrial sectors can access developments fulfilled by the Liberalized area, with initiatives to diagnose and propose measures to save and improve energy efficiency, such as installing photovoltaic solar energy, electric mobility, replacing lighting and air conditioning with more efficient models, optimizing heating and cooling processes, among others. *The projects are detailed in section 3.6.1.3 Energy Efficiency.*

Smart grids

Investments in automation and digitalization are a priority for distributors and are in line with the commitment to achieve 90% of high and medium-voltage networks digitalized by 2030. At the close of 2023, this proportion was 77.5%. **SASB IF-EU-420a.2.**

In recent years, the Networks business has been working hard to drive technical standardization and industrialization, seeking opportunities for process automation and additional efficiencies, both operational and economic. The iNET 30 Project is a global initiative by Iberdrola to transform the Networks business so that it is more digital, efficient and resilient and can achieve its long-term objectives by 2030. This will require digitalizing networks and optimizing processes through automation and the use of artificial intelligence, making them ready for the energy transition.

Designed to consolidate us as a top-level distributor, iNET30 takes advantage of digital network technologies and maximizes the value of data to improve all operational and customer-related processes. With a ten-year horizon, this project aspires to put us at the forefront of network digitalization in the energy industry, with high standards in terms of quality of service, customer satisfaction and operational efficiency. Other components of the project are: automation, investments in telecommunications and greater and better data management.

2.2.5.2 Availability and reliability

GRI EU10 | SDG 7.1

Our companies have no direct responsibility for the long-term capacity planning processes of the electricity systems they operate as this activity is centralized in the federal government. Public bodies carry out studies to anticipate the long-term needs of the electricity system, and our companies act as market agents, adopting the investment decisions that fit in with their business planning.

Investments in maintenance and automation ensure high availability rates for power generators. Transmission systems also have high availability, exceeding the limit set by the National System Operator (ONS) of between 95% and 98%.

In distribution, the availability and reliability of energy supply services is ensured by quality programs and network digitalization. In the event of a power outage – for example, during storms – self-healing systems automatically restore the power supply. The area affected by the problem is isolated and the largest number of consumers have their power restored within 60 seconds. The equipment is integrated with the Integrated Operations Center (COI), which receives the exact location of the fault, also speeding up the work of electricians if repairs are needed in the field.

AVERAGE GENERATION AVAILABILITY (%) **GRI EU30 | SDG 1.4, 7.1**

	2023	2022	2021
Hydroelectric	97.60	96.19	97.62
Wind	96.12	97.53	66.15
Thermoelectric – combined cycles	97.10	96.19	96.49

TRANSMISSION AVAILABILITY (%)

	2023	2022	2021
Afluente T	99.96	99.90	99.83
SE Narandiba[1]	99.86	99.95	99.98
SE Extremoz II[1]	99.86	99.95	99.98
SE Brumado II[1]	99.86	99.95	99.98
Potiguar Sul	99.58	99.91	99.98
Dourados	99.99	99.99	99.98
Santa Luzia	99.99	100.00	-
Jalapão	99.98	99.99	-
Atibaia	99.90	100,00	99.90
Biguaçu	99.96	99.97	99.92
Sobral	99.48	99.99	99.98
Rio Formoso[2]	99.63	-	-

[1] Narandiba is comprised of 3 substations: SE Narandiba, SE Extremoz II and SE Brumado II.
[2] Rio Formoso entered into operation in 2023.

2.2.5.3 Fuels

A key element in managing the availability of the electricity service is the supply of the fuels needed for operation. Two thermal generators use fossil fuels: natural gas, at Termopernambuco, with combined cycle technology (533 MW capacity); and diesel, at Usina Tubarão, an isolated system that supplies the island of Fernando de Noronha, with a small generation capacity (4.8 MW). We maintain a gas supply contract with Petrobras and purchase diesel on the private market.

As of 2026, Termopernambuco will be complementing renewable sources in the National Interconnected System (SIN). It won the first capacity reserve auction, held in December 2021. As such, it will only be activated by the National Electricity System Operator (ONS) when necessary in order to provide security to the system. In the future, it will have less dispatch and, therefore, lower natural gas consumption, generating fewer GHG emissions. In the auction, all the plant's available capacity was sold, with supply starting on July 1, 2026. The contract is valid for 15 years.

In Fernando de Noronha, due to the peculiarities of the archipelago as a biological reserve with an environmental protection area, there are challenges to promoting renewable generation. We are looking at alternatives for decarbonizing the island, identifying sustainable paths for generation. A floating solar power plant will be installed in the Açude do Xaréu water body located in a space owned by Companhia Pernambucana de Saneamento (Compesa), the island's largest energy consumer. It will make it possible to reduce greenhouse gas emissions in the archipelago, covering more than 50% of the energy consumed by Compesa on site. Noronha already has two solar power plants that we installed on land.

2.2.6 Greenhouse gas (GHG) inventory

GRI 3-3_305 – MATERIAL TOPIC: CLIMATE CHANGE AND ENERGY TRANSITION | SASB IF-EU-110a.3

To help mitigate the effects of climate change, we calculate and publish our greenhouse gas (GHG) emissions inventory every year, verified by independent auditors. The publication of the inventory guarantees us the Gold Seal of the Brazilian GHG Protocol Program. The survey is based on the guidelines of the GHG Protocol Program and involves corporate and operational activities, including the operation and maintenance of the entire production chain of the electricity sector in which we operate: Renewables (wind, hydro and solar generation), Liberalized (thermal generation and energy trading), and Networks (transmission and distribution).

In 2023, direct emissions, scope 1, were 104,024 tons of CO_2 equivalent (tCO_2e). We have set a climate

target, approved by the Board of Directors, to reduce the intensity of emissions from generation to 36 gCO_2e /kWh in 2025 and 20 gCO_2e /kWh in 2030, towards the commitment to achieve climate neutrality. Between 2017 and 2023, emissions intensity fell from 128 gCO_2/kWh to 3.6 gCO_2/kWh.

The low emissions intensity recorded in 2023 represents a specific situation due to the fact that our natural gas-fired thermoelectric plant was only activated by the National System Operator (ONS) for a few days in the last half of the year.

Our installed generation capacity went from 5,100 MW in 2022 to 4,394 MW in 2023. The decrease reflects our asset rotation plan, with the signing of an agreement with Eletrobras whereby we took over 100% of the Dardanelos plant (261 MW) in exchange for our stake in the Teles Pires and Baguari plants (999 MW corresponded to our shareholding in these two assets). To reinforce our commitment to combating climate change and reducing the intensity of our emissions, we have decided that all the construction of new assets and the expansion of installed power generation capacity will be based on renewable sources.

Currently, 88% of our installed capacity is renewable, from hydro, wind and solar sources.

The inventory of direct and indirect emissions from all our activities is verified by an independent third party, in accordance with standard NBR-ISO 14064 and the Verification Specifications of the Brazilian GHG Protocol Program. The inventory is available for consultation on our website.

Below is the GHG inventory with data available on the date of approval of this report.

GREENHOUSE GAS EMISSIONS [1] (tCO_2e)

GRI 305-1, 305-2, 305-3 | SDG 3.9, 12.4, 13.1,14.3, 15.2 | PG7, PG8 | SASB IF-EU-110a.1

	2023	2022	2021
Scope 1: Direct emissions (tCO_2e)	104,024	84,570	985,834
Scope 2: Indirect emissions (tCO_2e)	208,392	331,650	641,731
Scope 3: Other Indirect emissions (tCO_2e)	1,678,035	1,372,262	2,380,006

[1] 2022 data published according to the Greenhouse Gas (GHG) Inventory available on the corporate website. Data for 2023 published on a preliminary basis, as the inventory audit will not be completed until June 2024. Updated information will be available in the Greenhouse Gas Inventory (GHG) on the corporate website. GRI 2-4

2.2.6.1 Direct GHG emissions – Scope 1 (Brazilian GHG Protocol Program)

Direct GHG emissions are those from sources owned or controlled by the company in the operating phase. They include:

- Emissions from own electricity generation facilities (fuel consumption);
- Methane (CH4) and nitrous oxide (N_2O) emissions associated with fuel consumption;
- Fugitive emissions of hexafluoride (SF_6) in distribution networks;
- Emissions associated with the displacement of employees with fleet vehicles (combustion of mobile sources);
- Emissions associated with fugitive emissions from refrigerant gases;
- Non-generation emissions associated with changes in land use: by volume of vegetation generated by pruning activities.

The emission factors used to calculate each of these emissions are obtained from official sources published annually by the Brazilian GHG Protocol Program.

The following two tables show the evolution of Scope 1 emissions in electricity generation facilities, which totaled 49,484 tCO_2e, and in other facilities and operations, such as the use of generators and refrigerant gases in offices, and fleet vehicles, which totaled 54,539 tCO_2e.

EMISSIONS FROM POWER GENERATION FACILITIES – SCOPE 1 (tCO_2e)

GRI 305-1 | SDG 3.9, 13.1, 14.3,15,2 | PG7, PG8 | SASB IF-EU-110a.1

	2023	2022	2021
Generation plants	49,484	19,337	921,137

GHG emissions from combustion for electricity generation accounted for approximately 48% of scope 1, which is justified by the fact that Termopernambuco did not generate energy for the whole of 2023, as explained above.

OTHER EMISSIONS SCOPE 1 (tCO_2e)[1]

GRI 305-1 | SDG 3.9, 13.1, 14.3,15,2 | PG7, PG8 | SASB IF-EU-110a.1

	2023	2022	2021	Source of emission factors
CH_4 and N_2O emissions from combustion (Non-renewable generation plants)	67	75	44	IPCC
SF6 Fugitive Emissions (Electrical Distribution)	2,900	3,759	6,731	IPCC
Emissions in buildings (Fuel consumption)	85.0	28.0	49.7	Defra: Brasil; EPA: Brazil [2]
Mobile combustion emissions (Fleet cars)	29,819	28,420	31,804	EPA: Brazil
Land use emissions and refrigerant gases)	21,670	32,951	26,028	IPCC
Total	**54,541**	**65,233**	**64,657**	

[1] 2022 data published according to the Greenhouse Gas (GHG) Inventory available on the corporate website. Data for 2023 published on a preliminary basis, as the inventory audit will not be completed until June 2024. The updated information will be available on the Greenhouse Gas (GHG) Inventory on the corporate website. GRI 2-4

[2] Britain's DEFRA (Department for Environment, Food and Rural Affairs) and the US EPA (Environmental Protection Agency).A.

2.2.6.2 Indirect GHG emissions – Scope 2 (Brazilian GHG Protocol Program))

Indirect GHG emissions are those that come from the generation of external electricity consumed by the organization. These emissions are associated with:

- Consumption of electricity during machine stoppages in thermal power plants, renewable hydroelectric power plants, wind farms and substations.;
- Electricity consumption in the group's buildings;
- Network losses in the distribution and transmission of electricity to third parties.

To calculate these emissions, the emission factor of Brazil's electricity matrix, as reported by the Ministry of Science, Technology and Innovation, is applied.

SCOPE 2 EMISSIONS (tCO_2e)[1]

GRI 305-2 | SDG 3.9, 13.1, 14.3,15,2 | PG7, PG8 | SASB IF-EU-110a.2

	2023	2022	2021
Emissions associated with energy losses in the network	206,995	330,265	637,585
Emissions associated with the electrical energy consumption of auxiliary systems during machine downtime	615	583	2,130
Emissions associated with electricity consumption in buildings	782	802	2,016
Total	**208,392**	**331,650**	**641,731**

[1] 2022 data published according to the Greenhouse Gas (GHG) Inventory available on the corporate website. 2023 data published on a preliminary basis, as the inventory audit will not be completed until June 2024. The updated information will be in the Greenhouse Gas (GHG) Inventory on the corporate website, where the distributors' emissions due to commercial losses will be included. GRI 2-4

The figure of 208,392 tCO_2e refers to the Neoenergia group's total. To avoid double accounting, we have subtracted the share of our own renewable energy generation. When considering only the companies in the energy network business in isolation, the emissions associated with losses result in a figure of 206,995 tCO_2e.

In 2023, the Brazilian electricity matrix had a greater share of renewable energies compared to 2022, which ends up being reflected in a reduction in scope 2 emissions due to the reduction in the emission factor of the Brazilian electricity matrix, which in 2023 was lower than 2022, with greater generation from thermal sources, had been 0.036 tCO_2e /MWh.

2.2.6.3 Other indirect greenhouse gas emissions – Scope 3 (Brazilian GHG Protocol Program)

We have incorporated the life cycle perspective into our management model, which includes knowledge of impacts throughout the supply chain. Scope 3 is represented by indirect emissions that are a consequence of the company's activities, from sources that are not owned or controlled by us. These include emissions associated with:

- Transportation for employee business trips (Category 7);
- Supply chain (Category 1 and 2);
- Carrying employees on journeys from their home to their workplace (Category 6 – Commuting);
- Electricity purchased from third parties for sale to end customers (Category 3, Activity D);
- Activities upstream of fuels purchased and consumed (Category 3, Activity 1).

The emission factors used to calculate this scope are obtained from official sources published annually by the Brazilian GHG Protocol Program.

Scope 3 emissions increased compared to 2022, mainly influenced by the supply chain, even with the lower emissions associated with energy purchased from third parties for sale to end customers, reflecting the higher proportion of renewable sources in the Brazilian energy matrix compared to 2022. In 2023, scope 3 emissions were as follows:

SCOPE 3 EMISSIONS (tCO_2e)[1]

GRI 305-3 | SDG 3.9, 13.1, 14.3,15,2 | PG7, PG8

	2023	2022	2021
Transport emissions from employee business trips	2,785	1,411	541
Emissions associated with the supply chain	958,956	494,854	508,457
Emissions associated with transporting employees from their home to their workplace	5,911	19,482	7,041
Emissions associated with energy purchased from third parties for sale to end customers	698,550	850,060	1,653,886
Upstream emissions (WTT) of fuels purchased and consumed	11,833	6,455	210,082
Total	**1,678.035**	**1,372,262**	**2,380,006**

[1] 2022 data published according to the Greenhouse Gas (GHG) Inventory available on the corporate website. Data for 2023 published on a preliminary basis, as the inventory audit will not be completed until June 2024. Updated information will be available in the Greenhouse Gas Inventory (GHG) on the corporate website. GRI 2-4

More information on scope 1, 2 and 3 emissions can be found in the GHG Inventory, audited annually based on NBR-ISO 14064-1:2018, on Neoenergia's Sustainability website.

2.2.6.4 Intensity of greenhouse gas emissions

The intensity of GHG emissions is calculated based on direct emissions from production facilities divided by the group's electricity generation. The following table shows the evolution of the intensity of emissions from generation.

EVOLUTION OF GHG EMISSIONS INTENSITY [1,2]

GRI 305-4 | SDG 3.9, 13.1, 14.3,15,2 | PG7, PG8

	2023	2022	2021
Specific emissions (g CO_2/kWh)	3.6	1.3	60.9

[1] Data for 2023 is preliminary and will still undergo an audit, scheduled for June 2024. The updated information will be on the greenhouse gas (GHG) inventory on the corporate website.
[2] Revised 2022 data. GRI 2-4

Emissions in 2022 and 2023 were specific, since Termopernambuco, our unit with the highest volume of GHG emissions, was not activated by the ONS for commercial purposes in 2022 and in 2023 there were dispatches for a few days in the last two months of the year. The intensity of GHG emissions is associated with the use of natural gas at Termopernambuco, and consequently its associated emissions, which originate from the operation and maintenance of the plant's machinery, and from the diesel-powered generation of the Tubarão TPP in Fernando de Noronha.

2.2.6.5 Reducing greenhouse gas emissions

GRI 305-5 | SDG 13.1, 14.3,15,2 | PG7, PG8

Emissions reduction initiatives are carried out through a range of products and services that promote energy efficiency and savings in energy consumption. In 2023, actions to reduce emissions recorded a total of 1,500,387 tCO_2e avoided. The reduction achieved through green products and services corresponded to 1,166,906.86 tCO_2e; efficiency in distribution networks was responsible for avoiding 4,464.78 tCO_2e, while actions to save primary generation through renewable production avoided 329,015 tCO_2e in the year to date.

2.2.7 Other atmospheric emissions

GRI 305-7 | SDG 3.9, 12.4, 14.3,15,2 | PG7, PG8 | SASB I-EU-120a.1

Emissions of sulphur dioxide (SO_2), nitrogen oxides (NOx) and particulate matter (PM) also originate from burning fossil fuels. Only SO_2 and NOx emissions at the Termopernambuco plant are relevant. The evolution of the generation profile means that these emissions tend to be reduced with the incorporation of renewable energy and the support of modern control technologies for thermal plants that operate a combined gas and steam cycle, such as Termopernambuco.

NOx EMISSIONS (t)

	2023	2022	2021
Generating plants	7	2	194

INTENSITY OF NOx EMISSIONS (kg/MWh)[1]

	2023	2022	2021
Specific emissions	0	0	0

[1] Data calculated from Termopernambuco's NOx(t) emissions and Neoenergia Group's energy generation.

SO_2 EMISSIONS (t)

	2023	2022	2021
Generation plants	0	0	10

SO_2 EMISSIONS INTENSITY (kg/MWh)[1]

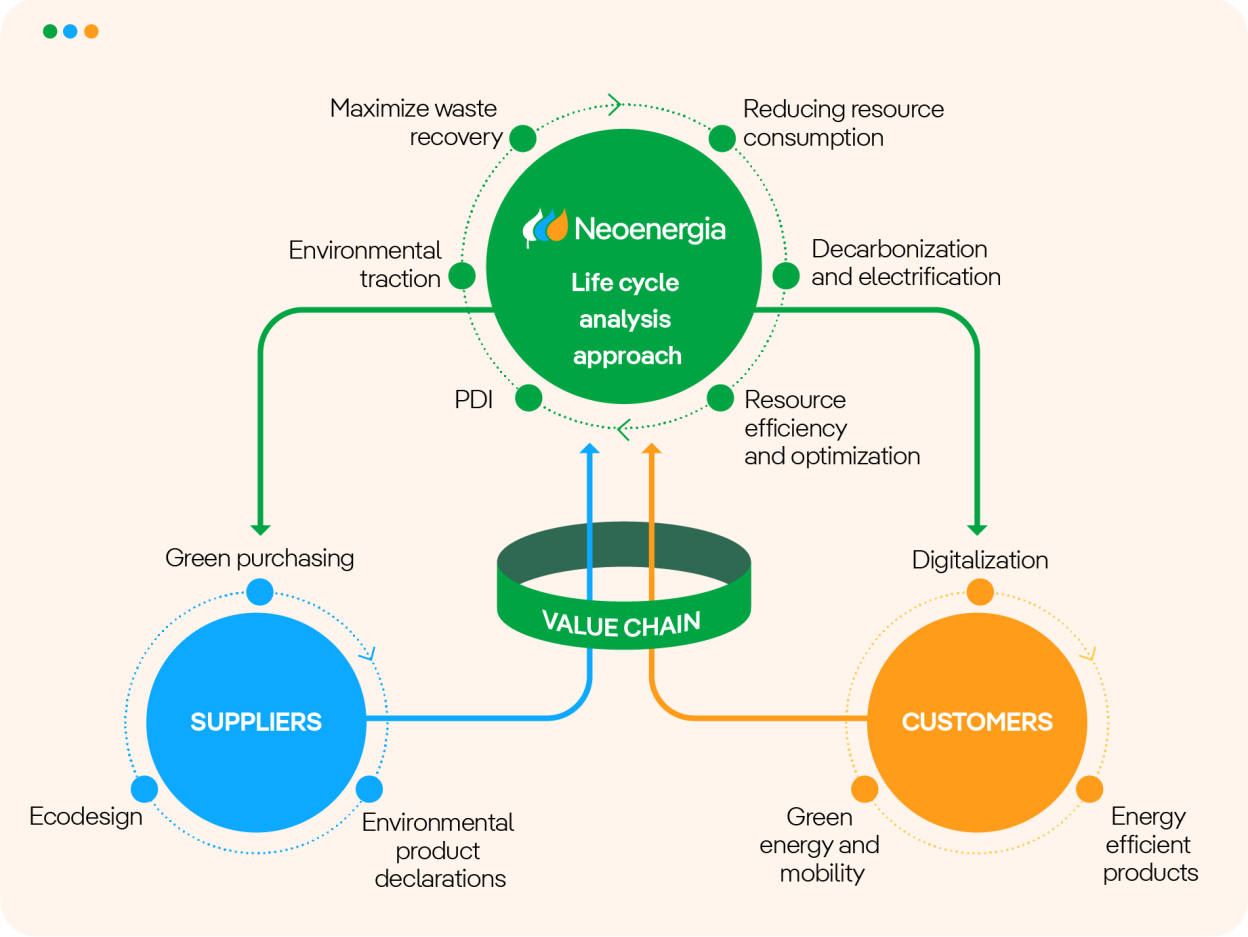
	2023	2022	2021
Specific emissions	0	0	0

[1] Data calculated from Termopernambuco's SO_2(t) emissions and Neoenergia Group's power generation.

The thermoelectric plant is located in the Port of Suape, in the municipality of Cabo de Santo Agostinho, 49 kilometers from a densely populated area, which is the city of Recife, the capital of Pernambuco. In this case, it can be considered that, although not significant, 100% of NOx and SO_2 emissions are located near densely populated areas.

Emissions of Particulate Matter (PM) are defined as not applicable to gas-fired thermoelectric plants, in accordance with current Conama 382/2006 legislation.

2.3 Sustainable use of resources and circular economy



Our sustainable energy model, committed to innovation, decarbonization and electrification of the economy is directly aligned with the circular economy and represents an opportunity in the energy transition and the fight against climate change. This is achieved by reducing emissions and consumption of raw materials, using renewable resources for energy production, improving efficiency, optimizing resources and maximizing the reuse of waste.

Sustainability challenges cannot be tackled in isolation, but rather holistically. For this reason, our parent company, Iberdrola, has defined its circular economy model and approved a strategy up to 2023 that integrates, together with its global operations, the entire value chain, including suppliers and customers. The approach of the model and strategy can be summarized as follows:

In our commitment to promoting the circular economy, we invest in more efficient technologies per unit of production and with the lowest environmental impact. This is reflected in:

- Selecting products with the lowest environmental impact;
- Sustainable management and use of consumer materials, always respecting the natural environment and taking the necessary measures to reduce the risks of harming it;
- Solution to waste recycling problems through innovation projects with suppliers and technology centers;
- Analysis from a life cycle perspective, carried out through Iberdrola Group's Corporate Environmental Footprint report, which quantifies the impacts derived from the use of raw materials.

2.3.1 Consumption of materials

The main materials we consume are the fuels used to generate electricity from thermal sources. Natural gas drives the turbines at Termopernambuco, diesel is used at the Tubarão plant, and generators at other business units in the group also consume diesel.

FUEL CONSUMPTION
GRI 301-1 | SDG 8.4, 12.2 | PG7, PG8

	2023	2022	2021
Diesel (m^3)	8,659	17,571	6,686
Natural gas (Nm^3)	19,099.564	3,560.598	595,090,663

In 2023, as in the previous year, natural gas consumption was very low. The increase in natural gas consumption between 2022 and 2023 was due to ONS dispatches to the Termopernambuco plant for a few days in the last two months of the year, for system considerations. In addition, gas was consumed due to internal testing activities resulting from machine maintenance actions.

Besides fuels, other chemical products are also consumed – in small quantities – such as for water purification, lubricating oils and vegetable oils, among others.

2.3.2 Waste management

GRI 306-1, 306-2 | SDG 3.9, 6.3, 6.4, 6.6, 11.6, 12.4, 12.5

We aim to generate less waste in any process or activity (construction, operation, maintenance) and prioritize the recycling and reuse of materials, as part of our commitment to the circular economy concept. Waste management is carried out according to the following premises:

- Minimize waste generation from the source;
- Maximize the reuse, recycling and recovery of waste;
- Promote awareness campaigns on waste minimization;
- Adopt specific treatment and management of hazardous waste.

This commitment is expressed through initiatives developed across the Group. Here are some examples from the Networks and Renewables businesses.

a. Network initiatives

Environmental awareness

- Due to the complexity of the waste management stages at the units and the synergy of these activities with various environmental projects and processes at the distributors, we have implemented the following environmental education strategies to minimize waste and comply with our Solid Waste Management Plan:

- Campaigns and announcements on our communication channels about waste classification, recycling, reuse, reduction at source and the environmental impacts of improper waste disposal.;
- Training for the environment team on legal compliance of the end-to-end waste management process;
- Specific training for operational areas, such as the Logistics team, which is responsible for managing the waste generated in the operation, such as scrap from the electricity grid and insulation materials, with a focus on controlling and reporting data to comply with environmental legislation; and
- Preparation of a booklet on the storage, transportation and disposal of hazardous waste and a guide to the handling and disposal of pruning and recyclable waste, for consultation by the operational public in case of doubts based on the guidelines of the National Solid Waste Policy (Law No. 12.305).

100% recyclable light poles

We have installed fully recycled power distribution poles on the waterfront in Salvador, Bahia. The so-called ecological poles are made from waste from other poles removed from Neoenergia Coelba's electricity network. Part of these structures, which would have been turned into scrap, can be completely reused, from the aggregates, such as gravel and concrete powder, to the metal structure. To make this feasible, the distributor developed, in partnership with a specialized company, a machine that separates the components of decommissioned poles.

In 2023, resistance tests were carried out in a real atmospheric environment with a high salinity content. In the previous year, stress tests had been completed, resulting in characteristics identical to those of the conventional (new) pole. After observations in the field, we expect to enter the study phase to boost production.

Sustainable Pruning Program

Neoenergia Elektro has implemented a program to strengthen its relationship with environmental agencies and society and define a priority plan for vegetation management in the municipalities in its concession area. In addition to reducing pruning activities in the network maintenance process and, consequently, generating less plant waste, it will be possible to achieve improvements in operating indicators, bolster safety for the population, and promote the effective readjustment of urban tree planting. This initiative involves identifying trees that are incompatible with electrical wiring and immediately replacing them with more suitable species, demonstrating our commitment to sustainability and preserving the urban environment.

Green transformers

Instead of using conventional transformers in electrical networks that use mineral oil as an insulating element, derived from petroleum, since 2019 we have been acquiring transformers that use vegetable oil as an insulating element, which minimizes environmental impacts and reduces the generation of hazardous waste. This equipment is defined as green transformers and is considered to be environmentally friendly since, in the event of possible environmental accidents involving leaks on the ground, vegetable oil is less harmful to the environment because it is biodegradable and non-toxic.

In addition to the environmental advantages, the equipment is also considered safer due to its low probability of fire. Our distributors currently have more than 71,000 overhead transformers using vegetable oil.

Refurbishing transformers

We sort, refurbish and maintain distribution network transformers and regulators in order to extend their useful life and minimize the disposal of materials. One of the core initiatives is the process of recovering transformers and regulators that are removed from the power distribution system and need to be replaced, either due to obsolescence and damage or due to overloads in the system.

As well as making it possible to reuse the electrical components, the oil from the disused equipment is completely recovered and reinserted into the refurbished equipment during the regeneration process, reducing the generation of hazardous waste and the impact on the environment. This entire procedure is carried out by specialized suppliers, who refurbish the equipment so that it can be put back into operation, and, if it is not possible to reuse any components, they are sent for scrap disposal.

Disposal of scrap metal for recycling

In an effort to increase the circularity of electrical materials and components used in the construction, operation and maintenance of electricity networks, we sell scrap to companies that reinsert them into new processes through their recovery. In addition to the environmental benefits of this process, we add value to materials that would otherwise be discarded and promote an increase in their useful life, a reduction in waste and reuse. In 2023, the approximate revenue from the sale of scrap by distributors was R$ 22 million.

Pruning waste partnerships

Pruning tree branches is an essential activity to avoid interfering with power supply, increasing the safety and quality of the electricity distribution service. This process generates organic waste that is sent for reuse by partners in other sectors of the economy, such as composting, soil recovery, use in vegetable gardens and seedling nurseries, and biogas production, among others. The distributors grind the branches with special equipment, which adds more value to the waste and expands the possibilities for use by sustainable partners.

To further strengthen the process, Neoenergia Brasília has entered into a partnership with the Federal District's Secretary of State for Agriculture, Supply and Rural Development (Seagri) in order to make this organic material, which is rich in elements that improve soil quality, available free of charge to farmers throughout the Federal District.

b. Renewables initiatives

The Renewables business has also adopted initiatives that promote the circular economy. One example is the replacement of towels and rags with washable industrial towels. Since 2008, hydroelectric plants have been using industrial towels, made from 100% cotton fabric, to remove oils, grease, resins, solvents and other chemical products in the process of cleaning and maintaining the machines, with better absorption. They are stored and sent for washing and reuse, which makes this process returnable, without generating contaminating waste, increasing the useful life of the material and promoting a more sustainable maintenance process.

In addition, some of our hydroelectric plants use compost bins that reduce the volume of organic waste generated at their facilities by up to 90%. The organic compost is used in recovery areas, reforestation, local gardens or donated to employees and community organizations.

2.3.2.1 Waste generated

Hazardous waste (HW) and non-hazardous waste (NHW) generated in 2023 amounted to 40,000 tons:

TOTAL WASTE BY TYPE (t)

GRI 306-3 | SDG 3.9, 6.6, 11.6, 12.4, 12.5, 15.1 | PG 8

	2023		2022		2021	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Electronic electrical waste[1]	87	479	53	598	0	70
Construction waste[2]	25,174	0	14,896	161	1,060	6
Urban solid waste	8,265	5	8,076	9	15,794	4
Thermal process waste	53	0	46	7	62	0
Oils and liquid fuels	0	1,368	0	1,344	0	368
Batteries and battery packs	0	2	0	0	0	5
Leftover waste	4,656	125	6,648	102	1,704	283
Total waste	38,234	1,979	29,719	2,221	18,620	736

[1] The variation in volumes between 2022 and 2023 reflects the demand arising from the refurbishment and/or replacement of network and substation equipment. In 2023, the refurbishment of transformers at Neoenergia Brasília began.

[2] Increase in the volume of non-hazardous waste due to demobilization projects to improve and renew networks.

2.3.2.2 Waste disposal classification

The following tables show waste that is not destined for disposal by destination – landfills and incineration, specifying the type of operation for which it is destined (reuse, recycling and others) – and by type.

WASTE NOT DESTINED FOR DISPOSAL, BY DESTINATION (t)

GRI 306-4 | SDG 3.9, 11.6, 12.4, 12.5 | PG 8

	2023		2022		2021	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Reused [1]	3,896	665	0	738	4	171
Recycling [2]	32,609	45	22,623	156	4,023	244
Other value-adding operations [3]	0	1,052	4,020	172	158	55
Total	36,505	1,762	26,644	1,066	4,185	470

[1] Increase in the reuse of scrap due to the improvement and renewal of networks (RNP) and variation in the volume of oil regenerated according to the demand for refurbishment of equipment for (hazardous).
[2] Increased demand for scrap metal recycling (non-hazardous).
[3] Increase in the volume of hazardous due to demand in operational activities and reduction due to the type of destination for reuse for (non-hazardous).

In 2023, demobilization in network and substation projects increased, which was reflected in the variations in volumes shown in the table above:

WASTE NOT DESTINED FOR DISPOSAL, BY TYPE (t)

GRI 306-4 | SDG 3.9, 11.6, 12.4, 12.5 | PG 8

	2023		2022		2021	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Electronic electrical waste	87	472	53	123	0	70
Construction waste	25,076	0	14,034	74	950	0
Urban solid waste	6,979	4	7,750	4	1,650	3
Thermal process waste	6	0	3	7	62	0
Oils and liquid fuels	0	1,272	0	842	0	352
Batteries and battery packs	0	0	0	0	0	5
Leftover waste	4,357	12	4,804	16	1,541	42
Total	36,505	1,762	26,644	1,066	4,203	471

The following tables show the waste that is destined for disposal, specifying the type of operation it is destined for (incineration, landfill and other manners of disposals).

WASTE DESTINED FOR DISPOSAL, BY DESTINATION (t)

GRI 306-5 | SDG 3.9, 11.6, 12.4, 12.5, 15.1 | PG 8

	2023		2022		2021	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Incineration (with energy recovery)	11	50	20	8	1	1
Incineration (without energy recovery)	0	1	1,518	238	17	1
Landfills	11,118	155	1,525	117	255	97
Other disposal operations	601	11	12	792	14,294	4
Total	1,730	217	3,076	1,155	14,567	103

WASTE DESTINED FOR DISPOSAL, BY TYPE (t)

GRI 306-5 | SDG 3.9, 11.6, 12.4, 12.5, 15.1 | PG 8

	2023		2022		2021	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Electronic electrical waste	0	7	0	475	0	0
Construction waste	98	0	862	87	110	6
Urban solid waste	1,286	1	325	6	14,144	2
Thermal process waste	46	0	44	0	0	0
Oils and liquid fuels	0	95	0	502	0	16
Batteries and battery packs	0	2	0	0	0	0
Leftover waste	300	112	1,844	86	313	79
Total	1,730	217	3,076	1,155	14,567	103

2.3.3 Rational use of water

GRI 303-1, 303-2 | SDG 6.3, 6.4, 6A, 6B, 12.4| PG7, PG8

Water, a basic natural resource, is irreplaceable in many of our activities. Aware of this dependence and the risks posed by water scarcity, we are committed to its increasingly responsible use. Our main actions involve:

- Continuous improvement of facility processes to reduce consumption and impact;
- Implementation and control of the legally required ecological flows for the hydroelectric generation plant reservoirs;
- Awareness-raising campaigns among employees to ensure more efficient and responsible use of water in the offices.

Thermoelectric power plant water cycle

The water cycle required for thermoelectric generation is based on the following stages:

Catchment – In the case of fresh water used for the plant's production process and auxiliary/administrative services, it is collected within the limits established in a contract with a sanitation company in the state of Pernambuco, both in terms of quantity and water quality. Sea water is drawn to cool (condense) the steam coming from the boilers after it has passed through the steam turbine and also to cool the effluent that captures heat from the plant's equipment.

Use – Use in steam condensing and plant auxiliary cooling services.

Return to the environment –The quality of the liquid effluent discharge is monitored and has always been within the limits allowed by current legislation, and we strive to further improve it, even in terms of the water parameters collected.

Effluents

Ensuring compliance with legislation and seeking methods to minimize the risk of discharging contaminated liquid effluents applies to all our facilities, including power generation, transmission and distribution. To avoid the risk of discharging polluting liquid effluents, which could lead to a negative impact on the aquatic environment, our businesses are equipped with Environmental Management Systems (EMS), most of which are ISO 14001:2015 certified. Plans are in place to minimize the risk of discharging contaminated liquid effluents, implementing predictive, preventive and corrective actions to guarantee the proper state of the water.

The water consumption and liquid effluent discharges carried from the facilities in 2023 were within the limits indicated in the corresponding integrated environmental authorization for each facility. No anomalous circumstances were detected that could significantly affect water resources and related habitats.

During 2023, no incidents of non-compliance related to water quantity or quality licenses, rules and regulations were declared, as shown in the table below.

NUMBER OF WATER-RELATED INCIDENTS

SASB IF-EU-140a.2.

	2023	2022	2021
Total incidents	0	0	0

2.3.3.1 Capture, disposal and consumption

In order to avoid waste and reduce water consumption, we have implemented actions such as: purchasing vitreous chinaware and metal fittings with flow reducers and installing rainwater reuse systems in units located preferably in water-stressed areas. The use of these systems is intended to make use of alternative sources of water collection and sustainable use.

As a result, the non-noble use of this resource can be supplied by alternatives, such as rainwater harvesting systems, whose potability standard does not require a high degree of treatment. In this sense, in 2023 we defined the environmental objective of installed capacity for reuse water with targets for 2025 (7.5 million liters (ML)/year) and 2030 (10 ML/year), considering the administrative units of the distributors. We ended 2023 with 7.3 ML/year of installed reuse water capacity at our distributors.

Generation

All water abstraction for generation is regulated by laws and environmental licensing processes, which determine the maximum permitted abstraction volumes, as well as the minimum standards for discharging liquid effluents from the production and cooling processes. The abstraction volume is obtained by direct measurement (flow meters) or by estimating the performance of the water collection pumps.

According to the classification of the Aqueduct Water Risk Atlas, calculated since 2020 for our generation assets, the abstraction of water for the production of thermoelectric energy is carried out in an area classified as low-medium risk. Of the total water abstracted, 99.59% is seawater, which is not influenced by any degree of water stress. This volume is used in the cooling processes of the Termopernambuco thermoelectric plant. In 2023, there was less water use because commercial generating at the facility only lasted a few days, in addition to certain machine start-ups for maintenance purposes. The rest of the water corresponds to other auxiliary services for central generation and consumption in offices.

SASB IF-EU-140a.1

Also, according to Aqueduct, it was identified that some wind power generation projects are located in areas classified as being at high risk of water stress. However, the volume of water consumed in 2023 represented only 0.4% of the total amount consumed by the Neoenergia Group. In addition, since 2021, the Calango (RN), Rio de Fogo (RN) and Caetités (BA) Wind Complexes have installed rainwater reuse systems in their substations, with a total storage capacity of 0.6 ML/year. The water collected is used exclusively for non-potable administrative purposes.

WATER CONSUMPTION TRENDS

GRI 303-5 | SDG 6.4 | SASB IF-EU-140a.1

	2023	2022	2021
Total water consumption (ML)	190	139	216
Water consumption/energy generated (ML/GWh)	0.01	0.01	0.01

Total water consumption, considered to be the difference between the total water abstracted from the different sources (fresh and salt), whether for energy generation or human consumption, and the water returned to the environment, is shown in the following table, which divides our total water extraction by source.

WATER COLLECTION AND CONSUMPTION, LIQUID EFFLUENT DISPOSAL [1]

GRI 303-3, 303-4, 303-5 | SDG 6.3, 6.4 | PG7, PG8 | SASB IF-EU-140a.1

Collection by water source (ML)	2023	2022	2021
Surface water (river, lake, reservoir, wetlands)	**0**	**0**	**0**
Fresh water	0	0	0
Other water	0	0	0
Seawater	**46,351**	**39,820**	**243,391**
Fresh water	0	0	0
Other water	46,351	39,820	243,391
Underground water	**0**	**0**	**0**
Fresh water	0	0	0
Other water	0	0	0
Third-party water	**190**	**139**	**216**
Fresh water	190	139	216
Other water	0	0	0

Total water abstraction (ML)	**46,542**	**39,958**	**243,607**
Fresh water	190	139	216
Other water	46,351	39,820	243,391
Total water disposal (ML)	**46,351**	**39,820**	**243,391**
Fresh water	0	0	0
Other water (sea)	46,351	39,820	243,391
Total water consumption (ML)	**190**	**139**	**216**
Consumption/Total Catchment (%)	0	0	2

[1] Water abstraction and consumption in water-stressed areas are insignificant.

In 2023, 99.95% of the water collected at thermoelectric generation facilities was returned to the environment after being used to cool (condense) the steam coming from the boilers after it passes through the turbine and the heat-collecting effluent from the plant's auxiliary equipment.

The water discharged from the thermoelectric plant returns to the marine environment after preliminary physical-chemical treatment, and is released according to parameters that do not affect the environment and are regulated within the framework of the thermoelectric plant's environmental licensing process. Disposal by treatment level was:

WATER TREATMENT (ML)

	2023	2022	2021
No treatment	0	0	0
Primary treatment	46,351	39,820	243,391
Secondary treatment	0	0	0
Tertiary treatment	0	0	0

2.3.3.2 Water cycle in hydroelectric generation

The water used to generate hydroelectric power is not considered consumption and thus is analyzed separately. All of the Neoenergia group's hydroelectric plants are considered run-of-river, with no variation in the volume of water in the reservoirs. The following table shows the raw water used to generate the hydroelectric plants, defined here as turbine water:

WATER USE IN HYDROELECTRIC GENERATION (ML)

	2023	2022	2021
Volume of turbine water	79,767.466	95,212.733	80,758,543
Increase in dammed water	0	0	51,270

The volume of turbine water in 2023 takes into account the asset swap with Eletrobras, which took place this year, with the exit of HPPs Teles Pires and Baguari from our portfolio of hydroelectric plants.

2.3.4 Efficient energy consumption

GRI 3-3_302 – MATERIAL TOPIC: CLIMATE CHANGE AND ENERGY TRANSITION | SASB IF-EU-110a.3

We optimize the use of energy throughout our value chain (production, transport, distribution, marketing and end use), looking at energy efficiency from a threefold perspective:

- As an electricity generation and distribution company, we seek to improve efficiency by introducing the most advanced technologies, equipment and digitalization;
- As an energy-consuming company, we promote the continuous improvement of energy efficiency in all our actions (offices and buildings, mobility, etc.);
- As an electricity supplier, we inform, promote and provide comprehensive efficiency solutions, in line with our emissions reduction strategy, which help consumers use energy more efficiently and reduce the environmental impact of their energy consumption habits.

2.3.4.1 Energy consumption inside the organization

Energy consumption within the organization (internal consumption) includes energy consumption in all facilities, buildings and offices and is calculated as:

$$\text{Internal energy consumption (GJ)} = \text{Internal energy consumption (GJ)} + \text{Fuel consumption} + \text{Energy purchased} - \text{Energy sold (non-renewable)} - \text{Steam sold}$$

The value of fuel consumption in energy terms (GJ) is obtained by directly measuring the fuel used in each installation by its calorific value (PCI):

$$\text{Consumption (GJ)} = \text{Fuel consumption (kg)} \times \text{PCI} \left(\frac{\text{MJ}}{\text{kg}}\right) / 1000$$

The value of the energy bought or sold is obtained by direct measurement at the facilities, buildings and offices:

$$\text{Consumption (GJ)} = \sum \text{Consumption of buildings/facilities (MWh)} \times 3.6 \text{ GJ/MWh}$$

The evolution of energy consumption within the organization is shown below:

INTERNAL ENERGY CONSUMPTION (GJ)

GRI 302-1 | SDG 7.2, 7.3, 8.4, 12.2, 13.1 | PG7, PG8

	2023	2022	2021
Energy consumption by fuel type			
Natural gas	751,679	140,130	23,420,340
Diesel	747,472	851,484	402,354
Gasoline	18,244	20,409	25,139
Ethanol	122,583	129,812	119,505
Total fuels	**1,639,978**	**1,141,835**	**23,987,769**
Energy purchased	**138,469**	**115,984**	**117,643**
Machinery downtime	60,934	48,821	60,076
Buildings	77,535	67,163	57,567
Non-renewable energy sold	**454,596**	**53,078**	**12,396,269**
Total domestic energy consumption	**1,323,851**	**1,204,741**	**12,513,912**

[1]2021 value reclassified.

Domestic energy consumption totaled 1,323,851 GJ, 9.9% higher than in 2022, but still well below 2021, when our thermoelectric plant was dispatched more frequently. As the company's contract was changed so that the plant only operates commercially when renewable energy is unavailable, Termopernambuco was only called upon by the National System Operator (ONS) for a few days in 2023.

The largest volumes of domestic consumption in 2023 are represented by natural gas, used in power generation by Termopernambuco, and diesel, for power generation at the Tubarão Plant in Fernando de Noronha, in substation transformers and in maintenance fleet vehicles, especially for distribution and transmission.

2.3.4.2 Energy losses

Energy losses are monitored by means of a percentage index that calculates the ratio between the energy injected and the energy billed over 12 months. It can be seen that the figures for 2023 showed an increase when compared to 2022. Starting in September and intensifying in subsequent months, there was an atypical heat wave in the concession area, which consequently led to a load increase in the same period. The mismatch between load and billing results in a transitory increase in total losses, which will only be compensated for when the load stabilizes.

In the financial result, this effect is neutralized by the increase in unbilled energy, which increases as a result of the growth in injected energy. We continue to focus our efforts on reducing technical and non-technical losses in the transmission and distribution networks (inspections at the point of supply, increase in first level reviews, among others), both due to the economic impact of these losses and the potential they represent in terms of greenhouse gas emissions.

Loss reduction programs and projects are carried out annually in all of our distribution companies, which has made it possible to reduce losses, recovering energy for the distribution system and guaranteeing the performance standards set out in the concession contracts.

Transmission losses represented 1.75% of the total energy we transmitted in 2023.

TECHNICAL LOSSES IN THE TRANSMISSION AND DISTRIBUTION NETWORKS (%)

GRI EU12 | SDG 7.3, 8.4, 12.2, 13.1, 14.3

	2023	2022	2021
Transmission	1.75	1.71	0.66
Distribution	8.54	8.51	12.82

LOSSES AT DISTRIBUTORS (%)
GRI EU12 | SDG 7.3, 8.4, 12.2, 13.1, 14.3

	Technical losses (%)			Non-technical losses (%)			Total losses (%)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Neoenergia Coelba	10.49	10.61	10.63	5.56	4.01	4.14	16.05	14.63	14.77
Neoenergia Pernambuco	9.00	8.60	8.20	8.44	7.98	8.93	17.44	16.58	17.13
Neoenergia Elektro	5.94	5.98	5.95	1.99	0.60	0.83	7.93	6.57	6.78
Neoenergia Cosern	7.91	8.28	8.29	0.28	-0.17	1.39	8.19	8.12	9.78
Neoenergia Brasília[1]	8.16	8.22	7.48	326	3.21	5.49	11.42	11.42	12.98

LOSSES AT TRANSMISSION COMPANIES (%)
GRI EU12 | SDG 7.3, 8.4, 12.2, 13.1, 14.3

	2023		2022		2021	
	GWh	%	GWh	%	GWh	%
Afluente T	91.10	3.90	108.7	1.8	66.7	1.0
Potiguar Sul	68.00	1.32	155.8	1.9	17.0	1.0
Dourados	40.65	1.16	31.6	1.0	18.3	1.0
Santa Luzia	56.52	1.39	50.7	1.7	NA[1]	NA[1]
Jalapão	146.71	1.79	94.0	1.6	NA[1]	NA[1]
Rio Formoso	9.78	3.06	NA[1]	NA[1]	NA[1]	NA[1]

[1] NA: Not applicable. The Santa Luzia and Jalapão transmission lines came into operation in 2022. The Rio Formoso transmission line came into operation in 2023.

Efficiency in thermoelectric generation

We are working to improve the efficiency of the Termopernambuco plant through initiatives to prevent leaks, reduce emissions, lower the consumption of auxiliary services, optimize the time and procedures for starting and stopping turbines, develop improvements in variable monitoring software and install recirculation systems, among others.

The table below shows the evolution of the average performance of thermoelectric generation facilities. However, it is worth noting that in 2023 and 2022, there were only 261 and 60 hours, respectively, of plant operation. As such, the 51.2 % efficiency index in 2023 does not reflect the actual performance of the thermoelectric plant because, in this specific case, the inefficiency of the plant's starts and stops for maintenance activities hinders an analysis of the efficiency of gas consumption in relation to energy production.

AVERAGE EFFICIENCY IN THE INSTALLATION OF THERMOELECTRIC GENERATION (%)
GRI EU11 | SDG 7.3, 8.4, 12.2, 13.1, 14.3

	2023	2022	2021
Combined cycles	51.2%	42.1%	54.7%

2.3.4.3 Reduction in energy consumption

Two fundamental blocks for reducing energy consumption are considered: lower fuel consumption through the generation of renewable energy, and energy efficiency measures.

The value of the reduction in energy consumption is equal to the savings in primary (non-renewable) energy generated by the production of renewable energy. The amount of energy saved is obtained by direct measurement at the facility's output terminals.

ENERGY SAVED BY RENEWABLE GENERATION (GJ)
GRI 302-4 | SDG 7.3, 8.4, 12.2, 13.1 | PG8, PG9

	2023	2022	2021
Annual primary energy savings from renewable energy production	50,023,606	53,052,516	44,165,255

In 2023, we adopted different measures to improve energy efficiency in buildings and infrastructures. The energy savings resulting from these measures are shown below:

ENERGY SAVED BY IMPROVING EFFICIENCY (GJ)
GRI 302-4 | SDG 7.3, 8.4, 12.2, 13.1 | PG8, PG9

Areas	Concept	2023	2022	2021
Energy distribution	Network efficiency	442,422	402,840	315,504
Energy generation	Efficiency in plants	0	847	0
Buildings	Building efficiency	383	0	0
Total		442,805	403,687	315,504

2.3.4.4 Reduced energy requirements for products and services

We market new products and services to promote savings for our customers, as well as increasing efficiency and care for the environment.

We also promote the reduction of consumption through energy efficiency projects aimed at the low-income population, public services and charitable organizations, which are detailed in section 3.6.1.3 Energy efficiency.

ENERGY SAVINGS FROM GREEN PRODUCTS AND SERVICES
GRI 302-5 | SDG 7.3, 8.4, 12.2, 13.1 | PG 8, PG9 | SASB IF-EU-420a.3

	2023		2022		2021	
	GJ	MWh	GJ	MWh	GJ	MWh
Photovoltaic solar energy (GD)	131,206	36,446	26,430	7,342	34,612	9,614
Other savings and efficiency actions	264,906	73,585	539,745	149,929	478,391	132,886
Green energy supplied	115,266,091	32,018,359	115,521,243	32,089,234	165,182,289	45,883,969
Total	115,662,202	32,128,389	116,087,418	32,246,505	165,695,292	46,026,469

2.3.4.5 Energy consumption outside the organization

GRI 302-2 | SDG 7.2, 7.3, 8.4, 12.2, 13.1 | PG 8

The most significant energy consumption outside the organization is associated with our employees' commuting (83%) and business trips (17%). All this information is part of scope 3 of the greenhouse gas emissions calculation. Energy consumption outside the organization is estimated based on the distances covered by each means of transport and is transformed using conversion factors from official sources (GHG Protocol emission factors). Energy consumption for these concepts totaled 192,856 GJ in 2023.

2.4 Protecting biodiversity

2.4.1 Biodiversity governance and management

GRI 3-3_304 – MATERIAL TOPIC: BIODIVERSITY

We have reinforced our commitment to nature and set ourselves the goal of ensuring a net positive impact on biodiversity by 2030, i.e., ensuring our activities contribute to preserving and improving the environment. The achievement of this goal, which is in line with our controlling shareholder, Iberdrola, is supported by the 2030 Biodiversity Plan, which applies to all our facilities and activities. The Plan must also contribute to promoting cultural change and enabling "Living in harmony with nature" in accordance with Vision 2050 of the United Nations (UN) Convention on Biological Diversity.

We have had a Biodiversity Policy in place since 2019, which defines the action principles, reinforcing the development of a sustainable and nature-positive business model that is integrated into the group's strategic planning and decision-making.

The Plan's commitments and procedures are:

4. Apply the conservation hierarchy principle: avoid, reduce, restore and regenerate;
5. Ensure, whenever possible, equal compensation for impacts, i.e. with the same type of habitat and species affected;
6. Apply nature-based solutions to environmental preservation; and
7. Involve the supply chain to suppress indirect negative impacts.

OBJECTIVE FOR 2030

100% OF ASSETS WITH IMPACT ASSESSMENT AND DEFINITION OF NET BIODIVERSITY GAIN PLANS

The goal considers the impacts on species and ecosystems derived from the activities of Neoenergia's companies throughout the life cycle of their facilities, considering the supply chain and creating environmental, economic and social value through ecosystem services. It is based on the application of the conservation hierarchy principle, as well as the implementation of mechanisms for identifying and quantifying impacts and monitoring that the goal is being met.

INTERMEDIATE COMMITMENTS

2023
Definition of the methodological framework (metric) for assessing the net balance of the group's impacts on species and ecosystems (biodiversity).

2025
20% of power production facilities in Priority Areas will have their impacts on biodiversity quantified according to the specified metric and the definition of a Biodiversity Net Gain Plan.

From 2025 onwards,
the impacts of all new projects will be measured along with a Biodiversity Net Gain Plan.

2030
the impacts on biodiversity of **100%** of facilities, regardless of their location, will be measured and a Biodiversity Net Gain Plan defined.

Lines of action

We are aligned with the management model adopted by Iberdrola which follows the main standards and initiatives on the subject, such as the Science Based Targets for Nature (SBTN) and its vision of the Action Framework (AR3T), which sets forth: 1) Avoid, 2) Reduce, 3) Restore and regenerate. We also follow the four LEAP axes (Locate, Evaluate, Assess, Prepare) of the Taskforce on Nature-related Financial Disclosures (TNFD).

We have incorporated the most advanced practices to better measure and understand the biodiversity impacts of activities, processes and facilities. This occurs: 1) at the facility level, in the environmental assessment processes for new projects and in the monitoring and control of the impacts of our operations; and 2) at the corporate level, through the Corporate Environmental Footprint, which considers the life cycle of our activities and the reporting of internal and external indicators.

Three pillars underpin our 2030 Biodiversity Plan: Measure, Act and Transform.

Measure

We have improved our measurement standards

- Biodiversity accounting metrics for ecosystems and species based on the n Biological Diversity Protocol
- Assessment of facilities in priority areas in 2025 and all Neoenergia facilities in 2030

Act

We reinforce our actions

- Apply the conservation hierarchy: avoid, reduce, restore and regenerate biodiversity
- From 2025, all new projects and priority facilities in operation will have a neutral/positive biodiversity impact plan
- Apply nature-based solutions: Tree Program, biodiversity projects

Transform

We promote change in biodiversity action

- Support actions on the international agenda, such as the agreements of the Conventions of the Parties on Biological Diversity (COP) and the United Nations Oceans Conferences.
- Collaborate with organizations representing the private sector, such as CEBDS, the Global Compact and the World Economic Forum, as well as with the scientific community.
- Contribute to transforming the energy sector and society to achieve a model in harmony with nature and human beings
- Create shared value: promote ecosystem services, Innovation + Research and Development, supply chain, social awareness

MEASURE – We have improved our measurement standards

The Biodiversity Accounting Framework makes it possible to quantify the positive and negative impacts on species and ecosystems derived from the construction, operation and decommissioning stages of projects. This measurement framework is based on the application of the Biological Diversity Protocol, managed by South Africa's National Biodiversity and Business Network (NBBN) and hosted by the Endangered Wildlife Trust (EWT).

ACT – We reinforce our actions GRI 2-23

Actions will be stepped up so that our facilities, activities and processes have a net positive impact on species and ecosystems, resulting in biodiversity in a better state than initially identified. To this end, we will work together with our stakeholders to define and implement conservation measures at all stages of the facilities. This will be done on the basis of the following initiatives:

a. **Apply the conservation hierarchy: avoid, reduce, restore and regenerate biodiversity (in line with the SBTN).** This hierarchy applies to the precautionary principle we have adopted (when there is no scientific certainty about the possibility of environmental damage, the activity should be avoided until sufficient information has been obtained to certify that it will not have a negative impact on the environment). It also involves proactively establishing conservation objectives so that they can be incorporated into the design of new facilities at an early stage. In addition, the action plans will adopt additional measures to meet the legal requirements, covering the entire life cycle of the facilities. The application of these principles includes, for example:

- Avoiding, whenever possible, building infrastructure in areas protected for their ecological, biological, cultural and/or landscape value or in areas listed as High Value for Biodiversity;
- Avoiding the impacts of activities associated with the supply chain;
- Promoting technological solutions that minimize land use change;
- Reducing the impact on animals through electrocution or collision with overhead lines and wind farms through specific plans;
- Maintaining the ecological flow downstream of hydroelectric plant reservoirs;
- Strengthening monitoring plans for flora and fauna, especially protected or vulnerable species;
- Continuing action plans to prevent contamination of the aquatic environment and soil;
- Restoring and compensating for residual impacts on habitats and endangered species with the same type of habitats and species affected;
- Setting up specific actions against deforestation;
- Creating ecological corridors in facilities suitable for this purpose.

b. **Applying nature-based solutions.** The challenges of biodiversity loss and climate change are tackled through actions based on conservation and improving ecosystems. These include biodiversity recovery projects, especially the Trees Program launched by Iberdrola, with the proposal to plant 20 million trees by 2030 in all the countries where it operates.

TRANSFORM – We promote change in the action of biodiversity

Given the scale of the current challenge, a systemic change is needed. That is why we will promote the transformation and cultural change needed to live in harmony with nature, supporting initiatives that preserve it, contributing to innovation and promoting the dissemination of knowledge and environmental awareness. We are committed to being a driving force for change and leading action for nature, integrating biodiversity into our internal strategic planning processes and decision-making, as well as in the analysis, management and reporting of long-term risks associated with processes, facilities and activities.

We also will intensify our work on innovation, knowledge sharing, the promotion of scientific research and the dissemination and destination of the value generated in nature. These are fundamental tools for promoting cultural changes to protect, promote and conserve the environment and biodiversity.

Moreover, we will continue to report transparently on our actions in the field of biodiversity, the presence of facilities in protected areas and the research, conservation, education and awareness initiatives carried out.

Tools

The Plan is underpinned by the following internal and transversal tools for its implementation, management and compliance:

Governance – We act on the basis of our Governance and Sustainability System, which encompasses the Group's own and internal regulations and places the environment and climate action as two priority elements. In particular, with regard to biodiversity, the Governance and Sustainability System promotes its integration into internal strategic planning and decision-making processes, including the Biodiversity Policy.

Risk and opportunity management – We have strengthened the processes and mechanisms that allow us to identify impacts on biodiversity and ecosystem services, and effectively integrate them into internal planning and long-term risk management processes.

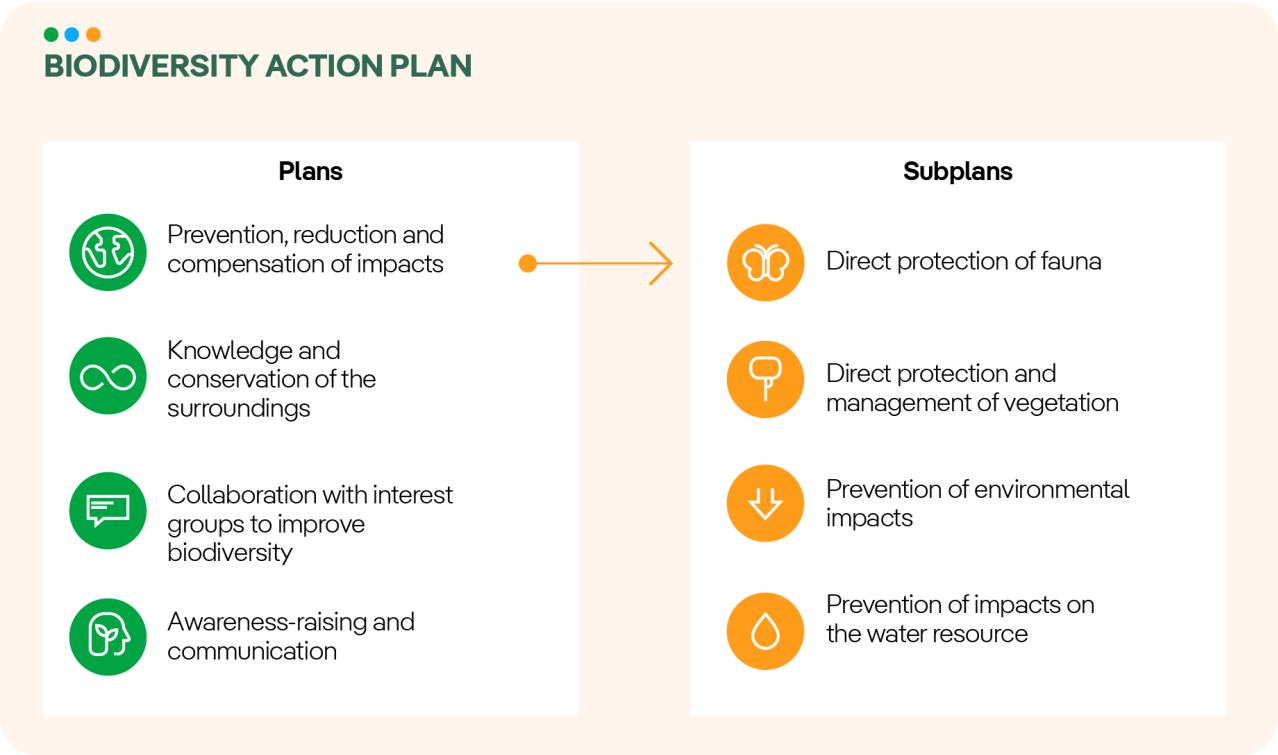
Monitoring, compliance and continuous improvement – We have adopted tools for monitoring, reporting and verifying performance through a continuous improvement model. Hence, the metrics for measuring the net impacts of activities will help define the specific objectives of each facility and/or company in the Neoenergia group and their respective tactical and operational plans.

Evaluation – We have established mechanisms for evaluating compliance with the commitment based on indicators and targets. Evaluations will be based on new scientific knowledge, a dialogue with stakeholders (especially business partners and non-governmental organizations), the guidelines of the Science-Based Targets for Nature (SBTN) and the Taskforce on Nature-related Financial Disclosures (TNFD). The group's actions and commitments will be constantly reviewed and aligned with national and global frameworks.

2.4.2 Interaction with biodiversity

GRI 304-2 | SDG 6.6, 14.2, 15.1, 15.5 | PG8

We identify impacts and dependencies arising from the interactions of our activities on biodiversity. Our action plans consolidate the different instruments applicable to each phase of the facilities' life cycle and can be summarized as follows:

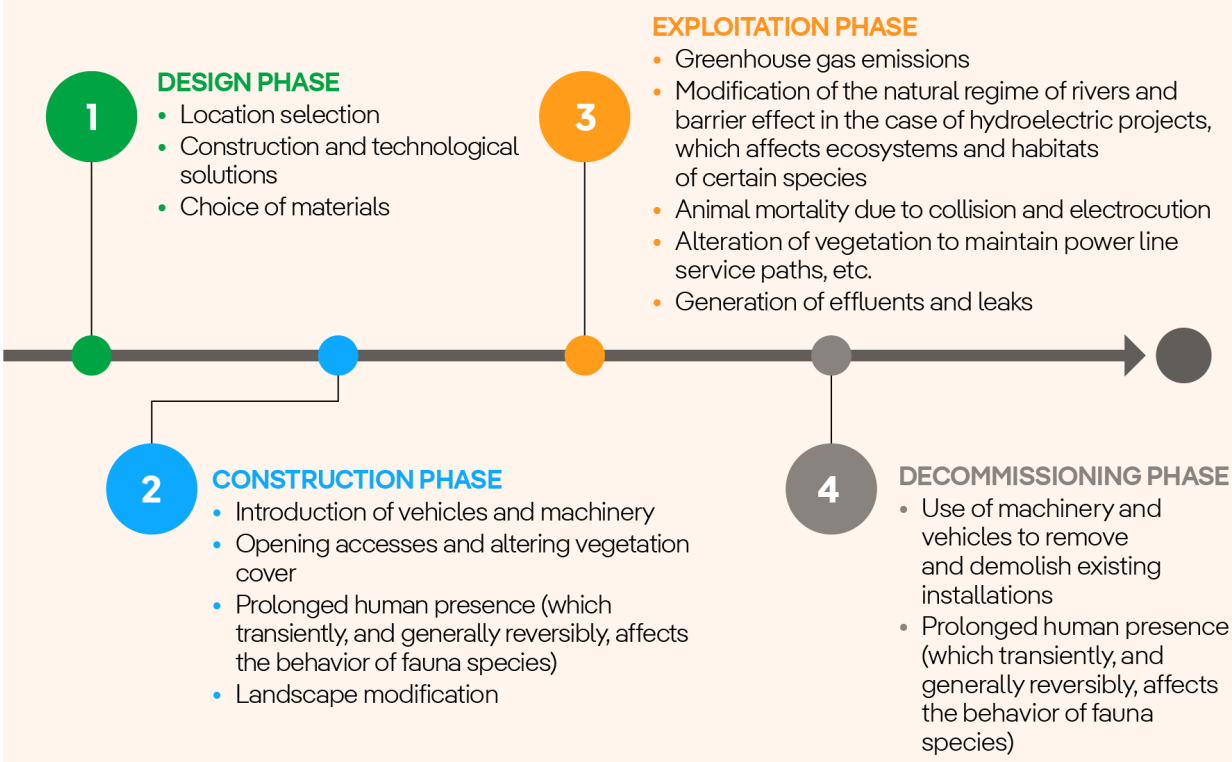


Identifying impacts

The georeferencing system for the assets of all distributors has been adjusted to allow up-to-date protected areas to be identified during the construction, operation and maintenance phases of the electricity system, taking into account national and, for some distributors, international standards. The tool is essential not only for keeping projects in order with environmental authorities, but also for helping to implement the conservation hierarchy stages and monitor high biodiversity value areas.

In order to avoid, minimize and correctly correct possible adverse conditions to the natural environment, we have identified the actions that may represent impacts during the different phases of the facility's life. The following chart shows which actions can cause the most significant effects:

IMPACTS ON THE FACILITY'S LIFE STAGES



Based on these actions, we have identified a series of significant potential impacts on biodiversity deriving from our activities and our products and services:

POTENTIAL IMPACTS

General effects	• Land use change • Landscape modification • Fragmentation of ecosystems • Habitat alteration • Displacement of species • Habitat and species loss • Increase in greenhouse gases and climate change • Contamination of the atmospheric, edaphic and/or aquatic environment
Effects on birdlife	• Electrocution • Collisions
Effects on terrestrial fauna	• Electrocution, entrapment
Effects on water	• Variation in water quality • Discharges/spills in the hydrological environment
Effects on flora	• Generation and spread of firess • Deterioration of the soil environment

GRI ex-EU19

We consult with stakeholders on new projects and incorporate good construction practices. During construction, we continue to work together with these groups, seeking to reduce the environmental impact to a minimum, as well as restoring all affected areas.

If significant impacts are identified during the assessment process, the project is modified to adopt the best available techniques and the necessary measures to correct and minimize them. In cases where impacts cannot be completely avoided or mitigated, we carry out compensatory measures.

2.4.3 Installations in protected areas or those with high biodiversity value

Some areas where we carry out our activities serve as habitat for a variety of wild flora and fauna, which, in a few cases, are under some kind of protection. There are also facilities where the project has been authorized by the appropriate authorities that are in protected areas or areas of high biodiversity value. In these cases, we adopt preventive and mitigating measures so that the activities do not have significant impacts on protected habitats and species.

The following table shows the company's facilities in or adjacent to protected areas or areas of high biodiversity value:

FACILITIES WITHIN OR ADJACENT TO PROTECTED AREAS (PA) AND/OR AREAS OF HIGH BIODIVERSITY VALUE (HBV)

GRI 304-1 | SDG 6.6, 14.2, 15.1, 15.5 | PG8

Installation	Surface inside PA or HBV	Surface inside PA	Facilities Adjacent to PA and HBV	Type of protection
Power lines (km)	43,725	0	0	Environmental Protection Areas (APA), Wildlife Refuge, National Park, Key Biodiversity Areas (KBA), Indigenous Reserve, Area of Ecological Interest, Ramsar Wetlands, Natural Monument and Sustainable Development Reserve.
Substations (units)	52,199	20,589	0	Environmental Protection Areas (APA), Areas of Ecological Interest, Indigenous Reserves, Key Biodiversity Areas (KBA) and Wildlife Refuges.
Transformation centers (units)	15	0	0	Environmental Protection Areas (APA), Areas of Ecological Interest, Indigenous Reserves, Wildlife Refuges, Natural Monuments, Key Biodiversity Areas (KBA), Sustainable Development Reserves and Ramsar Wetlands.
Hydroelectric plants (ha)	234	14.4	0	Areas- key biodiversity (KBAs)
Wind farms (ha)	1.1	0.0	0	Environmental Protection Areas (APA)

As of 2023, information on facilities in protected areas or areas of high biodiversity value will be reported based on data from the Integrated Biodiversity Assessment Tool (IBAT). A global procedure was created in which it was decided to consider a distance of 50 meters for the inclusion of facilities adjacent to Protected Spaces and Areas of High Biodiversity Value. It is worth noting that the Baixo Iguaçu Hydroelectric Power Plant is 500 meters from the Iguaçu National Park and that the Tubarão Power Plant's data is reported in Neoenergia Pernambuco's distribution universe.

2.4.4 Endangered species around the facilities

In our areas of operation, we identify endangered species included on the International Union for Conservation of Nature (IUCN) Red List and on national lists (Ministry of the Environment) that are potentially affected by our operations. We also maintain monitoring programs and research projects on species in order to better understand their behavioral patterns and incorporate this knowledge into our activities.

THREATENED SPECIES – IUCN RED LIST CLASSIFICATION (No.)
GRI 304-4 | SDG 6.6, 14.2, 15.1, 15.5| PG8

	2023
In critical danger (CR)	5
Endangered (EN)	20
Vulnerable (VU)	43
Almost endangered (NT)	35
Less concern (LC)	928

2.4.5 Protected or restored habitats

GRI 304-3, EU13 | SDG 6.6, 14.2, 15.1, 15.5 | PG8

Depending on the needs of each facility and during its life cycle, we run specific programs and actions to avoid, reduce, restore and regenerate habitats and species, as well as monitoring their interactions to correct impacts.

We are committed to becoming a leader in biodiversity conservation. As part of this commitment, we have developed the Trees Program, created by Iberdrola to conserve and regenerate forest ecosystems. The aim is to encourage the conservation and planting of 20 million trees by 2030. The program encompasses three areas of action, with the following objectives:

a. **Branch 1** – Conservation of natural heritage. We apply the mitigation hierarchy to all our projects and prioritize alternatives that avoid negative effects on forest vegetation. In cases where this is unavoidable, we work to minimize and compensate for these impacts. The aim of this branch is to collect information on these actions and their results in order to monitor the conservation of natural heritage.
b. **Branch 2** – Regeneration and creation of natural value. The goal of this line of action is designed to promote reforestation and restoration projects that help regenerate forests. These projects are voluntary and are not linked to any mitigation or compensation for infrastructure, or compliance with legal requirements.
c. **Branch 3** – Social value: research and awareness. This line aims to boost shared knowledge by fostering collaboration, awareness and research among interest groups.

Throughout 2023, in Branch 1, the renewable generation businesses planted 236,294 trees, reaching 810,967 trees when considering planting between 2020 and 2023. The network businesses (Transmission and Distribution) planted 7,197 trees in 2023, adding up to 201,265 between 2020 and 2023. In Branch 3, planting in 2023 totaled 26,539 trees.

In 2023, as part of the Iberdrola Trees Program, we planted 243,650 trees in Brazil and when considering the plantings from 2020 to 2023 we reached 1,038,771 trees.

Habitat restoration and compensation programs

The Baixo Iguaçu Hydroelectric Power Plant is installing a biodiversity corridor to connect the forested areas of the Iguaçu National Park (PNI) with the areas subject to expropriation and vegetation recovery in the plant's Area of Direct Influence (AID). It covers the areas adjacent to the dam (100-meter APP) and an area downstream called the Buffer Zone.

Different vegetation recovery methodologies are being used to recover this corridor in order to guarantee the effectiveness of the actions based on the soil and climate characteristics of each area. Actions are being implemented to plant seedlings, launch seed mixes, nucleation, enrichment and isolate areas in favor of natural regeneration.

The Itapebi Hydroelectric Power Plant has a Degraded Areas Recovery Program (PRAD), which defines actions for the areas to reach minimum characteristics that allow ecological processes to form, promoting their recovery and, as far as possible, returning to a non-degraded condition. It also executes an Inspection Program for Islands and APPs to identify activities or actions that could help mitigate negative impacts around the dam.

Another initiative in 2023 in the Caatinga region involved six sustainable production workshops focused on encouraging beekeeping in the communities of Bonfim (Casa Nova, Bahia), Sítio do Meio (Lagoa do Barro, Piauí) and Vazante (Dom Inocêncio, also in Piauí), located near the Oitis Wind Complex. Beekeeping contributes to the preservation of nature by maintaining native vegetation – which is the main supplier of nectar and pollen for bees. In addition, bees promote the diversity of agricultural production and flora species through pollination, which are important factors in maintaining local and regional biodiversity.

Programs to protect and conserve species of fauna and flora

Actions to help species coexist harmoniously with the electricity grid are adopted by our distributors as a way of minimizing impacts on wildlife. The companies also are developing proposals for research and development projects aimed at minimizing adverse effects on wildlife species. These actions include:

- Application of protectors on network equipment to prevent accidental contact with wildlife species and possible power interruptions. In 2023, Neoenergia Coelba applied this technology to 31 transformers in the 13.8 kV distribution network, in the Litoral Norte Environmental Protection Area of the municipality of Camaçari, state of Bahia, which made it possible to protect 40 km² in an area of high value for biodiversity and the conservation of Atlantic Forest species that are concentrated in the region;
- Use of Medium Voltage Line Covers (MVLC) technology, which consists of bare cable protection structures to prevent incidents involving animals, guaranteeing uninterrupted electricity supply and promoting the conservation of wildlife species. In 2023, Neoenergia Pernambuco applied the technology to 0.5 km of network and installed around 2.5 km of insulated cables in stretches located in a Conservation Unit, in the Aldeia Beberibe Environmental Protection Area, in the state of Pernambuco;
- Approval of biological barriers following the results of the pilot project in the regions of Porto Seguro and Vitória da Conquista, in the state of Bahia, to inhibit the construction of nests of the barn owl (*Furnarius rufus*) and incidents with the species. Neoenergia Coelba installed more than 300 spacers in the regions and the technology became part of the corporate catalog of biodiversity protection materials available at all our distributors for new network projects in areas where the species is highly prevalent. As a result, we have been able to reduce the number of power interruptions and the risk of electrocution of the species;
- Creation of a new construction standard for the 13.8 kV distribution network to protect birdlife and application of materials to preserve the network's equipment and structures. The aim of these measures is to avoid accidental collisions with species such as the Lear's Macaw (*Anodorhynchus leari*) and to contribute to the conservation of fauna in general. Neoenergia Coelba has already modified 1,762 structures over a total length of 128 km in the Raso da Catarina region, in the state of Bahia;
- Campaign to Combat Wildfires, which began in 2009, aims to prevent damage to the company and society from the use of fire under electricity grids and lines, as well as promote the preservation of ecosystems. In 2023, Neoenergia Pernambuco carried out preventive inspections at sugarcane mills and awareness-raising activities aimed at students. Neoenergia Pernambuco and Neoenergia Coelba promoted a campaign on the subject on social media, with more than 15.3 million visits;
- Through the Bird Team Project, we are signposting and monitoring to mitigate the impact of the distribution network on migratory birds, such as the Roseate tern (*Sterna dougalli*) and the Common

tern (*Sterna hirundo*). Developed in the municipality of Galinhos (RN), the project is a partnership with the Center for Environmental Studies and Monitoring (Ceman);

- Support for the Costa Branca Cetaceans Project, run by the State University of Rio Grande do Norte and other national and international institutions, which develops projects and actions for monitoring, research, conservation and environmental awareness, with a focus on the marine megafauna of the coast of Rio Grande do Norte and eastern Ceará.

Specifically for flora, we operate a Sustainable Pruning program. Neoenergia Elektro has introduced this initiative in approximately 20 municipalities in the state of São Paulo, with the aim of identifying trees that are incompatible with electrical wiring and replacing them with more suitable species. In addition, the distributor took part in events organized by city halls to raise awareness among the population about the risks and care needed in relation to vegetation near the electricity grid. Through this program, we hope to improve operational indicators, enhance safety for the population and promote an effective readjustment of urban forestry.

Fauna monitoring programs

We monitor endangered species or habitats that may be affected by our activities in order to identify possible impacts, evaluate the success of preventive measures or implement new corrective measures whenever necessary.

At wind farms, we monitor birds and bats that could be affected by wind turbines. At the hydroelectric plants, there are fish monitoring measures to prevent damage to the aquatic environment. All the power plants rescue fish from the turbines during maintenance activities on the generating units. Fauna studies and specific activities are conducted to monitor, prevent, protect, reduce and mitigate impacts on species and habitats. In the region in which the Baixo Iguaçu Power Station is located, for example, telemetry technology has made it possible to monitor the migratory habits of the Iguaçu Catfish (*Steindachneridion melanodermatum*), a species endemic to the locality that is considered to be threatened with extinction on the Paraná list.

Distribution and transmission companies carry out the environmental studies required for the implementation of new structures. Environmental Impact Assessments (EIA), Forest Inventories, Detailed Environmental Program Reports (RDPA), Simplified Environmental Reports (RAS), among others, vary according to the complexity of the project and the environmental sensitivity of the area.

Programs to promote knowledge and research to conserve habitats and species

We promote knowledge and research to conserve and protect biodiversity. To this end, we support the Coralizar project, which studies the effects of climate change on coral reefs, and the Flyways Project, which monitors migratory waders, some of which are threatened with extinction, in the northeast and south of Brazil. These projects are detailed in item 3.6.4 Instituto Neoenergia.

Our hydroelectric plants have contributed to the conservation of standing forest in Permanent Preservation Areas (PPAs), with adequate replacement of the forest cover, thus being able to perform essential ecosystem functions for the business and the surrounding communities. At HPP Itapebi, recovery and preservation activities around springs enable them to be replenished and used by local communities.

The initiatives are in line with the Decade of Ecosystem Restoration, conceived by the United Nations (UN) 2021-2030, part of a global effort to restore the planet's natural ecosystems to conserve biodiversity and to mitigate the effects of climate change.

More information about our actions is available in the Biodiversity Report.

2.4.6. Managing nature's risks and opportunities

Nature-related risks are potential threats and challenges posed to an organization that arise from dependencies and impacts of that organization and society on nature. Understanding and addressing these

dependencies, impacts, risks and opportunities is crucial for businesses to strengthen their resilience, ensure sustainable operations and ultimately contribute to environmental conservation.

For years, Iberdrola Group, our controlling shareholder, has been analyzing and identifying the environmental risks of its activities and processes as part of its comprehensive risk management and control system. This system is monitored and governed by a Risks Committee and the Internal Audit and Risks Board. Both are independent and specialized, with functional dependence on the Audit and Risk Supervision Committee, which analyzes and quantifies the risks present in the group's main businesses and corporate functions. The structure of Neoenergia's Risk area can be found in *4.3 Long-term risks and opportunities.*

Iberdrola's nature-positive work plan, together with the Climate Action, Biodiversity and Circular Economy plans, is the main tool for avoiding and minimizing risks and materializing nature-related opportunities.

As a result of the work carried out by the Taskforce on Nature-related Financial Disclosures (TNFD), Iberdrola has revised the analysis of its risks and opportunities based on the recommendations of this initiative. To do this, Iberdrola first completed a materiality analysis of the impacts and dependencies of each of its technologies and life cycle stages. The results of this study were used to identify for each technology the main risks and opportunities related to the expected nature of critical physical events (acute, in the short- and medium-term, and chronic, in the long-term) and transitory events (derived from possible changes in the regulatory, technological, reputational or market framework).

Identifying impacts and dependencies

As part of its biodiversity strategy, the Iberdrola Group assesses possible impacts on the vectors of environmental degradation and works to avoid, limit, mitigate or make up for them. This is done by applying the conservation hierarchy principles. Likewise, it identifies dependencies on natural capital to establish actions for their mitigation and to manage possible risks.

Following the recommendations of the TNFD, Iberdrola used the materiality tools ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) and STBN (Science Based Targets Network) for an initial materiality analysis of the potential impacts and dependencies of its main technologies. These impacts and dependencies were contrasted with the results of the Spanish Energy Sector Natural Capital Working Group's assessment and reviewed by internal experts.

The analysis shows that, excluding GHG emissions, the Group's potential material impacts on nature degradation factors are:

- Changes in the state and extent of ecosystems produced by the development of new renewable infrastructures and networks;
- The use of natural resources and provisioning services, and
- Interaction of fauna species with renewable energy and grid infrastructures during their development, operation and maintenance.

These potential impacts and dependencies are analyzed and quantified at each of the facilities through a range of metrics. Of particular note are the indicators defined in the Biodiversity Plan to assess the impacts of new developments on ecosystems (due to changes in land use) and on the species of facilities in operation. In addition, Iberdrola calculates its Corporate Environmental Footprint (CAP) to measure the impact of its activities, considering their life cycle. Applying these metrics to the facilities allows decisions to be made and actions to be prioritized to meet the established targets. The CAP is detailed in section *2.1.2 Environmental governance and management.*

The results of this analysis, classified according to ENCORE, are presented below:

MATERIALITY OF POTENTIAL IMPACTS ON DRIVERS

Drivers	Secondary drivers	Solar	Onshore wind	Hydro	Thermal	Networks
Change in land/water/sea use	• Use of terrestrial ecosystems	▲	▲	▲		
	• Use of aquatic ecosystems			▲		
	• Use of marine ecosystems					
Resource exploitation	• Water			■ ▲	■	
	• Other: procurement services	▲	▲	▲		▲
Climate change	• GHG emissions				■	■
	• Other: regulation services			■		
Pollution	• Others: regulatory services				■	
	• Water/Soil	▲	■	■	■	
Invasive species and others	• Other: biological changes		■	■		■
	• Imbalance		▲	▲	■	▲

Very low | Low | Medium | High | Very high

▲ **ND** – New developments
■ **O&M** – Operation and maintenance

Iberdrola, our parent company, is part of the TNFD Early Adopters group, confirming that we are committed to publishing a report following the TNFD recommendations for fiscal year 2024.

MATERIAL DEPENDENCES

Ecosystem services		Solar	Onshore wind	Hydro	Thermal	Networks
Direct physical inputs	• Water supply			■	■	
	• Wind resource		■			
	• Solar radiation	■				
	• Mineral and non-mineral resources				■	
Enables the production process	• Water quality regulation services			■	■	
	• Water quality			■	■	
Mitigates direct impacts	• Bioremediation			■	■	
	• Filtration			■	■	
Protection against interruptions	• Climate regulation	■	■	■	■	■
	• Flood and storm protection	■	■	■	■	■
	• Mass stabilization and erosion control	■	■	■	■	■

Very low | Low | Medium | High | Very high

■ **O&M** – Operation and maintenance

The analysis shows that the material dependencies on nature for Iberdrola and Neoenergia are:

- The use of renewable resources (water, wind and sun) and mineral and non-mineral resources (gas) that act as direct physical inputs.
- Regular ecosystem services, such as protection against erosion, floods and storms, climate regulation of water, etc., which can disrupt operations and increase operating costs.
- The service of regulating the hydrological cycle necessary for energy production in hydroelectric power plants and the cooling processes of our thermal power plant.

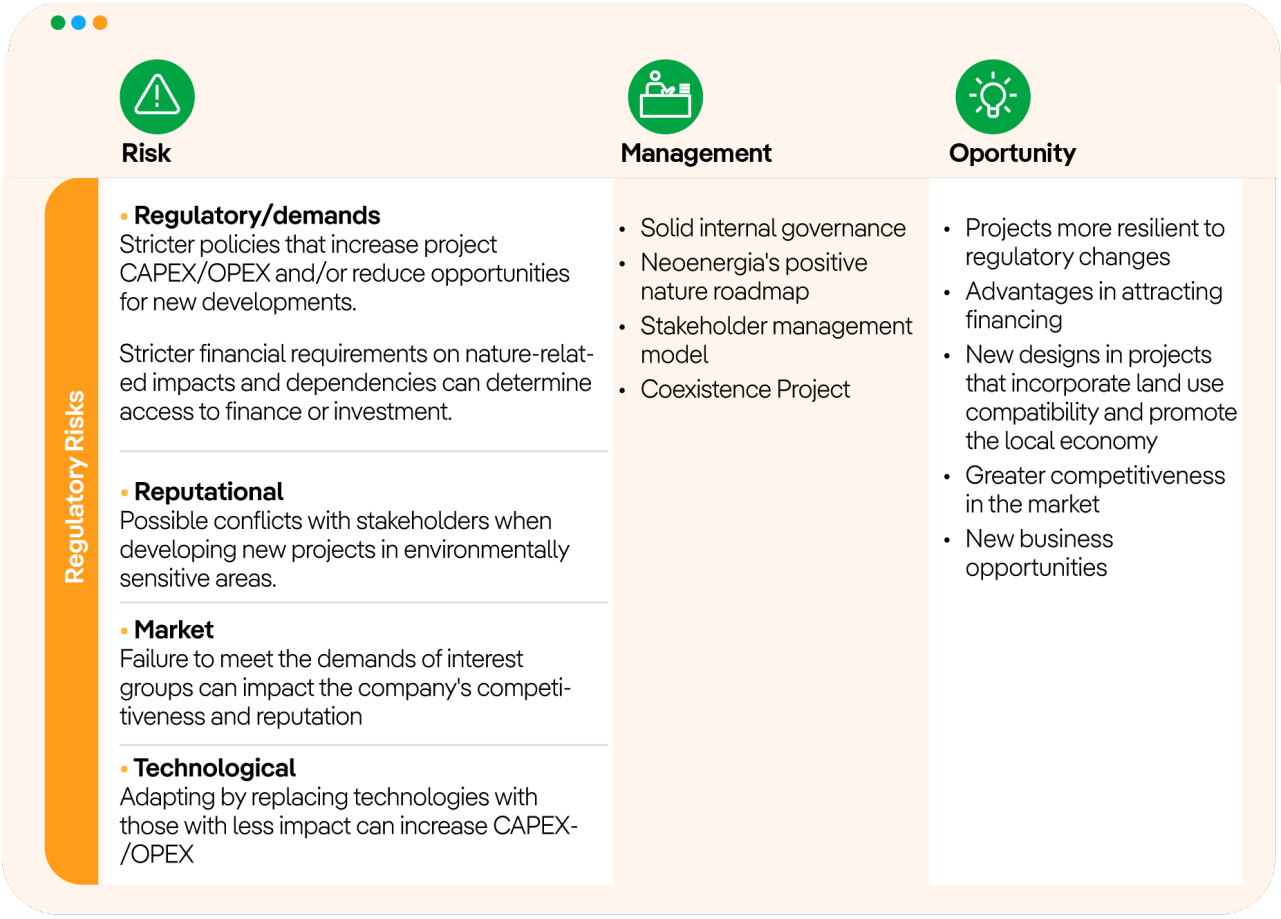
Risks and opportunities

Risks and opportunities are identified based on potential impacts and material dependencies on the environment.

- Nature-related physical risks are risks to an organization that result from the degradation of nature and the subsequent loss of ecosystem services on which economic activity depends. These risks can be chronic (such as an increase in the rate of erosion, resulting in increased maintenance costs for dams) or acute (caused by extreme events such as fires or spills).
- Nature-related transition risks are those that result from a misalignment of economic actors with actions aimed at protecting, restoring and/or reducing negative impacts on nature. These risks can be caused, for example, by changes in regulation and policies, legal precedents, technology or investor perceptions and consumer preferences.
- Systemic risks related to nature are threats to an organization that arise from the failure of the entire system, rather than from the failure of individual parts. These risks are characterized by tipping points that combine indirectly to produce major failures, where one loss sets off a chain of others and prevents the system from functioning.

The table on the following page shows the risks, the main management measures and the opportunities identified following this analysis.

	Risk	Management	Oportunity
Physical risks	Impacts on protected ecosystems or ecosystems of high biodiversity value can raise the cost of corrective measures or result in the rejection/delay of project approval. Changes in the availability of resources can reduce or interrupt production. Changes in climatic conditions and extreme events that cause interruption or reduction in production. Increased erosion, flooding and fire impacts due to ecosystem degradation can lead to higher maintenance/repair costs. Pollution impacts that exceed ecological and regulatory limits can lead to interrupted or reduced production, as well as increased costs for measures and fines. Impacts on protected species can result in the interruption or reduction of production, generating increased costs with compensatory measures and fines.	• Biodiversity Policy and Biodiversity Plan 2030 • Diversification of generation technologies. • Environmental Management System: pollution prevention and actions to improve energy efficiency and reduce water consumption	• Improving biodiversity around facilities • Incorporating nature-based solutions • Creating ecological corridors • Partnerships to contribute to the global framework for biodiversity



2.5 Environmental compliance

GRI 2-27 | SDG 16.3

We have a specific Environmental Management Systems (EMS) in place for businesses and processes based mainly on ISO 14001:2015 and the EMAS standard (Eco Management and Audit Scheme). They make it possible to reduce environmental risks, improve resource management and optimize environmental investments and costs.

We also monitor our Corporate Environmental Footprint, certified by ISO 14072:2014, which enables us to measure environmental management, thus reducing risks, improving resource management, promoting circularity and optimizing environmental investments and costs.

Globally, the Iberdrola Group has its own Environmental Management System, which makes it possible to coordinate different plans and measures while respecting the autonomy and particularities of each country. This system incorporates innovations in environmental management, allows us to integrate the SDGs and articulate mechanisms for measuring and evaluating environmental performance from a life cycle perspective. This, in turn, enables the company to incorporate the circular economy and natural capital into Neoenergia's management.

Environmental incidents in 2023 involved the following fines and non-monetary sanctions:

ENVIRONMENTAL FINES AND SANCTIONS

GRI 2-27 | SDG 16.3

	2023	2022	2021
Total number of significant cases of non-compliance with laws and regulations for which fines were imposed during the year[1]	59	26	NA
Number of fines for non-compliance with laws and regulations that occurred in the year and were paid[1]	1	0	NA
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year[1]	3	0	NA
Monetary value of fines for non-compliance with laws and regulations that occurred in the year and were paid (R$ thousand)[1]	6	0	NA
Monetary value of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year (R$ thousand)[1]	153	0	NA
Fines paid in the year, total amount (R$ thousand)	159	0	7,577
Number of non-monetary sanctions, administrative or judicial, for non-compliance with laws or regulations related to the environment.	6	11	12
Cases of arbitration and similar mechanisms (n°)	0	0	0

[1] NA: Not available. The information was not compiled in this detail.

The significant cases of non-compliance with laws and regulations for which fines were imposed in the year are mainly due to intervention in vegetation, improper disposal of waste on public roads or lack of licenses or electricity supply in environmentally restricted areas.

2.5.1 Environmental complaint procedures

We have made a complaint mechanism available to our stakeholders – the Complaints Channel, accessed on the corporate website or by calling 0800 591 0857 – which also receives denunciations about irregularities related to environmental issues. In addition, the e-mail meio.ambiente@neoenergia.com receives queries, suggestions and complaints on the subject.

3. Social

Socially responsible management

We focus our initiatives on the social dimension, on continuously improving relations and managing the expectations and needs of our different stakeholders. Our actions are grounded in respect for human rights in all our activities and in our relations with employees and the value chain.

Without sacrificing the health and safety of any employee or the employees of our partners, we strive to establish and preserve high-quality positions that are founded on the principles of equal opportunity, non-discrimination, and the development and management of internal talent. We also continually seek to improve the quality of the products and services we offer our customers, focusing on digitalization and sustainability. The solutions take into account the real needs of our clients and offer increasingly greater autonomy.

As part of our dedication to generating value for all parties involved, we support the growth of the communities in which we operate by means of a number of programs administered by our businesses, the Instituto Neoenergia, and the Corporate Social Responsibility division.

Given that we have an obligation to monitor the effects and viability of our financial obligations and commercial activities, we have included social considerations into our ESG goals for socially responsible management. Of the 30 published targets, 19 are social. The table below shows the results we achieved in 2021, 2022 and 2023 and the targets for 2025 and 2030.

ESG TARGETS

Social

	2021	2022	2023	2025	2030	Related SDGs
Women in relevant positions[4]*						
% of women in management and supervisory positions	23%	28%	31,1%	31%	35%	5 10
Women in leadership positions*						
% of women in leadership positions in the Board of Directors, Superintendence and Management positions	26%	29%	30.4%	33%	40%	5 10
Trained female electricians[5]						
% of women trained in electrician schools	15%	37%	40.3%	30%	35%	5 10
Women in electrician jobs						
% of women in electrician positions	4%	6%	8.4%	9%	12%	5 10
Racial diversity *						
% of black and brown people in executive, supervisory, management and supervisory positions	Censo	30%	30%	35%	40%	10
Corporate volunteering[6]*						
Number of volunteers (employees and companions)	2,000	3,511	3,767	3,700	4,700	2 10 13

	2021	2022	2023	2025	2030	Related SDGs
Safety (ISO 45001)[7] *						
% of own employees working on ISO 45001-certified sites	38	48	50.8%	50%	60%	3 6
Safety[8]						
Number of workplace accidents with and without time off (own staff)	0.44	0.26	0.23	≤0.43	<0.39	3 6
Training[9]						
Average number of hours spent training employees and professionals from the communities where we operate	76	89	94	67	70	4 5 8
Digital customers						
% of digital transactions / (Human transactions + Digital transactions)	NA	NA	94.1%	95.1%	95.1%	9 13
Inclusion and diversity for customer service						
Number of solutions implemented	NA	NA	13	22	NA	10
Beneficiaries of the Neoenergia Institute[10]						
Annual beneficiaries of the programs (thousand)	NA	NA	347.2	280	412	1 7 8
Quality of supply						
Equivalent duration of interruptions per consumer unit	NA	NA	9.68	9.29	8.44	1 7 9
Purchasing from local suppliers[11]						
% of invoiced purchases from local suppliers	NA	NA	99.5%	>90%	>90%	-
Purchasing from sustainable suppliers[12]						
% of relevant suppliers classified as sustainable	72%	75%	89.2%	>80%	>85%	-
Human Rights Due Diligence Procedure						
Continuous review	NA	NA	✓	✓	✓	7 11 13
Formal stakeholder engagement process						
Expand stakeholder engagement through various mechanisms and channels.	NA	NA	✓	✓	✓	7 11 13
Cybersecurity assessments[13]						
Number of annual assessments or external verifications	NA	NA	374	316	316	8 9 17
Cybersecurity training[14]						
Number of annual training hours in cybersecurity and information protection	NA	NA	12,272	11,500	13,100	4 8 9

3.1 Protecting human rights

3.1.1 Our commitment to human rights

GRI 3-3_407_408_409_410 – MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN

We have made a firm commitment, based on our Code of Ethics, to the defense of human rights and basic principles that guide our actions with a set of tools that guarantee and promote the protection and respect of people. We have implemented a Human Rights Policy, last updated in September 2023, and our practices are aligned with the universal principles of the United Nations Global Compact and the United Nations Sustainable Development Goals (SDGs). We also follow the Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Tripartite Declaration of Principles on Multinational Enterprises and Social Policy and the conventions of the International Labor Organization (including ILO Convention 169).

We have stated clearly that we will:

- Refuse child labor and forced or bonded labor and any other form of modern slavery, ensuring and promoting the elimination of these situations both in our suppliers and in their supply chain;
- Respect freedom of association and collective bargaining;
- Respect the right to move freely within the country;
- Not discriminate on the basis of any condition or characteristic;
- Respect the rights of ethnic minorities and indigenous peoples, and encourage an open dialogue that integrates different cultural frameworks in the places where we carry out our activities;
- Respect environmental rights, considering the expectations and needs of all the neighboring communities where we operate; and
- Understand access to energy as a right linked to other human rights, collaborating with public institutions to implement protection systems for vulnerable customers and service extension plans for communities that lack access to energy.

Other policies complement this commitment to human rights, which must be assumed by our employees, third-party contractors, suppliers and shareholders. These policies include all the Social, Diversity, Equity and Inclusion, Personal Data Protection and Purchasing Policies, which include our perspective on the shared responsibility with suppliers to respect human rights and our commitment to increasing the number of suppliers subject to sustainable development policies and standards.

Due diligence

The Human Rights Working Group for the Electricity and Energy Sector was established in 2023 as part of the Global Compact Brazil Network. We have been members since the Group was formed and are part of its Management Committee, taking on the commitment to lead the discussion around good practices that promote respect for human rights, the importance of due diligence, and a legal framework to regulate the social responsibility of companies and their supply chain on the agenda. These are the products of the 2023 Working Group, with our active contributions:

- Questionnaire on respect for human rights for WG member companies to map opportunities and challenges in the electricity/energy sector in relation to the business and human rights agenda;
- Training on Human Rights Due Diligence (HRDD);
- Technical Note on Bill 572/2022, which creates the national framework on Human Rights and Business and establishes guidelines for the promotion of public policies on the subject;
- Practical Guide on HRDD;
- Awareness-raising toolkit on HRDD.

Internally, we have also organized a Working Group (Social WG) bringing together the top leadership of the Renewables businesses and corporate areas to work on the fair energy transition agenda linked to the promotion of human rights in the communities surrounding the assets. The WG is executive in nature, based on an Action Plan to review and improve processes in this direction.

GRI 407-1, 408-1, 409-1 | SDG 5.2, 8.7, 8.8, 16.2

The Iberdrola Group regularly surveys human rights risks in partnership with outside and independent experts for all the companies that make up the Group, including Neoenergia. In this process, it has defined human rights expectations for our various stakeholders: employees, suppliers and investment partners, from whom we demand strict respect for the human and labor rights recognized in national and international legislation within the scope of their activities.

According to the results of Iberdrola's Human Rights Risk Map 2023, our operations are in jeopardy in the following areas: working conditions, environmental impact, land and property, and the rights of indigenous peoples and young workers. We addressed each of the hazards that were discovered in 2023 in order to lessen their effects. The initiatives are detailed in the Commitment to quality employment, Population displacement management, Local community development programs and Environment sections.

To better understand Neoenergia's possible human rights risks and improve how they are managed, the Corporate Social Responsibility Area initiated a study of the threats for the Electricity and Power Generation Sector in Brazil, with the assistance of outside consultants.

3.1.1.1 The human rights due diligence system

Our Human Rights Due Diligence System (HRDD), which is tailored to the scale of the business and the variety and uniqueness of the facilities in the many locations where we operate, aims to apply the United Nations (UN) Guiding Principles on Business and Human Rights. In 2023, we set out to continuously review the methodology of this due diligence in order to ensure constant improvement, establishing this commitment as an ESG target approved by the Board of Directors.

Our Corporate Social Responsibility department was created in 2022 featuring a transformational agenda aimed at raising awareness among internal and external audiences through strategies and actions that adhere to the issues of human rights, social impact, relations with interest groups and private social investment, among others. It is a strategic area that guides business procedures toward human rights due diligence practices.

a. Complaints and grievance mechanisms

We operate a range of channels of communication with our stakeholders – such as project-specific Service Channels – so that affected communities can contact us directly and submit their concerns, complaints or claims related to the impacts caused by the business, by employees, suppliers or any other stakeholders.

Our Complaints Channel also is open to all stakeholders. It can be used to receive human rights complaints and grievances. These aspects are detailed in section 4.4.3 Monitoring and follow-up of complaints.

3.1.2 Key human rights issues relevant to our stakeholders

The following are examples of how we deal with specific human rights issues that are relevant to our stakeholders.

a. Related to labor practices

GRI 3-3_406 – MATERIAL TOPIC: DIVERSITY, EQUALITY AND INCLUSION

Non-discrimination is an especially relevant issue for employees in this particular. The principles of non-discrimination and equal opportunities are included both in the Code of Ethics and in policies and

procedures (People Management Policy, Selection and Hiring Policy and Diversity, Equity and Inclusion Policy, etc.). All these documents reinforce that we reject any discrimination based on gender, gender identity, age, origin, race, color, language, religion, political opinion, social status, belonging to an indigenous community, disability, health, marital status, pregnancy, sexual orientation or any other condition of the person that is not related to the requirements to perform their job.

We develop specific plans and procedures to ensure that the most relevant challenges are covered (avoiding discrimination against any type of group, harassment, etc.). Our employees can report behavior that could lead to discrimination in the workplace through the Complaints Channel, their respective headquarters or the People and Organization area. Information contained in the complaint forms is widely and regularly disseminated via Internal Communication.

COMPLAINTS ABOUT INCIDENTS OF DISCRIMINATION (N°)

GRI 406-1 | SDG 5.1, 8.8

	2023	2022	2021
Discrimination complaints received	87	12	3
Discrimination incidents analyzed [1, 2]	47	12	3
Closed discrimination incidents	41	7	3
Incidents with corrective measures applied	2	4	ND
Incidents with corrective measures in progress	0	5	ND

[1] In 2023, we received 87 complaints about discrimination and harassment through the Complaints Channel. Of the total, 12 were closed as "unfounded"; 2 were closed as "founded"; 3 were closed as "partially founded"; 41 were closed for "insufficient data"; and 29 remained under analysis at the end of the year. Of the complaints closed as "well-founded," disciplinary measures were recommended for 2).

[2] The higher volume of complaints is due to constant training and awareness-raising related to human rights and diversity, which increases employees' perception of the issue. In addition, we also had training related to the complaints channel itself, encouraging its use.

The Compliance area receives complaints anonymously through a channel managed by an outsourced company, and the People and Organization area is responsible for taking the appropriate disciplinary measures in cases of proven complaints. Employees are trained to understand that reporting inappropriate behavior is required and that there are channels for communicating about this throughout the year.

b. Related to impacts on local communities, the rights of indigenous peoples and traditional communities

GRI 411-1 | SDG 2.3

Our Code of Ethics and our corporate policies (especially the Respect for Human Rights Policy) state that Neoenergia and all our employees are committed to respecting ethnic minorities and the internationally recognized rights of native and traditional peoples. This is how we abide with the laws and regulations set out in the International Labor Organization (ILO) Convention 169.

We operate in areas inhabited by indigenous peoples and traditional communities, and we respect the many cultural identities, customs, and natural resources that protect these populations and allow for their continued existence on a physical and cultural level. We have developed communication channels with these communities and their representatives, with the assistance of the government, to deliver information about projects with due transparency and integrity. However, sometimes direct or indirect effects on these populations can occur at some facilities, which is why ethical practices are fostered. The aim is to prevent conflicts and deliver mutual benefit, which, in the long term, is the basis of social value.

Below, we highlight the facilities where we have proximity to indigenous communities, with which we have positive and negative issues.

Facility	Indigenous communities
Águas Belas, em Águas Belas substation, Pernambuco	Fulni-ó
Neoenergia Coelba network in the municipality of Banzaê, Bahia	Kiriris, Tuxá and Truká
LD 138kV Manoel da Nóbrega – Mongaguá, in Praia Grande, São Paulo	Guarani
HPP Dardanelos	Cinta Larga, Araras

Neoenergia Coelba is a party to three ongoing lawsuits for compensation for the use of the easement strip for electricity grids on the lands of the Kiriris, Tuxá and Truká indigenous communities. The cases involving the Kiriris and Tuxá communities have already been adjudicated and are at the appeal stage. The case concerning the Truká community is awaiting judgment. There were no additional conversations on the subject in 2023.

The distribution company Neoenergia Pernambuco has an agreement with the Fulni-ô Indigenous Community for the permanence of the substation and transmission and distribution lines installed within the area of the Indigenous Territory located in the municipality of Águas Belas, in the state of Pernambuco township of Sítio Lagoa Seca. The agreement stems from the Agreement that the Distributor signed in 1987 with Funai regulating the authorization granted to the Distributor by Federal Decree 92.376 of 6 February 1986 to install this substation and transmission and distribution lines. These agreements are renewed every 5 years. The latest is valid until September 2024.

The Águas da Pedra generator, HPP Dardanelos, has filed a public civil suit over aspects related to the indigenous component that had not been included in the project's EIA-Rima document. The case is currently being examined and no judgment has been handed down.

The installation of a distribution line (LD 138 kV) in Manoel da Nóbrega in the municipality of Praia Grande (SP) is a Neoenergia Elektro success story. The distributor worked with the indigenous population to develop the land regularization through a participatory process that adhered to the norms of ILO Convention 169, which calls for open, prior and informed consent. More information on this project is presented below, under initiatives with indigenous communities.

c. Projects with indigenous and traditional communities

GRI 203-1 |SDG 5.4, 9.1, 9.4, 11.2

Programs for local development, professional training, income generation, infrastructure and the revival of traditions and cultures are developed by Neoenergia in *quilombola* and indigenous communities and with traditional fishermen, livestockers and island communities located in its areas of operation.

Quilombolas

Renewable generation and transmission

Courses have been developed on a range of subjects within the framework of the Pitombeira Quilombola Remnant Community (CRQ) and the Quilombola Basic Environmental Plan (PBAQ) of the Pitombeira Quilombola Remnant Community (CRQ), including: crafts made from carnauba straw; medicinal plants and/or Unconventional Food Plants (Pancs); workshops on women's health and rights; and the area of influence of the Luzia Photovoltaic Plant. Additionally, work is underway on an audiovisual documentary on local history that will include the political, cultural, and identity facets that the people of the CRQ represent.

The headquarters of the Pitombeira Community Association was also revitalized in the same region, benefiting 68 resident families. The renovation project also included a strategy to strengthen the community's economy, with the construction of a production storage shed next to the association's headquarters.

Improvements to the community's headquarters as well as events like accordion and capoeira classes were planned as part of the CRQ Sumidouro Quilombola Basic Environmental Plan in Dom Inocêncio (PI) near the Oitis Wind Complex. The actions support the strengthening of the community organization by recognizing traditional cultural traditions and cultivating existing potential.

The community also benefited from infrastructure works to support animal husbandry and water access technologies. Two pens and a metal shed were built to store and maintain agricultural machinery. In addition, a water supply system powered by photovoltaic energy was installed, directly benefiting 52 people who now have this resource in their homes. Indirectly, the entire community of some 168 people was helped.

For its part, the Cruz da Menina community in the municipality of Dona Inês (PB), a region transited by the Potiguar Sul transmission line, was also involved in the SER Program – Health, Education and Income. It represents an initiative we developed in partnership with the Local Economic Development Agency (Adel) (the program's executor) through a social sub credit from the BNDES for transmission projects and wind farms. In the field of Health, 40 hours of training were offered to beneficiary families focusing on access to and management of water resources Use of the deep well in the Cruz da Menina community for access to drinking water for rural families also was monitored.

An educational initiative in Cruz da Menina is the Quilombola Cultural Center. Together with shared space management, it has delivered a good venue with the necessary administrative and physical circumstances for a variety of community events. Quilombola women also received 32 hours of training, including assistance with planning and coordinating cultural activities and the commemoration of Black Awareness Day. Some 36 hours of managerial and technical support were provided to three family-run businesses regarding application of water security methods and technology.

Over the years, the SER Program associated with the Potiguar Sul transmission line has had a positive impact on 23 families in the Cruz da Menina community, promoting access to and responsible management of water resources. It has also made a significant contribution to the construction, management and operation of a cultural space, as well as monitoring and developing 30 family businesses, strengthening the promotion of quilombola culture in the region.

Energy efficiency and safety

The communities of Barrinha, in Bom Jesus da Lapa, and Barrocas, in Vitória da Conquista, Bahia took part in consultations and lectures on energy safety and economies. The energy efficiency action also benefited Neoenergia Elektro's area of operation in São Paulo, in the communities of Registro, Itanhaém, Ubatuba, Peruíbe, Pariquera-Açu, Mongaguá, Cajati, Iporanga, Piquete, Itaporanga and Eldorado. In Neoenergia de Pernambuco's area, safety initiatives concerning the electricity grid were implemented in community schools to reduce the risk of accidents in the region in the Conceição das Crioulas, Salgueiro, and Sítio Pau Ferro, Pesqueira communities.

Indigenous

A socio-environmental diagnosis was carried out by Neoenergia Pernambuco to portray the situation of indigenous populations in various municipalities in Pernambuco. The goal was to devise solutions and projects to improve the living standards in these communities involving the quality of the energy supply, social actions and energy recovery based on the characteristics each area served. The development of solutions likewise involves establishing a dialog with indigenous leaders with the support of the National Foundation for Indigenous Peoples (FUNAI), as well as public authorities.

Linked to the results of the diagnosis, solutions were implemented in seven Indigenous Lands in the cities of Buíque, Cabrobó, Orocó, Pesqueira, Ibimirim, Floresta, Inajá, Santa Maria da Boa Vista and Carnaubeira da Penha (PE). New customers were hooked-up and network maintenance and reinforcement, pruning, Social Tariff registration, energy efficiency actions, among others, were initiated.

The Xukuru Ororubá and Xukuru Cimbres indigenous communities in Pesqueira participated in a mobile commercial service project run by Neoenergia Pernambuco's Customer Service Department's specialist community section. The action was also directed at the Kambiwá indigenous communities in Ibimirim (PE), and was mainly aimed at ensuring registration for the Social Electricity Tariff. The benefit for indigenous clients offers up to 100% discount on energy bills.

In the municipality of Praia Grande (SP), the Indigenous Component of the Basic Environmental Plan (CI-PBA) for the Guarani community living on the Tekoá Mirim Indigenous Land is currently being drawn up. Prior to the preparation and execution of the CI-PBA, Neoenergia Elektro donated a 278-hectare plot of land to the community. The idea is to meet the obligations and conditions for mitigating interference in this TL. Furthermore, some R$ 344,000 was earmarked for the physical structuring of the new village along with subsidizing the construction of the house of prayer and the adaptation of the water collection system, among other improvements.

Small-scale fishermen

Through the Energy Efficiency Program (see item 3.6.1.3, Energy Efficiency), Neoenergia Pernambuco has developed programs for the Ilha de Deus artisanal fishing community in Recife (PE) renowned for its shellfish cultivation. The project is aimed at generating income, regularizing consumer units and paying off debt. In partnership with the NGO União BR, a socio-economic survey of the community was conducted. The data obtained made it possible to map out various initiatives for the residents. There were also swaps of inefficient light bulbs for LEDs for regular consumers, lectures on the efficient and safe use of energy, professional training courses and a gymkhana to promote mobilization, education and citizenship actions.

The populace was also educated on the need to protect the environment, to keep the workplace clean (river, cooking and storage area), to dispose of waste in the appropriate places, and to recycle solid waste. To this end, the Vale Luz project is being launched, granting credit on energy bills to all consumers who deliver their waste clean and separated by type, reducing the light bill and making it possible to invest in other fields, such as health and education.

Pasture and island bottoms and closures

Energy efficiency initiatives are also being run in the Xique-Xique family herder/pasturing community in Remanso (BA), and in the island communities of Morro de São Paulo (BA) and Gamboa, in Cairu (BA). These peoples make communal use of the land with family farming and maintain traditions inherited from their ancestors. The insular communities are located on islands. In the Xique-Xique community, 1,210 light bulbs were changed for the benefit of 242 customers.

The community was chosen because it was involved in an R&D project for a Microrrede, a centralized solar energy system with batteries and a distribution network, which is an alternative for meeting the regulatory obligations of the Luz Para Todos (Light For All – LPT) universalization program, with proposals for improvements from a technical and regulatory point of view for isolated communities. Microrrede benefits 113 consumer units in the interior of Bahia's hinterland (see more in item 3.4.1- R&D, innovation and digital transformation projects). A pioneer in the Northeast, the energy solution brings innovation and provides well-being for everyone in the region, as well as being the first 100% sustainable solution in the country.

The action in Morro de São Paulo (BA) and nearby islands was carried out in partnership with the Cairu City Council (BA) to serve customers through the development of recreational-educational activities, changing light bulbs, collecting recyclable waste and rendering commercial services. Some 62 clients were assisted, 310 inefficient light bulbs swapped for LEDs, more than 71 kilos of recyclable waste collected, with the participation of 519 students.

d. Human rights training for employees

In order to strengthen the commitment to respect human rights, various training initiatives have been run designed to inform and train all employees in risk prevention in operations, mitigation and remediation in the event of any human rights violations, as well as actions to encourage knowledge and understanding of the Code of Ethics.

EMPLOYEE TRAINING IN HUMAN RIGHTS (HOURS)
PG1

	2023	2022	2021
Total hours	301,698	281,636	291,817

Furthermore, we serve as an agent for human rights compliance inside our supplier chain, having created an awareness-building program focused on suppliers.

e. Labor practices when hiring security services

We contract security services in accordance with the Procurement Policy, the model and the procurement procedures in force.

Both in terms of physical security, resources, training and cybersecurity, as well as assessing their performance throughout the duration of their contract, the Corporate Security Department is in charge of establishing the technical requirements and standards that these suppliers must satisfy in order to be contracted. Every year, this research is conducted to discover areas that might require improvement.

Our staff, both in-house and subcontracted, are trained in their duties and bolster their knowledge base through a rigorous learning plan, which involves continuous assessment and monitoring. In addition to labor practices, we use the following requirements when contracting security services:

- Selection policies;
- Training policies and compliance with legislation (Law No. 7.102);
- Administrative and labor policies and processes, which guarantee our exemption from costs for improper practices;
- It is desirable for companies to be certified with ISO-type quality processes;
- It is desirable that companies have a compliance program;
- It is desirable for companies to adopt ESG best practices, including human rights.

SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS
GRI 410-1 | SDG 16.1

	2023	2022	2021
Employees			
Total number	36	35	30
Trained in human rights (no.)	36	34	25
Trained in human rights (%)	100.0%	97.1%	83.3%
Third-party contractees			
Total number	502	605	443
Trained in human rights (no.)	502	605	443
Trained in human rights (%)	100.0%	100.0%	100.0%

3.2 Participation of stakeholders

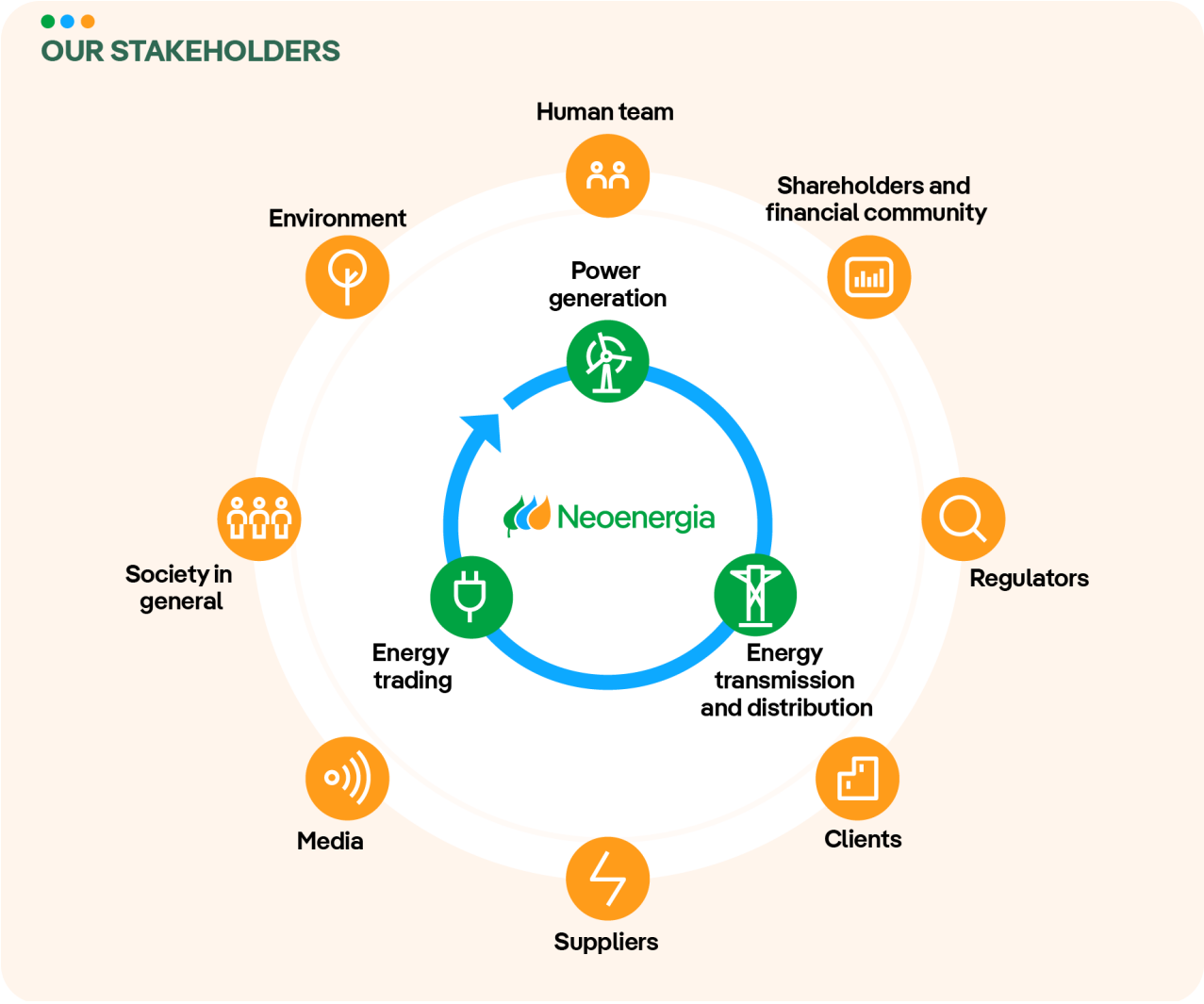
3.2.1 Our stakeholder groups

GRI 2-29

We have developed a responsible and sustainable business model that puts stakeholders at the heart of our strategy. The aim is to build relationships of trust with the different groups and to deepen their involvement and collaboration. We consider this involvement essential if we are to achieve our social objective and develop a responsible and sustainable business model.

This requirement is stated in our policy on stakeholder relations. The identification and selection of entities and groups that both impact and are influenced by our actions through their decisions and views has been made possible by internal reflection processes. The configuration of these groups is updated whenever necessary.

The company's Bylaws, Purpose and Values and the various corporate policies express our orientation towards creating sustainable value for our stakeholders. These groupings are relatively numerous due to the value chain that our firms have built, thus they have been divided into eight distinct categories:



Our Stakeholder Relations Policy establishes the general framework for these relations in all activities and operations, with the aim of:

- Continuing to promote the involvement of stakeholders in our business project, through a strategy of strong involvement with the communities in which we operate and the creation of sustainable value shared by all;
- Continuing to respond to the legitimate interests of the stakeholders with whom we interact;
- Continuing to build trust between stakeholders in order to build long-lasting, stable and robust relationships;
- Encouraging recognition by all our stakeholders of our commitment to diversity in a broad sense and, in particular, in all that concerns the professional development of our members; and
- Contributing to the whole and preserving the corporate reputation of the different locations and businesses in which we carry out our activities.

We also assume and promote solid principles for engaging and establishing relationships of trust. These principles are shared by all our employees and govern our daily relations with stakeholders:

Responsibility – Acting responsibly and building relationships based on ethics, integrity, sustainable development and respect for human rights and the communities impacted by our different activities;

Transparency – Ensuring transparency in relationships and in financial and non-financial communication, sharing truthful, relevant, complete, clear and useful information;

Active listening – Practicing active listening, promoting effective two-way communication and direct, fluid, constructive, diverse, inclusive and intercultural dialog;

Participation and involvement – Encouraging the participation and involvement of stakeholders in all our activities, promoting voluntary consultation processes or similar channels of interaction, in application of current legislation, especially with regard to the planning, construction, operation and decommissioning of our energy projects;

Consensus – Working with a consensus orientation with interest groups, especially local communities and indigenous peoples, considering their points of view and expectations;

Collaboration – Encouraging collaboration with stakeholders in order to contribute to the fulfillment of Neoenergia's corporate purpose and values and the achievement of the Sustainable Development Goals;

Continuous improvement – Seek uninterrupted improvement, periodically reviewing the mechanisms for relations with stakeholders to ensure that they correspond as efficiently as possible to the needs of each moment.

3.2.1.1 Prioritizing stakeholder participation

GRI 2-29

We use the worldwide Iberdrola Group model based on the AA1000 Stakeholder Engagement Standard (AA1000AP, 2018 – Accountability Principles) to adhere to our stakeholder relations policy and its four principles: inclusion, materiality, responsiveness and impact.

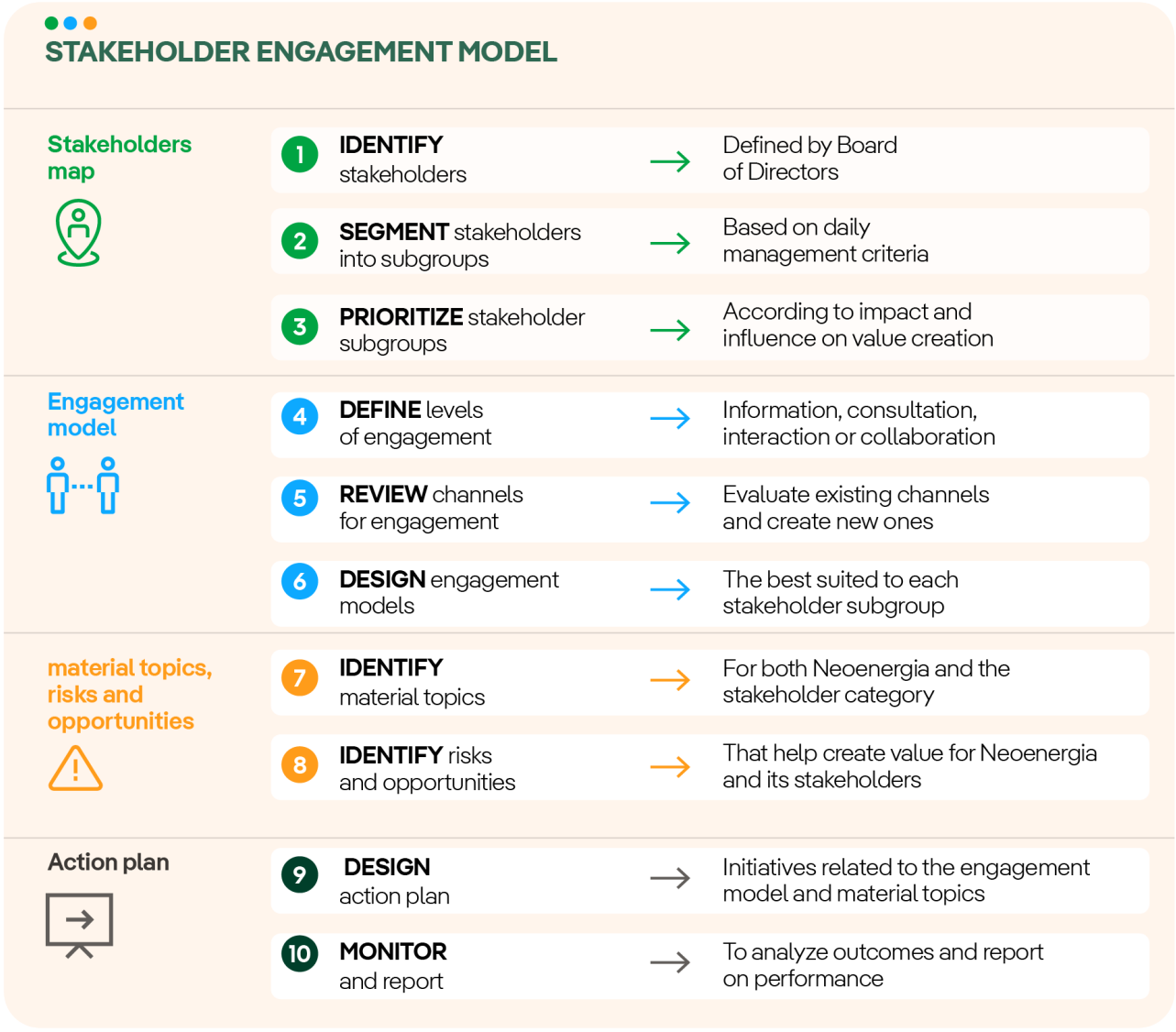
Among other objectives, this model seeks to systematize relations with stakeholders in all Iberdrola Group countries and companies, including Neoenergia; and to create a corporate culture about the relevance of dialog with stakeholders for more sustainable company performance.

This process is implemented through a shared system involving the management of our stakeholders in the different geographical zones of the Renewables, Networks and Liberalized businesses and in the various corporate areas.

Through the tool, the different sectors and businesses also identify various sub-groups of interest that they consider relevant for more specific treatment. It also identifies the relevant topics, channels – telephone,

e-mail, meetings, events, social networks and so forth – and levels of engagement: consultation, information, interaction and collaboration. Furthermore, each relationship built with the sub-groups is identified as a risk and/or opportunity, with action plans for managing the risk and enhancing the mapped opportunities.

The model itself is a continuous improvement process based on ten phases:



3.2.1.2 Relationship channels, material topics and good practices

GRI 2-29

We constantly update our relationship channels with our stakeholders and seek to identify the most relevant issues for each of them, working to create shared value. We identify the most material topics for each group, which are dealt with through established dialog channels.

STAKEHOLDERS, MATERIAL TOPICS AND CHANNELS GRI 2-29

Stakeholders Main representatives or interlocutors	Most material topics	Dialogue channels
Human team Own employees, Third-party contractors, Trade unions	Social benefits (management of pension plans); Occupational health and safety; Attracting, developing and retaining talent; Volunteering and Ethics, integrity and transparency	E-mail | Telephone | Social Networks and Blogs | Assemblies, meetings and interviews | Apps and chats
Shareholders and financial community Shareholders, financial institutions	Economic and financial performance; Shares and dividends; Present and future of the sector	Reports | Assemblies, meetings and interviews | E-mail | Conferences, events and forums | Telephone
Regulators Aneel, governments (federal, state and municipal)	Sector regulation; Regulation of the remuneration of regulated companies in regulated businesses; Regulation of energy markets; Present and future of the sector (Energy Transition)	Telephone | Assemblies, meetings and interviews | E-mail | Conferences, events and forums | Letters
Clients Consumer Council, Procon, Ombudsman	Client satisfaction and experience	In-person channels (stores and accredited parties) | Telephone | Apps and chats | Website | Complaint Channel
Suppliers Companies supplying materials and services	Sustainability of the supply chain; Procurement conditions, contracts and payments; Supplier traction; Strategy and investments; Economic and financial performance	Campaigns (commercials, traction, advertising, awareness) | Telephone | Specific portal on corporate website | E-mail | Assemblies, meetings and interviews
Media Newspapers, TV, radio, social media	Quality of supply; Electricity bills and prices; Public safety of local communities; Economic and financial performance; Shares and dividends.	Press releases | Social networks and blogs | Website | Specific landing page on corporate website | Other channels
Society in general Sector and community associations, institutes, NGOs, consumer councils, Procon	Support for vulnerable groups; Actions related to culture and sport; Actions related to education; Neoenergia's role in the development of local communities; Vulnerable customers	E-mail | Assemblies, meetings and interviews | Telephone | Apps and chats | Social networks and blogs
Environment Institutes, environmental bodies, NGOs	Climate change and decarbonization; ESG performance; Green/social finance; Present and future of the sector; Actions related to the SDGs	Assemblies, meetings and interviews | E-mail | Website | Telephone | Work groups

Good practices are also identified and shared in a global working group which includes managers from all Iberdrola's stakeholders and businesses, at both corporate and country levels. The working group organizes an annual meeting on good practices: the Iberdrola Stakeholders' Hub, coordinated by Iberdrola's Global Stakeholders, Human Rights and Reputation Board.

In 2023, the online event featured representatives from the group's five main countries – Brazil, the United States, the United Kingdom, Mexico and Spain – discussing stakeholder engagement and sharing their experiences and best practices. We took the opportunity to share two good practices we have developed:

1) Regularization of indigenous land, study of the Indigenous Component and the Basic Environmental Plan (PBA) of the Indigenous Component (under development) of the Tekoá Mirim Guarani community, located in the municipality of Praia Grande (SP). It was developed using joint participation methodology with the indigenous people and associations that represent them throughout the process, ensuring the Free, Prior and Informed Consent of the community. The PBA will include the Environmental and Territorial Management Plan, the Social Communication Program and the Land Regularization Program. As part of the latter, the donation of a 278-hectare area was made in advance, and the land is currently being regularized by a land notary office, to benefit 17 families and a population of approximately 51 people. Prior to the approval of the PBA, financial support was provided in the form of emergency action to subsidize the physical structuring of the new village (construction of residences, a ritual house, a security structure, water collection, and solar energy).

2) Microgrid in Remanso, an R&D project that implemented the first microgrid with a 100% renewable source in Brazil. It guarantees clean and continuous energy through 100% solar generation with energy storage by batteries in the Xique-Xique community in the municipality of Remanso in the Bahian hinterland, considered a traditional pasturing community. The microgrid system is an alternative solution to enable energy supply in isolated communities, where the expansion of transmission and distribution networks can be complex due to their geographical, environmental and structural conditions, contributing to the process of universalization of energy. There was broad community participation in the development of the project.

The lessons learned from both actions were that active listening is the most important stage in any engagement initiative.

3.3 Commitment to quality employment

3.3.1 Commitment to jobs

3.3.1.1 Policies and commitments

GRI 3-3 – MATERIAL TOPICS: DIVERSITY, EQUALITY AND INCLUSION | HEALTH AND SAFETY

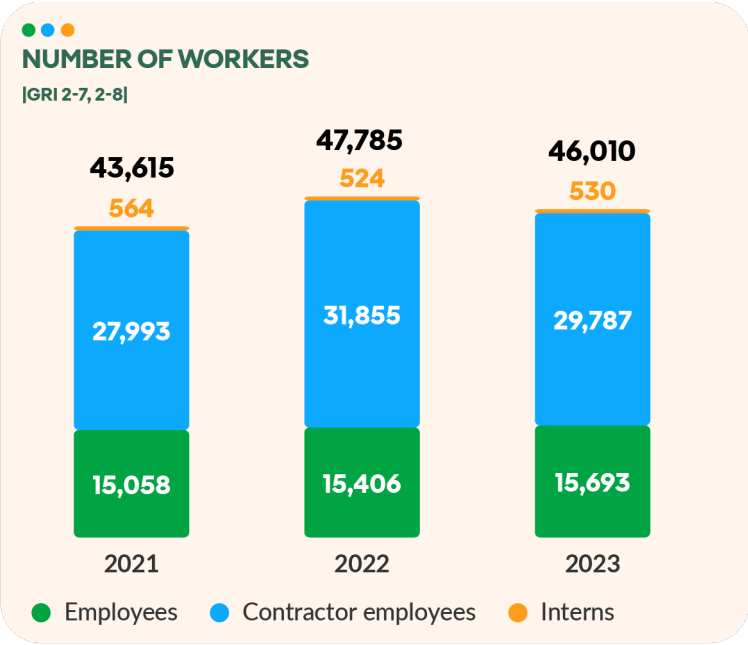
We have adopted a Personnel Management Policy that defines how we attract, develop and retain talented professionals. Our aim is to foster the physical, mental and emotional well-being of our teams through their personal and career growth. In this way, we ensure that people participate in our project for business success, guaranteeing a dignified and stable workplace in a diverse and inclusive environment. The policy was last updated in September 2023 and is broken down into other policies updated on the same date:

- Human Rights Respect Policy
- Diversity, Equality and Inclusion Policy
- Selection and Hiring Policy
- Knowledge Management Policy
- Internal Health and Safety Policy

3.3.1.2 Objectives

Among the general principles that we adopt and encourage is the design of an individualized job offer, which favors the selection, hiring, promotion and retention of talent. This consists of competitive compensation and a diverse and inclusive work environment, which facilitates the reconciliation of personal and professional lives and promotes the career growth of employees.

Other objectives include: consolidating a corporate culture; integrating employees and areas; defining a recruitment model; adopting an integrated training and education management system; and making employees aware of diversity.



3.3.1.3 Our personnel

At the end of 2023, we had 15,693 employees, of whom around 63% worked in the states of the Northeast Region of Brazil, and 530 trainees. A further 29,787 people worked with us as outsourced contractors,

mainly performing field services at the group's distribution and transmission companies. The duties performed by these workers include construction, maintenance and operation, including security services. GRI 2-7, 2-8 | SDG 8.5, 10.3

EMPLOYEES BY REGION (NO.)

GRI 2-7 | SDG 8.5, 10.3

	2023	2022	2021
Northeast	9,844	9,983	9,830
Southeast	4,787	4,468	4,338
Center-West	1,044	938	875
North	0	0	0
South	18	17	15
Total	**15,693**	**15,406**	**15,058**

The percentage of directors hired from the local community corresponds to 100% of the total Executive Board. GRI 202-2

EMPLOYEES BY TYPE OF EMPLOYMENT, CONTRACT AND GENDER (No.)

GRI 2-7 | SDG 8.5, 10.3

	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Type of employment									
Full time	12,147	2,991	15,138	12,053	2,777	14,830	11,481	2,501	13,982
Part time	342	213	555	396	180	576	873	203	1,076
Type of Contract									
Undefined	12,489	3,204	15,693	12,447	2,957	15,404	12,343	2,702	15,045
Temporary	0	0	0	2	0	2	11	2	13
Total	**12,489**	**3,204**	**15,693**	**12,449**	**2,957**	**15,406**	**12,354**	**2,704**	**15,058**

EMPLOYEES BY GENDER AND PROFESSIONAL CATEGORY1

GRI 405-1 |SDG 5.1, 5.5, 8,5| PG 6

	Men			Women		
	2023	2022	2021	2023	2022	2021
Direct leadership (no.)	296	289	286	129	117	102
Intermediate controls and qualified technicians (no.)	2,062	2,027	1,869	1,468	1,454	1,301
Professionals and support teams (no.)	10,131	10,133	10,199	1,607	1,386	1,301
Total (no.)	**12,489**	**12,449**	**12,354**	**3,204**	**2,957**	**2,704**
Direct leadership (no.)	1.9%	1.9%	1.9%	0.8%	0.8%	0.7%
Intermediate controls and qualified technicians (no.)	13.1%	13.2%	12.4%	9.4%	9.4%	8.6%
Professionals and support teams (no.)	64.6%	65.8%	67.7%	10.2%	9.0%	8.6%
Total (%)	**79.6%**	**80,8%**	**82.0%**	**20,4%**	**19,2%**	**18,0%**

[1] Direct leadership: directors, superintendents and managers; Intermediate controls and qualified technicians: managers, specialists and analysts; Professionals and support staff: administrative, technical and operational personnel.

EMPLOYEES BY GENDER AND AGE GROUP

GRI 405-1 |SDG 5.1, 5.5, 8,5| PG 6

	Men			Women		
	2023	2022	2021	2023	2022	2021
Up to 30 years old (no.)	2,744	2,923	3,155	997	961	866
Between 31 and 50 years old (no.)	9,008	8,775	8,435	2,058	1,864	1,706
Over 50 (no.)	737	751	764	149	132	132
Total (no)	**12,489**	**12,449**	**12,354**	**3,204**	**2,957**	**12,489**
Up to 30 years old (%)	17.5%	19.0%	21.0%	6.4%	6.2%	5.8%
Between 31 and 50 years old (%)	57.4%	57.0%	56.0%	13.1%	12.1%	11.3%
Over 50 years old (%)	4.7%	4.9%	5.1%	0.9%	0.9%	0.9%
Total (%)	**79.6%**	**80.8%**	**82.0%**	**20.4%**	**19.2%**	**18.0%**

EMPLOYEES BY GENDER AND LEADERSHIP CATEGORY1

GRI 405-1 |SDG 5.1, 5.5, 8,5| PG 6

	Men			Women		
	2023	2022	2021	2023	2022	2021
Senior leadership (no.)	82	81	83	37	32	25
Middle leadership (no.)	214	208	203	92	85	77
Total (no)	**296**	**289**	**286**	**129**	**117**	**102**
Senior leadership (%)	19.3	20.0	21.4	8.7	7.9	6.4
Middle leadership (%)	50.4	51.2	52.3	21.6	20.9	19.8
Total (%)	**70**	**71**	**74**	**30**	**29**	**26**

[1] For 2021 and 2022, the following were considered: Senior leadership (directors – without CEO) and superintendents; Middle leadership (managers). For 2023, the following were considered: Senior leadership (directors, superintendents and specialists III) and Middle leadership (managers and specialists II).

DISABLED EMPLOYEES (No.) BY GENDER

GRI 405-1 |SDG 5.1, 5.5, 8,5| PG 6

	2023	2022	2021
Men	345	334	338
Women	202	192	185
Total	**547**	**526**	**523**

3.3.2 A stable work environment

3.3.2.1 Recruitment and selection: new hires

GRI 3-3_ 202, 401 – MATERIAL TOPIC TO MONITOR: PERSONNEL MANAGEMENT AND DEVELOPMENT

Our premise is to offer career opportunities, developing internal talent or seeking out the best professionals externally, in order to strengthen the skills needed for business sustainability. And in order to keep up with the evolution of the new energy market, we have had to look for new profiles, new skills and new digital tools, thus streamlining our processes and ensuring hiring quality and assertiveness.

During the year, we recruited more than 1,400 people, including our internalization project (more information below), as well as a new sales team for the Liberalized business, new technology profiles and attracting new skills to the company, not including apprentices and interns.

In 2023, we began monitoring and tracking recruitment and selection indicators to help prepare action and decision-making strategies based on data for continuous process improvement and stronger assertiveness. In order to give internal and external consumers the best service possible, we also applied a satisfaction survey designed to quantify our deficiencies while highlighting the strengths that were reported.

To combine speed, dynamism and traceability within a single platform, we deployed Workday, a tailored worldwide system for controlling the hiring and selection procedures. Around 30% of the activities that used to be carried out manually were automated, thus giving the recruitment team and leadership greater autonomy. At the same time, real-time monitoring of the selection process was introduced.

We also repositioned our employer brand, used employee testimonials and videos to reinforce our work environment and culture, and invested in clearer, more objective language targeted at specific audiences in 2023 to update the content of our internal publications and career pages.

We revised the selection process rules, adjusting the criteria for internal recruitment and the general rules on eligibility and internal and external recruitment. These were disseminated to employees through the Internal Communication channels. One of the main premises is to value professional growth, with priority for internal recruitment. All vacancies are advertised weekly, via email marketing, to encourage a global search and interest in opportunities. In 2023, 19% of vacancies were filled by internal staff, with more than 50% in leadership roles (manager, superintendent and director or equivalent positions).

External talent

The search for outside talent takes place when there is no in-house possibility of filling the vacancy. To do this, we try to attract people by promoting our employer brand as a company that values diversity, equity and inclusion. In 2023, we reinforced the pursuit of gender equality and defined, for example, that we should train at least 25% women per class in our Electrician Schools and guarantee an increase in female participation in electrician and leadership positions. We also created a talent bank for people with disabilities and carried out Refer-a-Friend campaigns to boost the hiring of minority groups.

The integration of a new employee into our environment is also the focus of a training program we call New Employee Integration, in which there is access to information and practices which facilitates and speed up the adaptation and acculturation process. The six-hour training program, which is conducted synchronously online once a month, unites new hires from all Neoenergia member organizations and fosters diversity while fortifying the network of contacts. The fact that this moment is being presented by staff members from several departments adds even more value because it guarantees that the subject will be covered in sufficient detail and that experts in each field will personally respond to all inquiries.

Internalizing

In 2017, we implemented a procedure to internalize field personnel from the distributors in order to enhance occupational safety management and customer service, elevating the bar, quality, and efficiency of operations. Since then, the company's employment has grown by almost 6,000 employees.

Throughout the initial four years, the focus was mostly on projects, on-call work, and the examination and management of urban vegetation (pruning). We hired 736 experts in 2022 and 2023 to internalize the live subtransmission line's maintenance and commercial technical services. At the end of the internalization process in 2024, 50 individuals will be employed for the vacation cover teams. An additional 296 automobiles were acquired to facilitate the recruiting of personnel at Neoenergia Elektro, Neoenergia Brasília, Neoenergia Coelba, and Neoenergia Cosern.

These hirings partly explain the growth in the workforce, with a similar movement occurring in third-party teams related to wind farm construction work and transmission lines and substations. Among the professionals hired are those trained by the Electricians' School, an initiative created by Neoenergia to boost training in the concession areas and offer job opportunities to local residents. In 2023, 824

electricians, 492 men and 332 women, completed the course at the schools in Bahia, Pernambuco, Rio Grande do Norte, São Paulo and Brasília, of which 799 were hired, 32.0% of them women.

Internship programs

We run a number of initiatives aimed at hiring professionals who identify with our challenges. One example is the Internship Program, which is 100% online and attracted more than 14,000 applicants in the 2023 selection process, out of which 100 participants were finally chosen. Candidates passed online tests, a behavioral assessment in a game format, and a business panel focused on innovation and digital solutions to improve consumers' lives. This phase was supported by a digital platform featuring recreational activities. Subsequently, interviews were scheduled with managers. We set affirmative hiring targets for race and gender; the focus was on creating a diverse pipeline. Fifty percent of the hires were black and 50% were women.

An important gateway into the group, the Internship Program makes it possible to disseminate our culture right from the start of one's career. For this reason, we work hard to maintain a disciplined approach to talent development, promoting activism and creating internal opportunities. The duration varies from one to two years. At the end of 2023, there were 530 interns on our staff, including higher education and technical students. During the year, 138 interns were hired for permanent positions.

EMPLOYEES ELIGIBLE FOR RETIREMENT BY CATEGORY PROFISSIONAL

GRI EU15 |SDG 8.5| PG6

	In the next 5 years (%)			In the next 10 years (%)		
	2023	2022	2021	2023	2022	2021
Total by category (n°)	**218**	**197**	**156**	**531**	**541**	**386**
Direct leadership	25	24	22	51	48	27
Intermediate controls and qualified technicians	81	70	50	179	176	120
Professionals and support teams	112	103	84	301	317	239
Total by category (%) 1	**1.4%**	**1.3%**	**1.0%**	**3.4%**	**3.5%**	**2.6%**
Direct leadership	5.9%	5.9%	5.7%	12.0%	11.8%	7.0%
Intermediate controls and qualified technicians	2.3%	2.0%	1.6%	5.1%	5.1%	3.8%
Professionals and support teams	1.0%	0.9%	0.7%	2.6%	2.8%	2.1%

[1] The average calculation takes into account our employees in 2023, including those who received training and left the company during the year.

EMPLOYEE TURNOVER (PEOPLE WHO HAVE LEFT THE COMPANY), BY AGE GROUP AND GENDER[1][2]

GRI 401-1| SDG 5.1, SDG 8.2, 8.5, 8.6, SDG 10.3, PG6

	Men			Women		
	2023	2022	2021	2023	2022	2021
Up to 30 years old (no.)	192	279	225	81	70	59
Between 31 and 50 years old (no.)	623	586	522	172	147	109
Over 50 (no.)	115	131	236	21	28	29
Total (no.)	**930**	**996**	**983**	**274**	**245**	**197**
Up to 30 years old (%)	7.0%	9.5%	7.1%	8.1%	7.3%	6.8%
Between 31 and 50 years old (%)	6.9%	6.7%	6.2%	8.4%	7.9%	6.4%
Over 50 (%)	15.6%	17.4%	30.9%	14.1%	21.2%	22.0%
Total (%)	**7.4%**	**8.0%**	**8.0%**	**8.6%**	**8.3%**	**7.3%**

[1] 2021 data altered due to a change in calculation methodology.
[2] Percentage of total employees in each age group.

VOLUNTARY EMPLOYEE TURNOVER, BY GENDER

GRI 401-1| SDG 5.1, SDG 8.2, 8.5, 8.6, SDG 10.3, PG6

	2023	2022	2021
Men	290	309	388
Women	105	133	110
Total (no.)	**395**	**442**	**498**
Total (%)	**2.5**	**2.9**	**3.3**

DISMISSED BY THE COMPANY BY AGE GROUP AND GENDER

GRI 401-1| SDG 5.1, SDG 8.2, 8.5, 8.6, SDG 10.3, PG6

	Men			Women		
	2023	2022	2021	2023	2022	2021
Total per age (no.)	**606**	**623**	**533**	**157**	**101**	**80**
Up to 30 years old (%)	79	146	127	33	15	18
Between 31 and 50 years old (%	419	388	307	105	65	46
Over 50 (%)	108	89	99	19	21	16
Total per age (no.)	**4.9%**	**5.0%**	**4.3%**	**4.9%**	**3.4%**	**3.0%**
Up to 30 years old (%)	2.9%	5.0%	4.0%	3.3%	1.6%	2.1%
Between 31 and 50 years old (%	4.7%	4.4%	3.6%	5.1%	3.5%	2.7%
Over 50 (%)	14.7%	11.9%	13.0%	12.8%	15.9%	12.1%
Total per job category (no.)[2]	**606**	**623**	**533**	**157**	**101**	**80**
Direct leadership	15	13	6	1	5	5
Intermediate controls and qualified technicians	100	66	72	69	34	34
Professionals and support teams	491	544	455	87	62	41
Total per professional category (%)[3]	**4.9%**	**5.0%**	**4.3%**	**4.9%**	**3.4%**	**3.0%**
Direct leadership	5.1%	4.5%	2.1%	0.8%	4.3%	4.9%
Intermediate controls and qualified technicians	4.9%	3.3%	3.9%	4.7%	2.3%	2.6%
Professionals and support teams	4.8%	5.4%	4.5%	5.4%	4.5%	3.2%

[1] Percentage in relation to the total number of employees in each age group.
[2] Direct leadership: directors, superintendents and managers; Intermediate controls and qualified technicians: managers, specialists and analysts; Professionals and support staff: administrative, technical and operational staff.
[3] Percentage in relation to the total number of employees in each category.

NEW HIRES BY AGE GROUP AND GENDER

GRI 401-1 |SDG 5.1, 8.5, 8.6, 10.3| PG6

	Men			Women		
	2023	2022	2021	2023	2022	2021
Up to 30 years old (No.)	502	556	1.032	275	271	290
Between 31 and 50 years old (No.)	456	521	1.110	246	220	231
Over 50 (No.)	11	8	10	3	3	4
Total (n°)	**969**	**1,085**	**2,152**	**524**	**494**	**525**
Up to 30 years old (%)	18.3%	19.0%	32.7%	27.6%	28.2%	33.5%
Between 31 and 50 years old (%)	5.1%	5.9%	13.2%	12.0%	11.8%	13.5%
Over 50 (%)	1.5%	1.1%	1.3%	2.0%	2.3%	3.0%
Total (%) [1]	**7.8%**	**8.7%**	**17.4%**	**16.4%**	**16.7%**	**19.4%**

[1] Percentage of total employees in each age group.

3.3.2.2 Collective bargaining agreements

Our relationship with trade unions is based on respect for and recognition of the legitimacy of these institutions as representatives of workers. Negotiation is used as the main means of adjusting conduct and establishing rights and duties between the parties. The collective bargaining agreements we establish reflect modern and advanced labor practices and respect the regional characteristics and areas of operation of our various companies.

All employees are guaranteed the right to free association, organization and union mobilization, as well as the right to use internal communication channels to publicize and report on the progress of negotiations and to hold meetings with the unions to monitor the collective bargaining agreement throughout the year. Compliance with collective bargaining clauses is monitored by the unions and public labor inspectors. **GRI 407-1 | SDG 8.8 | PG3**

Neoenergia's companies maintain union relations and negotiate regionally, in accordance with current legislation, with 14 organizations (Furcen/MT, SEESP/SP, Sindelpar/PR, Sindergel/SP, Sindieletro/MG, Sindurb/PE, Sinergia/BA, Sintergia/RJ, Sintern/RN, STIEEC/SP, STIEESP/SP, STIU/DF, STIU/PB and STIUEG/GO), in 11 states and the Federal District), covering more than 15,000 direct employees with 23 base date collective agreements and 23 PLR collective agreements.

EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS
GRI 2-30 |SDG 8.8| PG3

	2023		2022		2021	
	%	Number	%	Number	%	Number
Employees	100	15,693	100	15,406	100	15,092

Organizational changes and relevant events are formally communicated to employees through the different company channels. The number of weeks between the date of the event and the communication is not specified in the collective bargaining agreements, which only provide prior information to orient the unions. The deadline for communication depends on the type of organizational change and is defined by the area involved in conjunction with human resources. **GRI 402-1 |SDG 8.8| PG3**

3.3.2.3 Social benefits

The well-being of our employees is a constant concern and we try to ensure that everyone can reconcile their personal and professional lives. To this end, we offer flexible working hours in times of personal need and extended vacations, as well as adopting a hybrid work regime for positions that allow this type of activity (two days of remote work and three days of face-to-face work).

We use market research to evaluate remuneration practices and define our salary policy. Currently, the lowest salary we pay in all our companies is higher than the national or regional minimum wage.

Employees with permanent contracts have a benefits package that includes life insurance, corporate travel insurance; health insurance, dental insurance, meal/food vouchers, transport vouchers, disability and invalidity assistance, dependent care assistance, physical activity assistance (Gympass); private pension plans, loans; an educational incentive program; and Clube Neoenergia (agreements with schools, gyms, businesses and various sports and cultural activities), among others.

A Long-Term Incentive Program (ILP) for top management has been established by the Board of Directors and authorized by the Extraordinary General Meeting. It codifies a variable remuneration mechanism aimed at retaining the organization's top leaders, focusing on the company's managers and employees who, due to their position or responsibility, are considered to make a decisive contribution to creating value for the company. In 2023, the executives participating in the ILP 2020-2022 program received the first installment in the form of shares. The remaining installments will be paid in 2024 and 2025. The new program, ILP 2023-2025, will be paid out over 2026, 2027 and 2028.

Private pensions

GRI 201-3

The management of our employees' private pension plans is concentrated in Néos Previdência Complementar. In 2019, it incorporated the supplementary pension foundations that served the employees of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern. These foundations' defined contribution (DC) and defined benefit (DB) plans remain active, but are closed to new members.

Néos has a DC plan which provides for a five-year redemption period for 100% of the sponsor's contributions, the possibility of early retirement at 50, and the inclusion of an investment profile (Life Cycle). The organization publishes a weekly newsletter with information on pension plans, tips on financial and pension education, as well as legal information on the sector.

Of all the defined benefit plans, two were in surplus (Neoenergia Coelba and Neoenergia Cosern) and three were in deficit (Neoenergia Pernambuco, Neoenergia Elektro, Neoenergia Brasília and Neoenergia Coelba), as detailed in each company's financial statements. Neoenergia's information is also detailed in the Consolidated Financial Statements. On December 31, 2023, the consolidated position of the four pension plans we maintain totaled R$ 3.97 billion in actuarial obligations, with coverage of R$ 3.9 billion in fair value of assets, according to the actuarial valuation on the same date. The DC plans had 10,932 participants, while the DB plan had 2,685.

There is also a health plan for Neoenergia Coelba retirees, under the defined benefit modality, which had an actuarial obligation of R$ 902 million and 6,195 beneficiaries (759 active, 2,691 dependent and 2,745 dependent beneficiaries). These plans no longer receive members, with the exception of the Neoenergia Elektro pension plan.

3.3.3 Diversity and equal opportunities

GRI 3.3_405 – MATERIAL TOPIC: DIVERSITY, EQUALITY AND INCLUSION

3.3.3.1 Governance model

We are committed to diversity and inclusion, which is shared with the stakeholders with whom we interact directly or indirectly: employees, partners, shareholders, suppliers, clients and communities. We seek to improve individual capabilities based on the conviction that each person has a special and unique talent that enriches everyone. By encouraging diversity, we help to retain the best talent, develop an innovation culture and promote more creative and productive teams capable of contributing to a fairer society.

To guarantee a workplace free of discrimination, we explicitly commit not to discriminate on the basis of any condition (gender, sexual orientation, age, disability, origin or any other characteristic not related to the requirements of the job) and we have procedures in place to prevent behavior that violates this standard.

Our Governance and Sustainability System defines and promotes the diversity and inclusion strategy, with specific mechanisms that guide actions in this area, such as:

- **Equity, diversity and inclusion policy** – Aims to promote an environment that facilitates and enhances equal opportunities, non-discrimination, diversity and inclusion of professionals, maintaining a personnel management model committed to professional excellence and quality of life;
- **Management Appointment Policy** – Aims to ensure that proposals for the appointment of directors guarantee diversity of skills, knowledge, experience, origin, nationality, age and gender;
- **Global Diversity and Inclusion Committee** – Proposes, promotes and coordinates the company's position on this issue, as well as involving the senior management of each subsidiary in these matters. The committee aims to enhance diversity and inclusion among professionals by establishing a connection between the company's top management and the reality of the organizational culture. It meets every two months to discuss the issue and assess the progress of the actions proposed by the various countries.

3.3.3.2 Strategy and commitments

GRI 3-3_405_406 – MATERIAL TOPIC: DIVERSITY, EQUALITY AND INCLUSION

We have set ourselves short-, medium- and long-term diversity targets in order to increase the number of women in relevant positions, in leadership roles, trained by electricians' schools and working as electricians, as well as black and brown people in leadership positions right from the entry level.

As these issues are strategic priorities for our sustainable growth, the variable remuneration of executives has targets relating to diversity. *More information on objectives and targets can be found at 1.2.1. ESG + F commitments or our site.*

Four affinity groups (race, women, LGBTQIA+ and people with disabilities) bring together employees from all over Brazil to discuss diversity issues. They contribute to the planning, execution and validation of diversity and inclusion actions.

In 2023, our efforts were acknowledged when our shares were included in IDIVERSA B3, the Brasil, Bolsa, and Balcão stock exchange's first diversity index. To encourage enterprises to follow best practices related to diversity, IDIVERSA B3 functions as a theoretical portfolio of assets that attempts to make diversity indicators concrete and visible to the market. It also provides comparability in the performance of companies.

Minority groups

In 2023, hiring followed the updated standard for recruitment and selection, aimed at promoting the inclusion of minority groups in internal and external processes. The recommendation is that at least a third of the final candidates for supervisor, analyst and technician positions should derive from these groups. Similarly, for senior leadership positions, a diverse list of finalists is mandatory, with at least one representative from each gender. The initiative is part of the "Junt+s, our energy is made of diversity" position launched in 2021.

After the race self-declaration census carried out in 2022, all new hires now include this mapping. Therefore, we are ready to monitor the evolution of this indicator at all hierarchical levels, especially in leadership positions.

Reinforcing our commitment, we subscribed to the declaration of support for the Women's Empowerment Principles (WEPs) promoted by UN Women and the Global Compact in 2022. With this, we committed to its seven premises: training corporate leadership focused on gender equality; fair and non-discriminatory treatment; guaranteeing health, safety and well-being; promoting education; training and professional development for women; supporting female entrepreneurship; and encouraging gender equality through initiatives aimed at the community and social activism.

In 2023, we joined the "They Lead 2030" movement initiative of the Global Compact Brazil Network and UN Women in partnership with other institutions, committing to achieving at least 30% of leadership positions held by women.

a. Our Vision

Through programs centered on talent, culture, and social responsibility, we advance diversity, equity, and inclusion. Working with our staff and other stakeholders, we hope to build a creative, sustainable, and inclusive future for everyone in the energy industry.

b. Our pillars of action

Talent Pillar:

- Selection and recruitment structure: ensure gender diversity in the list of candidates and interview panels for senior positions.

Culture Pillar:

- Sensitization and training of employees with personnel management responsibilities, both regarding unconscious biases and inclusive leadership;
- Inclusive and authentic communication that fosters dialog within the company.

Social Contribution Pillar:

- Volunteer Program and foundation initiatives focused on vulnerable groups;
- Promoting interest in careers related to Science, Technology, Engineering and Mathematics.

Metrics and Reports:

- Definition and analysis of key metrics that guide decision-making;
- Review and improvement plan based on the reports and indexes in which we participate;
- Evaluate new opportunities for alliances and organizations with which we can collaborate.

Initiatives

We implemented a number of actions in 2023 to address the issue of diversity with our in-house public, including the following:

Information Booklet on Harassment in the Workplace – As part of our Compliance processes, this publication was launched in 2023 with the aim of helping to identify, prevent and combat harassment. The booklet was disseminated through internal communication channels, training and events.

Diversity and inclusion content – Throughout 2023, more than 8,000 people took part in diversity and inclusion events. They included anti-racism, violence against women, LGBT pride, the fight for people with disabilities and others.

Junt+s villages – Conversation circles led by employees for small groups. The meetings are a safe environment for welcoming and sharing experiences. LGBT phobia in the workplace, motherhood, self-esteem and black people, psychological safety for LGBT people, people 45+ are some of the topics covered.

Parental leave – Our companies maintain paternity leave of 20 days and maternity leave of 180 days. Same-sex spouses have the right to the same amount of leave.

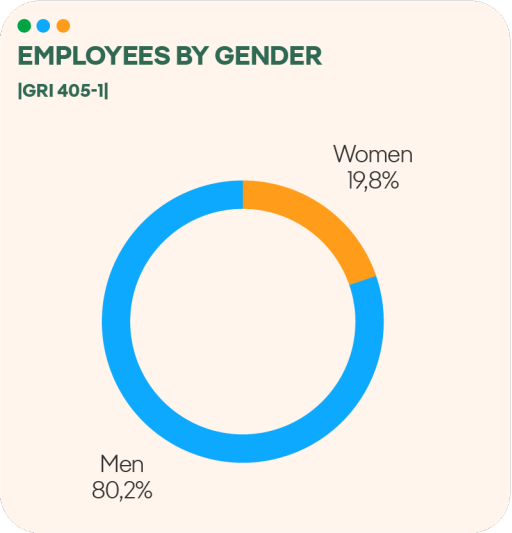
Electricians' School – An initiative to create free professional training opportunities, which supports entry into the job market for residents of the areas where the company's electricity distributors operate. Between 2019 and 2022, it trained classes exclusively for women, designed to encourage women's participation in the electrician market. From 2023, with the spontaneous participation of women in mixed classes, we reduced the number of classes dedicated exclusively to them. The School is recognized as a global example of one of the Women's Empowerment Principles (WEPs) by WeEmpower, a program run by UN Women, the International Labor Organization (ILO) and the European Union to encourage good practices in companies.

Aflorar – Set up in 2017, the program promotes a mentoring system for young people with Down's Syndrome at Neoenergia Pernambuco and helps professionals with disabilities enter the job market. In 2023, 547 disabled professionals (345 men and 202 women) were employed by the company.

Libras Course – With the aim of training inclusion agents and improving communication with the hearing impaired, our learning portal offers the Brazilian Sign Language Course (Libras), available to all employees.

Feminine presence

At the end of 2023, we had 20% women in corporate teams, with a total of 129 women in direct leadership positions (directors, superintendents and managers | GG1, GG2 and GG3), corresponding to 30.4% of the total in the job category. Our goal is to reach 35% of women in leadership positions by 2030, a percentage that exceeds the commitment we made with the UN Global Compact's They Lead 2030 initiative to have at least 30% of women in senior leadership positions.



We ended 2023 with 1,468 women in qualified intermediate and technical positions (GG4 and GG5), equivalent to 41.6% in the function, and in professionals and support staff (GG6) there are 1,607, or 13.7% of the category. There are 21.6% of women in junior management positions, i.e. the first level of management (GG4); 8.7% in senior leadership positions (just two categories away from the CEO | GG1 and GG2); 31.0% of women on the board of directors (GG1); 22.88% in STEM positions (science, technology, engineering and mathematics) and 24.5% of women in management positions in revenue-generating functions. Black and brown people make up 29.8% of the company's leadership (GG1 to GG4).

Through training for women at the Electricians' School, in 2023 we hired more than 250 women for this role; the group represents 49% of the 492 students who completed the course in the 36 classes during the period. The number of women joining the course and the number of women hired by Neoenergia has grown every year. Since 2019, when we launched this initiative, we have hired 637 women, representing 65.6% of the total of 970 women trained in the period.

They have excelled in all activities, including more challenging specialties such as working on the underground electricity network. The expansion of underground networks has been valued by the sector because it offers more protection against electrical discharges and storms, a reduction in the risk of vandalism, less need for maintenance, and an improvement in the urban landscape. In 2023, electrician Elaine Santos Guimarães was the first to take on this challenge at Neoenergia Brasília. She had been working at the distributor for approximately two years and had completed the mandatory training courses set out in the Ministry of Labor's Regulatory Standards 33 and 35.

Fighting violence against women

In 2023, we implemented a new program to combat violence against women in its various manifestations (physical, psychological, property, sexual and moral). It is a welcoming and guidance program, enabling women in situations of domestic violence to break out of this cycle and procure help from specialized public services. In addition, our female employees can count on support from the company, including legal and economic advice, flexible working hours and other resources.

To reduce the risks of exposure to all forms of violence against women, we also implement communication and awareness-raising actions internally. Cases in which male employees are reported for any kind of violence against women are assessed and dealt with by the Personnel and Organization area.

The external public, in the communities where we operate, will be included in this program as of 2024. It will begin with the training and engagement of meter readers so that they are able to identify situations of violence and report the risks to the organizations responsible, without exposing themselves to confrontation.

Racial diversity

After finalizing the race self-declaration census in 2022, all new hires included this mapping. In 2023, Neoenergia's CEO signed the UN Global Compact's Race is a Priority commitment that suggests that companies strive to include at least 30% black people in executive positions. We are committed to raising this target to 35% by 2025 and 40% by 2030.

EMPLOYEES BY RACE
GRI 405-1 | SDG 5.1, 5.5, 8.5

	2023		2022		2021	
	Number	%	Number	%	Number	%
Black	1,897	12.1%	1,873	12.2%	NA	NA
Brown	7,074	45.1%	6,907	44.8%	NA	NA
Indigenous	36	0.2%	34	0.2%	NA	NA
White	6,075	38.7%	5,985	38.8%	NA	NA
Yellow	183	1.2%	180	1.2%	NA	NA
Not informed	428	2.7%	427	2.8%	NA	NA

NA: Not available. The Diversity Census was carried out in 2022.

EMPLOYEES IN LEADERSHIP POSITIONS, BY RACE (%)[1]
GRI 405-1 | SDG 5.1, 5.5, 8.5

	2023	2022	2021
Black	4.6	4.9	NA
Brown	25.4	27.1	NA
Indigenous	0.2	0.1	NA
White	67.9	65.0	NA
Yellow	2.0	2.9	NA

[1] Employees in junior, middle or senior management positions.
NA: Not available. The Diversity Census was carried out in 2022.

3.3.3.3 Conciliation and policies regarding disconnection from work

We encourage the reconciliation of employees' professional and personal lives, as well as co-responsibility in the exercise of family obligations, facilitating measures for caring for family members and establishing flexible working hours. The Human Resources Policy Framework establishes the basic principles for ensuring privacy and digital disconnection. The aim is to respect rest time and make it easier for professionals to fully develop their private lives outside of working hours. The least possible interference with leisure and family time is sought, and is only allowed in situations of justified need.

We have adopted flexible working hours, giving our employees the freedom to choose the most suitable times to work depending on their role, as long as the team's requirements are met and measures are put in place to control overtime and/or extend maternity and breastfeeding benefits. The home office model of up to two days a week and the distribution of vacations in up to three periods are also maintained.

Overtime control is overseen by the leadership and using computers equipped with an alert system after eight hours of work a day, turning off lights and air conditioning after certain times, among other measures.

We have adopted the Citizen Company program (Law 11.770/2008), which provides for a 60-day extension of maternity leave, totaling six months. For paternity leave, we have established an additional 15 days, on top of the statutory 5, for a total of 20 days (Law No. 13.257/2016).

MATERNITY/PATERNITY LEAVE AND RETURNS

GRI 401-3 | SDG 5.1, 5.4, 8.5 | PG6

	2023		2022		2021	
	Men	Women	Men	Women	Men	Women
Employees entitled to maternity/paternity leave (No.)	12,489	3,204	12,449	2,957	12,354	2,704
Employees entitled to maternity/paternity leave (%)	100.0	100.0	100.0	100.0	100.0	100.0
Number of employees entitled to maternity/paternity leave	534	94	577	140	469	84
Number of employees returning to work after parental leave	537	103	585	119	466	84
Number of employees who returned to work after the end of parental leave and were still employed 12 months after their return	516	67	450	75	295	48
Return to work rate (%)	100.0	100.0	100.0	85.0	99.4	100.0

3.3.3.4 Defending equal pay

We promote respect for the human and labor rights recognized in national and international legislation as a general principle of personnel management. In 2023, the average salary for men was similar to the average salary for women, with a difference of 0.61% more for men, without calculating the salaries of electricians in the group, a category in which men represent 92%.

The basic cause of the pay gap in certain age groups is the lower presence of women in the workforce, a common situation in the energy sector, which is accentuated in managerial and technical positions. To mitigate this reality, we are working in the following areas:

- Equitable professional development, with specific training plans for women;
- Inclusion of new generations and promotion of technological careers in minority groups in the sector;
- Promoting scientific careers among young people and students who will form part of the talent pool to which Neoenergia will have access in the future;
- Reconciliation measures that benefit men and women equally, so that they can exercise co-responsibility for family matters and thus establish the necessary conditions for parity;
- Gradual increase in the presence of women in management positions, which reached 30.4%, compared to 28.8% in the previous year.

AVERAGE REMUNERATION[1] BY PROFESSIONAL CATEGORY (R$ THOUSAND)

GRI 405-2 |SDG 5.1, 8.5, 10.3 | PG6

	2023	2022	2021
Direct leadership [2]	**107.90**	**105.50**	**100.90**
Men	543,743	503,167	451,111
Women	503,916	476,866	446,962
Intermediate controls and qualified technicians [2]	**123.53**	**124.70**	**122.80**
Men	169,663	162,836	149,240
Women	137,342	130,607	121,500
Professionals and support teams [2,3]	**125.98**	**126.70**	**124.10**
Men	63,888	61,151	56,037
Women	50,715	48,267	45,139
Average total remuneration [4]	**100.61**	**100.80**	**100.20**

[1] Fixed and variable salaries and supplements.
[2] Direct leadership: directors, superintendents and managers; Intermediate controls and qualified technicians: managers, specialists and analysts; Professionals and support staff: administrative, technical and operational personnel.
[3] Electricians are not considered in the category of support staff and professionals.
[4] Average pay by category and gender.

AVERAGE[1] PAY BY AGE GROUP AND GENDER (R$ THOUSAND)

GRI 405-2 |SDG 5.1, 8.5, 10.3 | PG6

	Men			Women			Men/Women		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Up to 30 years old	77,368	73,281	66,915	75,887	72,256	67,169	101.95	101.4	99.6
Between 31 and 50	128,169	120,634	110,208	134,255	127,852	114,461	95.47	94.4	96.3
Over 51	178,303	170,504	138,321	210.432	194,940	163,799	84.73	87.5	84.4
Total average	**121,672**	**114,537**	**102,765**	**120,928**	**113,634**	**102,581**	**100.61**	**121,672**	**114,537**

[1] Fixed and variable salaries and supplements.

STARTING SALARY OVER LEGAL MINIMUM WAGE (%)

GRI 202-1 |SDG 1.2, 5.1, 8.5| PG6

	2023	2022	2021
Total	122.0	124.0	138.9

3.3.4 Training and professional development

GRI ex-EU14

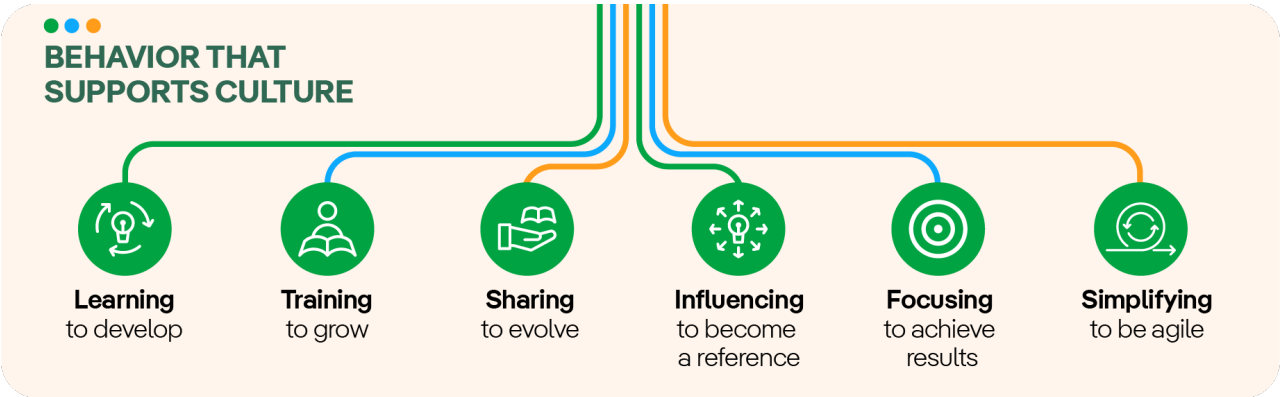
3.3.4.1 Strategic training framework

GRI 404-2 | SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3 | PG6

The Training and Development vision is considered fundamental to our operations as it has a direct impact on business performance and results. We run various programs to improve the technical qualifications of our employees to make them fit to perform their duties and contribute to fostering a culture of development, value creation and continuous improvement; this leads to employees taking a leading role in their development and career growth. Training plans are validated by leaders and by P&O (People and Organization), meeting the needs of the workforce. All this work is guided by a corporate procedure available in the Integrated Management System (SGI).

The effectiveness of the training courses included in the certification scopes is assessed by means of forms, certificates, reports, interviews with leaders, as well as reaction evaluations, all supported by internal and external audits coordinated by the areas where the employees work and by the Training Department, encompassing the ISO 45001, 9001, 14001 and 55001 certifications.

The main indicators are compliance with the objectives of the corporate Development and Training departments, compliance with the budget, adherence to mandatory training (NRs), attendance at Electrician Schools and the annual target for training hours. This target is monitored on a monthly basis in comparison with the commitments previously scheduled with the areas, and the results of these analyses are shared with senior management, internal clients and interest groups. At the end of the process, the completed training courses are posted on the SAP Spain platform (SAP LSO). In 2023, we began a project to migrate to Workday Learning, a platform that will integrate SAP LSO and GEP (the environment in which Iberdrola's online courses are available). It should result in a higher degree of digitalization and easier processes beginning in January 2024.



We recognize that people have different ways of learning. To this end, we defend the 70/20/10 Learning Model (70% experience; 20% relationships; 10% education). Thus, we invested in improving the management model for in-house instructors, bringing in training and retraining in the Live Line process and NR 35 – Working at heights. We have also supported the preparation of new business strategic actions, such as the Transmission and Sales process, endorsed by the digital model through lives, webinars and thematic weeks for strategic capacities, enabling the participation of all work categories. We continue to disseminate existing knowledge across the company, along with continuous learning and cultural exchanges to boost operational efficiency through the appropriate use of intellectual capital.

a. Professional development programs

Our training programs must be aligned with professional, personal and employability purposes, as well as with the development of new skills/capacities in the face of changes in the market and technological developments.

To strengthen this connection between training, development and business strategy, we prolonged the Strategic Capabilities Journey, created in 2022. These activities totaled 1,564,365 hours – 14.2% more than the previous year's total (1,369,546 hours). The average was 100.48 hours per employee.

The training actions are specific and cater to the differences in our employees' different profiles. The high number of training hours for professionals and support staff, made up of around 80% men due to the high number of electricians, explains the difference in average hours between men and women.

During the year, no transition or end-of-career assistance programs were offered in the event of termination of employment or retirement.

TRAINING HOURS BY PROFESSIONAL CATEGORY AND GENDER

GRI 404-1 | SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3 | PG6

	Men			Women		
	2023	2022	2021	2023	2022	2021
Direct leadership (hourly) [1]	18,010	22,874	27,206	7,954	9,753	9,249
Intermediate controls and qualified technicians	138,684	122,780	123,239	88,805	81,898	83,241
Professionals and support teams (hourly)[1]	1,101,645	979,462	935,987	209,266	152,779	128,999
Total training hours (hourly)	**1,258,339**	**1,125,116**	**1,086,433**	**306,026**	**244,430**	**221,489**
Direct leadership (No.)	62.07	79.10	86.10	64.51	88.66	81.13
Intermediate controls and qualified technicians (No.)	68.22	63.24	61.07	60.95	59.65	60.23
Professionals and support teams (No.)	108.60	96,82	89.11	137.54	113.98	97.00
Average hours of training per employee [2]	**100.93**	**91.10**	**84.60**	**98.66**	**86.60**	**78.30**

[1] Direct leadership: directors, superintendents and managers; Intermediate controls and qualified technicians: managers, specialists and analysts; Professionals and support staff: administrative, technical and operational personnel.
[2] The average calculation takes into account our employees in 2023, including those who received training and left the company during the year.

NUMBER OF EMPLOYEES TRAINED BY PROFESSIONAL CATEGORY AND GENDER (No.)[1]

GRI 404-1 | SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3 | PG6

	Men			Women		
	2023	2022	2021	2023	2022	2021
Direct leadership[1]	315	320	316	135	124	114
Intermediate controls and qualified technicians[1]	2,193	2,156	2,018	1,549	1,558	1,382
Professionals and support teams[1]	10,440	10,440	10,504	1,672	1,457	1,334
Total	**12,948**	**12,916**	**12,838**	**3,356**	**3,139**	**2,830**

[1] Direct leadership: directors, superintendents and managers; Intermediate controls and qualified technicians: managers, specialists and analysts; Professionals and support staff: administrative, technical and operational staff. The total number of employees trained also includes employees trained in 2022 but who left the company during the year. For this reason, the total is higher than the number of employees.

b. Leadership training

A variety of learning opportunities are offered to leaders so that they can increasingly develop or train in topics that are highly relevant to their roles. In 2023, some initiatives received new versions, such as the Lidera Program and the Leaders Convention. At the same time, new programs came into effect, such as Her Energy (mentoring for female leaders) and the Trainee Program, which is aimed at future leaders.

Lidera Program – For the fifth year running, this leadership program was offered with the aim of training and aligning leaders with the company's strategy and culture, as well as creating an environment for continuous learning. In 2023, the program covered all levels of leadership, from executive directors to supervisors and specialists. All the sessions took place in person, on a variety of dates and locations, and were divided into three modules: market, strategies and people. For top and middle management, 84% of executives took part in 39 classes, totaling 428 leaders. As for the top leadership position (GG4), the take-up rate was 87% in 16 classes, totaling 659 leaders. In all, more than a thousand leaders took part in the program and the overall satisfaction rate was 96%.

Leaders' Convention – A moment of alignment and development, the event brings together all our leaders every year for the purpose of integration and alignment, in both face-to-face and online formats. In 2023, the theme was Transformative Leadership and we launched the new leadership guideline, the "TOP Leader" concept, which stands for Transformative Leadership (T) and is focused on building the future; oriented towards Objectives and results (O), and which understands the importance of caring for people (P) and developing talent.

Her energy – Focused on complementing leadership development, this global female mentoring program

was launched with the aim of accelerating the development of female executives and strengthening the premise of gender equity in senior leadership positions. The event includes national and international events in which participants are in contact with executives from throughout the group.

Trainee Program – In 2023, Neoenergia effectively kicked off its first Trainee Program. It attracted 6,400 applicants, who underwent a selection process in 2022; 18 were eventually selected to join the program, which runs until the end of 2024. The program lasts two years and includes a rotation every six months, one of which is international (in one of the Iberdrola Group companies). So far, the trainees have already rotated twice between areas where they have developed smart projects. The aim of this action is to foster professionals who will strengthen strategic areas of the company, as well as developing fundamental skills to work in the business. In 2023, the trainees began a development journey that includes training, workshops, on-the-job activities and lectures, and in 2024, they will have a 3-month international experience at Iberdrola group units in the UK or Spain.

c. International leadership training

We also offer the management team the chance to take part in some development programs held at the most prestigious international schools and institutions:

EVOLVE (Enhancing Values of Leadership in a Volatile Environment) – A global program developed in partnership with Headspring, a joint venture between The Financial Times newspaper and IE Business School. The initiative works the themes of strategy, results orientation and transformation, including both face-to-face and distance activities.

Transformational Leadership – The program is run in partnership with INSEAD Business School, one of the largest business and leadership schools in the world. The main focus is to discuss topics such as Strategy, from trends to value creation and capture; decision making in an environment of uncertainty, among others. The program also takes place in a hybrid format and is aimed at more senior professionals.

WOBI – A program in which credits are made available for participation in online lectures on business and management topics. In 2023, seven events were held covering innovation, brand strategy, diversity and equity, relationship management, authentic leadership, blockchain and artificial intelligence.

3.3.4.2 Performance evaluation and professional development

Performance appraisals and the communication of their results to employees are considered fundamental aspects of professional development. This is why periodic evaluations are carried out in formal processes that vary depending on the professional category and level of responsibility. These processes are based on a corporate tool supported by SAP software, enabling the management of evaluation processes. This makes it possible for everyone involved in these processes (employees, appraisers and human resources team) to work in real time. In addition, the main advantage of this tool is that it homogenizes and unifies the guidelines and application criteria.

The novelty in 2023 was to develop the new People Review model, now using the Workday® platform, which will be applied for the first time in the January 2024 appraisal process. In it, we redesigned the leadership profile, focusing on hiring and developing leaders with a transformational, goal-oriented profile and the ability to take care of people. It is a more complete process, even more focused on people and aligned with our business strategy.

In this model, the employee's performance is assessed by their direct leader, who will identify how the professional has contributed to the objectives set for their area, their commitment, deliveries on time and to the quality expected, attitudes when faced with tasks, activities and different situations, and what their main results have been over the year. Based on the process, a Talent Map is created, with the possibility for employees to build their individual development plan.

To implement this new process, more than 30 face-to-face classes were held with the entire leadership and online events with employees, as well as a communication plan.

EMPLOYEES WITH PERFORMANCE APPRAISALS BY GENDER AND PROFESSIONAL CATEGORY (%) [1]
GRI 404-3 | SDG 5.1, 8,5, 10.3 | PG6

	2023	2022	2021
Men			
Direct leadership	90.9	94.1	90.9
Intermediate controls and qualified technicians	91.5	87.7	88.7
Professionals and support teams	90.7	88.3	73.3
Average Men [2]	**90.8**	**88.3**	**76.0**
Women			
Direct leadership	89.9	91.5	89.9
Intermediate controls and qualified technicians	91.8	84.6	87.8
Professionals and support teams	71.6	72.4	62.3
Average Women [2]	**81.6**	**79.1**	**75.5**
Average Neoenergia [2]	**89.0**	**86.6**	**75.9**

[1] Employees incorporated in the last quarter of the year are not eligible for the performance appraisal for that year.
[2] This calculation is produced anonymously by an external consultancy, evaluating data from all our companies. For this reason, the totals are not the category average. The calculation considers the total by gender and by group.

3.3.5 A safe working environment

GRI 3-3_403 – MATERIAL TOPIC: HEALTH AND SAFETY, ex-EU16

The structural change we made in 2022 to improve our Health and Safety management brought positive results as early as 2023: we managed to reduce the accident rate with injuries (with and without time off work) by 12% with our own staff. The change consisted of standardizing processes in the different businesses and centralizing the teams in the Corporate People and Organizations area, which were previously allocated to the hydraulic, wind and liberalized operations.

Improving safety levels to promote an increasingly safe working environment is a goal that is linked to the variable remuneration of all our employees. Because of this, the Quality-of-Life program is still implemented through the yearly Internal Week for the Prevention of Occupational Accidents (Sipat). In 2023, based on the theme of *High performance with health and safety*, the event was attended by more than 20,000 people. The activities included lectures on safety and health, dynamic activities for employees and their families, gymnastics, massage, blood donation opportunities, volunteering and other actions to raise awareness and engagement. In the context of Sipat, sons and daughters were also able to get to know their parents' work environment through the Family Energy program.

A total of 37,532 field inspections were carried out during the year, up 32% over the same period last year. Safety inspections have been on the rise in volume and thoroughness every year. During the visits, safety technicians observe the performance of their own employees and service providers, reiterating preventive practices and identifying opportunities for improvement.

The safety maps and indicators consider compliance with legislation, the leadership's role in ensuring the safety of the team in the field, the role of the Internal Accident Prevention Commissions (Cipas), the results of inspections and cross-audits, as well as accident data. The information is recorded in a database for the subsequent development of corrective and preventive actions in our group operations.

3.3.5.1 Occupational health and safety management system

GRI 403-1 |SDG 8.8

Our Occupational Health and Safety Management System is structured in accordance with the ISO 45001:2018 standard; it covers all full-time and part-time workers, permanent and temporary, employees and contractors, as well as visitors. The following activities are certified under this standard: corrective and preventive light maintenance in the distribution network (Neoenergia Coelba, Neoenergia Pernambuco, Neoenergia Cosern, Neoenergia Elektro and Neoenergia Brasília), operation of hydroelectric power plants and wind farms, maintenance and operation of thermoelectric power plants, operational and administrative activities in transmission.

In 2023, we added 12 territorial distribution and smart solutions units to the scope of this certification. The units not yet certified operate with identical standards and guidelines under internal audit controls while awaiting certification. We ended 2023 with 50.83% of employees working in certified facilities. Our goal is to certify 60% of our contingent to this standard by 2030, as stated in our ESG commitments.

MAIN ELEMENTS OF OUR HEALTH AND SAFETY SYSTEM

Is there a system	Yes
Reference regulation	Does not exist
Reach	Networks (Distribution and Transmission) Renewables (HPPs and wind farms) Termopernambuco and Smart Solutions
Certification	ISO 45001
Formal risk identification procedures	Yes
Risk-related action plans	Yes
Formal procedures in place for risk notification	Yes
Policies or processes in place to remove yourself from situations that could result in injury, illness or disease	Yes
Processes underway to investigate incidents in the workplace	Neoenergia's Incident Reporting and Handling Procedure

We identify and control legal requirements on an ongoing basis, monitoring legislation at federal, state and municipal level. This stage is carried out by a specialized consultancy and the information is available electronically. The hydroelectric plants and wind and photovoltaic farms that have been in commercial operation for more than two years have retained their unified certification under the ISO 45001 (health and safety), ISO 14001 (environment) and ISO 9001 (management) standards.

Every year, we benchmark performance against the electricity sector's health and safety standards and we are working in partnership with Abradee to create a health and safety award category among Brazil's distributors. We currently coordinate a health and safety working group within this association.

HEALTH AND SAFETY MANAGEMENT SYSTEM COVERAGE (OWN EMPLOYEES)[1]

GRI 403-8 | SDG 8.8|

	2023		2022		2021	
	No.	%	No.	%	No.	%
Employees covered by the occupational health and safety management system	15,693	100.0	15,406	100.0	15,058	100.0
Employees covered by the occupational health and safety management system subject to internal audit	15,693	100.0	15,406	100.0	15,058	100.0
Employees covered by the occupational health and safety management system subject to audit or certification by a third party	7,976	50.8	7,378	47.9	5,717	38.0

[1] As a general rule, all employees are covered by an Occupational Health and Safety management system in their respective locations. However, there may be exceptions in some of them due to local particularities.

HEALTH AND SAFETY MANAGEMENT SYSTEM COVERAGE (CONTRACTORS)
GRI 403-8 | SDG 8.8|

	2023		2022		2021	
	No.	%	No.	No.	%	No.
Employees covered by the occupational health and safety management system	29,787	100.0	31,855	100.0	27,993	100.0
Employees covered by the occupational health and safety management system subject to internal audit	29,787	100.0	31,855	100.0	27,993	100.0
Employees covered by the occupational health and safety management system subject to audit or certification by a third party	1,801	6.0	2,212	6.9	2,161	14.4

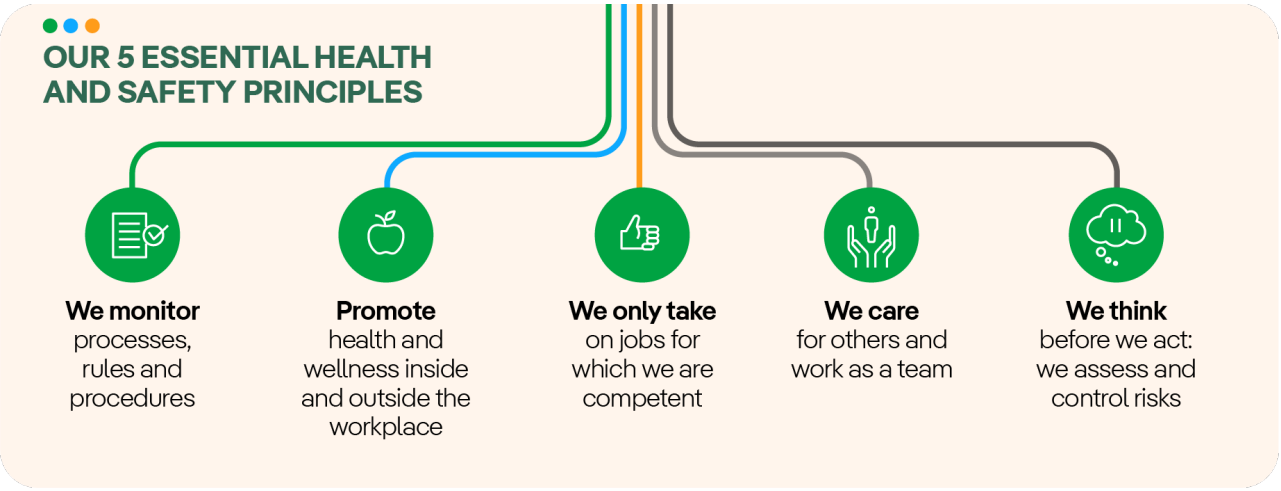
3.3.5.2 Hazard identification, risk assessment and incident investigation

GRI 403-2 | SDG 8.8

We have set up a structured process for identifying risks to health and safety at work, as well as for assessing and preventing occupational risks with the support of Preliminary Risk Analysis (APR) and Hazard Identification and Risk Assessment (Ipar). It is designed for outlining effective control measures to reduce the degree of impact.

The control hierarchy adopted is based on eliminating hazards; replacing them with less dangerous processes, materials or equipment; engineering controls; administrative controls; and the use of Personal Protective Equipment (PPE).

Professionals who have undergone training and alignment meetings run the process, which is outlined in technical guidelines and procedures. It is subject to control through internal and external audits to guarantee quality and effectiveness, which helps us to create action plans, develop improvements for the management system or communicate good practices.



Our employees can access a system for reporting occupational hazards, with specific processes for each site. This notification can be made anonymously. These reports cannot lead to retaliation or any harm to the employee, since this practice is part of our preventive culture.

Workers are always instructed not to carry out, under any circumstances, a procedure involving a risk without having the necessary means and knowledge to mitigate or eliminate it. Thus, at all sites, employees and third parties have the right to speak up and stop work or withdraw from it if they feel the situation is unsafe.

If a risk is identified that the team cannot eliminate or control, they can suspend the activity temporarily or

permanently until the reason for the lack of safety is identified and remedied. We have a procedure that establishes the criteria for reporting, investigating and analyzing incidents, accidents and other events, both with our own employees and those of contractors. We investigate the root causes and contributing factors of accidents and then adopt actions to follow up and complete the corrective actions.

GRI 403-7 | SDG 8.8

All procedures for occupational risk assessment and prevention include interactions with suppliers and contractors to make sure they abide by our policies for health and safety. We assess the documentation relating to the workers of contractors and require employees to be trained according to the activities they will be carrying out and in keeping with the content and method defined by the Regulatory Standards. Hiring a supplier may be delayed until special strategies are developed under our supervision to minimize risk if the provider does not meet adequate criteria in these areas.

3.3.5.3 Occupational health services

GRI 403-3 | SDG 8.8

We maintain a health service at all locations that is responsible for eliminating the hazards and risks identified for employees. Access to medical and health services is facilitated by clinics accredited by the health plan and occupational health service providers.

With this, we seek to promote and preserve the health of our employees, as well as to screen and diagnose work-related issues and chronic diseases at an early stage. We run campaigns that include health issues and encourage sports practices, among other actions stipulated in the Quality-of-Life Program.

3.3.5.4 Employee participation, consultations and communications on health and safety at work

GRI 403-4 | SDG 8.8, 16.7

Our employees participate in safety processes during the Preliminary Risk Analysis (APR) conducted before any activity, in incident reporting, in safety observations, in meetings of the Internal Accident Committees (Cipas) and in the integration of multidisciplinary teams for the management of non-conformities. All employees are represented on the committees, along with members appointed by the company.

The distribution and transmission companies count on a Local Safety Committee that meets twice a month to deal with regional issues; these are then taken to the Strategic Committee, whose representatives meet once a month. In Renewables (hydro, wind and solar), local committees meet monthly. These bodies define policies and guidelines, in line with the guidance on safety, health and quality of life at work, promoting actions aimed at guaranteeing the health and physical integrity of employees, partners and the population. The committees are made up of representatives from the various areas and are led by a coordinator appointed by the company.

EMPLOYEES REPRESENTED ON HEALTH AND SAFETY COMMITTEES (%)
GRI 403-4 | SDG 8.8, 16.7

	2023	2022	2021
Total	100	100	100

3.3.5.5 Health and safety training for employees

GRI 403-5 | SDG 8.8

Safety training needs are regularly identified to ensure that all employees have the know-how to carry out their role without endangering their own lives or those of their colleagues. Courses usually combine theory and practice. We offer training and courses on general and relevant safety topics, in online or face-to-face format, for all employees according to their roles and needs.

Working at heights, safety in electrical installations and defensive driving are among the regular training courses that comply with regulatory standards. The training of outsourced workers is the responsibility of the contracted companies following the specifications we set. In 2023, 15,209 of our own employees and 13,507 outsourced workers took part in training, for a total of 1,209,376 hours.

3.3.5.6 Promoting employee health

GRI 403-6 | SDG 3.3, 3.5, 3.7, 3.8

We provide material means to promote the health of our employees, as well as organizing extra-work sports activities (announced and promoted on the corporate intranet), and sponsoring sports teams. There are systems agreed with private entities that offer health cover to employees and their immediate families, medical expenses policies, life insurance, advice on health problems, among other services. We also try to involve employees in health, fitness and wellness activities.

To mitigate possible non-work-related health risks, we offer voluntary services and programs, such as awareness campaigns on healthy lifestyle habits (smoking, diet, etc.), corporate offers and benefits for access to sports facilities or activities, disease prevention campaigns (mental health, cancer, cardiovascular diseases, vaccination campaigns, etc.) In 2023, the following programs were offered:

Gympass – A complete corporate benefit that offers employees and their dependents different options for physical and mental well-being. The platform also offers online classes, wellness apps, personal trainers, as well as various gyms and sports studios.

Energia em Movimento – The Energy in Movement project encourages the practice of sports, with participation in tournaments and events in various sport disciplines. Neoenergia collaborate by paying registration fees, meeting the established criteria. In 2023, 891 people took part in these activities.

Mais Apoio – This support program offers guidance, clarification, information and assistance for employees who need help with stress, depression, anxiety, insomnia and other conditions. The service is confidential, free of charge and operates 24 hours a day in emergency situations. In addition, the Mental Health Care Program has been implemented at all the hydroelectric plants.

Maternal Health Program:

a. **Você em 1° Lugar (You in first place)–** A health education program for pregnant women (employees and dependents), monitored by a specialized nursing team.
c. **Programa Baby (Baby Program)** – It aims to clarify doubts about a baby's development and raise awareness about medical loyalty.
d. **Lactário: sala de acolhimento (Breast-feeding recepction room)**– A structured space for breastfeeding women to collect their milk during working hours in complete privacy and comfort. The space is air-conditioned, has an armchair, a fridge for storing milk and a structure for hand sanitizing.

Semana de Qualidade de Vida (Quality of Life Week) – Encourages healthy quality-of-life activities.

Campanha de Vacinação contra a gripe – The company's **Flu Vaccination Campaign** takes place annually in all locations, according to the schedule published by our internal communication channels.

Massage – Services at the administrative headquarters, holding company and customer service center.

3.5.7 Accidents and absenteeism

SASB IF-EU-320a.1.

We have been working hard to reduce workplace accidents with the support of technologies such as cameras to monitor operational activities and an increase in the number of inspections and audits. In 2023 we implemented the Zero Accident Plan, with specific initiatives in the distribution and transmission companies. As well as increasing the percentage of our own workers certified by ISO 45001, we want to reduce the rate of accidents with injuries to below 0.43 by 2025 and below 0.39 by 2030. In 2023, this rate was 0.23.

ZERO ACCIDENTS PLAN

DISTRIBUTION

- **Extend existing solutions** to one or more businesses.
- **Develop solutions** that improve the quality, ergonomics or comfort of the service, such as avoiding the risk of falling from a height when using a tool to cut power from the ground.
- **Develop solutions** or methods to reduce and eliminate accident risks.
- **Improve processes** for training, development and passing on information to the workforce.

TRANSMISSION

- **Inspection** - Introduce the use of cameras in own and third-party activities; Strengthen inspection teams; Expand and replan field inspections and audits.
- **Risk Management** - Encourage the sharing of practices with the Brazilian Association of Electricity Transmission Companies (Abrate); Evaluate engineering solutions and innovations for safer activities; Establish partnerships with professional training companies.
- **Discipline** - Expand governance and accountability in health and safety; Implement a management-by-consequences model; Encourage a culture of compliance with rules and procedures.

During the period, there were 116 accidents involving our own employees (the same number as in 2022) and 296 outsourced workers, a reduction of 15.4%. There were three fatalities, among own and third-party employees, one of whom was an employee at Neoenergia Elektro, another an outsourced employee at Neoenergia Pernambuco and a third who was a third-party employee at Transmission. The use of monitoring cameras in operational activities, an increase in the number of inspections and audits, as well as ISO45001 management system certifications are all measures adopted by the company to reduce accidents.

We gauge accidents by calculating accident rates with or without time off, which consolidates the number of incidents and accidents that happen in a given period. They are classified as LTI (typical accident with time off), MTC (typical accident without time off) or RWC (return-to-work accident with restrictions). The indicators are entered into a computerized system that is undergoing a transition process for better performance and global standardization.

EMPLOYEE ACCIDENTS

GRI 403-9 | SDG 3.6, 3.9, 8.8, 16.1

	2023	2022	2021
Number of people injured (No.)	116	116	132
Men	91	101	125
Women	25	15	7
With time off (No.)	12	7	13
Men	11	7	12
Women	1	0	1
With major consequences (No.)	1	0	1
Men	1	0	1
Women	0	0	0
With deaths (No.)	1	0	3
Men	1	0	3
Women	0	0	0
Without time off (No.)	104	109	119
Men	80	94	113
Women	24	15	6
Number of hours worked	36,928,171	35,932,481	34,221,127
Number of days lost	1.370	510	983
Frequency index (FI) [1]	0,32	0,19	0,38
Severity index [2]	0.04	0.01	0.03

[1] Frequency rate: (accidents with time off/hours worked) X 1,000,000.
[2] Severity index: (days lost due to accident, from the first day of absence/hours worked/number of hours worked) X 1,000.

EMPLOYEE ACCIDENT RATES

GRI 403-9 | SDG 3.6, 3.9, 8.8, 16.1 | SASB IF-EU-320a.1

	2023	2022	2021
Mortality rate [1]	0.01	0.00	0.02
Men	0.01	0.00	0.02
Women	0.00	0.00	0.00
Rate of workplace accidents with major consequences[2]	0.01	0.00	0.01
Men	0.01	0.00	0.01
Women	0.00	0.00	0.00
Workplace accident rate [3]	0.23	0.26	0.44
Men	0.24	0.29	0.50
Women	0.22	0.12	0.16

[1] Mortality rate = Rate of deaths resulting from work-related injuries / Number of hours worked X [200,000].
[2] Rate of high consequence work accidents (not including fatalities) = Number of high consequence work-related injuries (not including fatalities) / Number of hours worked X [200,000].
[3] Recordable workplace injury rate = Number of recordable workplace injuries (excluding first aid) / Number of hours worked X [200,000].

ACCIDENTS AMONG OUTSOURCED WORKERS[1]

GRI 403-9 | SDG 3.6, 3.9, 8.8, 16.1

	2023	2022	2021
Number of people injured [2]	296	350	300
With time off	36	43	22
No time off	260	307	278
With major consequences	9	7	3
With deaths	2	5	1
Number of hours worked	63,030,386	61,485,680	61,131,615

[1] Frequency rate: (accidents with time off/hours worked) X 1,000,000.

[2] The increase in the number of accidental events was basically due to the volume of contracts for transmission works. As a reaction to this development, the Zero Accident Plan was put together by the Health and Safety area and business representatives. The plan is specific and aimed at reducing these accidental events and has already started to show positive results in the last two months of 2022.

ACCIDENT RATE FOR OUTSOURCED WORKERS

GRI 403-9 | SDG 3.6, 3.9, 8.8, 16.1 | SASB IF-EU-320a.1

	2023	2022	2021
Mortality rate[1]	0.01	0.02	0.00
Rate of accidents at work with major consequences[2]	0.03	0.02	0.01
Rate of accidents at work[3]	0.37	0.47	0.57

[1] Mortality rate = Rate of deaths resulting from work-related injuries / Number of hours worked X [200,000].

[2] Rate of high consequence work accidents (not including fatalities) = Number of high consequence work-related injuries (not including fatalities) / Number of hours worked X [200,000].

[3] Recordable workplace injury rate = Number of recordable workplace injuries (excluding first aid) / Number of hours worked X [200,000].

OWN EMPLOYEE OCCUPATIONAL ILLNESSES (No.)

GRI 403-10 | SDG 3.3, 3.4, 3.9, 8.8, 16.1

	2023	2022	2021
Deaths from occupational diseases	0	0	0
Occupational diseases	1	1	0
Total	1	1	0

OCCUPATIONAL ILLNESSES OF OUTSOURCED WORKERS (No.)

GRI 403-10 | SDG 3.3, 3.4, 3.9, 8.8, 16.1

	2023	2022	2021
Deaths from occupational diseases	0	0	0
Total	0	0	0

3.4 Quality and safety for our customers through innovation and digitalization

GRI 3-3 – MATERIAL TOPIC: INNOVATION, DIGITALIZATION AND CYBERSECURITY

3.4.1 Research, development, innovation and digital transformation projects

GRI ex-EU8 | SDG 7.2, 7a, 7b, 9.4, 9.5, 17.7

Our primary tactic for ensuring sustainability, efficiency and competitiveness is innovation. It also keeps us at the forefront of generating goods, services and business models that enable us to take on the opportunities and overcome the problems of revolutionizing the electrical industry. We see innovation as a decentralized, open and coherent process across all business units. The innovation strategy is aligned with our sustainable development strategy, with a focus on promoting renewable energies and taking advantage of the opportunities represented by digitalization and business automation. As such, we seek emerging technologies that contribute to the fulfillment of SDG 9 (Industry, innovation and infrastructure) and SDG 13 (Combating climate change).

The construction and execution of the innovation strategy involves the Business, Research and Development, Digital Transformation and Corporate areas, an effort coordinated by the Innovation, Sustainability, Climate Change and Corporate Social Responsibility section. The governance of the process is supported by the Go In collaborative platform implemented in 2021 as a technological solution for managing the innovation portfolio. It encourages a diversity of ideas to pursue promising solutions for our businesses and for the electricity sector as a whole.

We committed R$ 160.3 million to research, development and innovation (RDI) initiatives for 2023. Our work has been structured along five main axes, which correspond to the basic vectors of the energy sector reform, the decarbonization process and the electrification of the economy.

5 R&D + I LEVERS

NEW PRODUCTS and competitive services that meet customers' needs, with more personalized content and offerings.

DIGITIZATION AND AUTOMATION in all businesses and processes, with the introduction of new technologies such as the Internet of Things (IoT), virtual and augmented reality, big data, and artificial intelligence—and easy-to-use tools such as Power BI Power Apps.

INNOVATION with start-ups, entrepreneurs and suppliers, intended to develop partnerships and new, disruptive business models, encourage the exchange of knowledge, and act as a driving force among partners.

A CULTURE OF INNOVATION and talent as a basis for the organization's transformation pillars.

DISRUPTIVE TECHNOLOGIES that are increasingly efficient, sustainable and environmentally friendly, enabling optimization of facilities and processes. Green hydrogen, innovative renewable energy, sustainable mobility, energy storage, smart grids, the electrification of heat, and the recycling of clean technology components will contribute to industrial transformation, with a focus on sustainability.

Highlights

We held the first call for the **Programa Inovamos – Jornada Neoenergia de Criação de Valor** (We Innovate Program – Neoenergia Value Creation Journey) during 2023. We created our own method of innovation in conjunction with the businesses and corporate divisions over the course of several months, producing innovation on a daily basis. In about 45 days, more than 600 proposals were presented to **Go In**, for simplifying, optimizing and reducing bureaucracy in our internal operations.

The creators invested hours in training to prepare for this journey and were supported by more than 100 accelerators in developing the ideas, clearing obstacles and promoting quick response times. All the ideas underwent a careful analysis by the evaluators, involving more than 800 leaders in the appraisal stages. In the end, the 24 best projects were presented to the executive board at Demo Day and the 10 best were honored during our Leaders' Convention event.

Also noteworthy was the recognition we received in two of the largest innovation rankings in Brazil: fourth place in the Electricity category of the **Valor Innovation Award** and third place in the Electricity and Renewables category of the Valor Innovation Award, **TOP 100 Open Corps** 2023.

The year saw the launch of **Pod Inovar**, a Neoenergia podcast focusing on panoramas, trends and curiosities in the world of innovation and the energy sector. The content includes internal and external experts and is available on our YouTube, LinkedIn and Spotify channels and social networks.

Another outstanding project in 2023 was **Neoenergia's 1st Social Hackathon**. Held in partnership with Rede Muda Mundo and supported by Accenture, the Community Energy event was attended by 22 students from state technical schools and young residents of the Pilar Community in Recife (PE). The youths were split up into groups and given three days to come up with creative ideas for generating business concepts and revenues. Porto Social will incubate the winning idea, and tablets and tech courses will be provided to each member.

RDI HIGHLIGHTS

	2023	2022	2021
Commercialization of RDI products	1,643	5,104	3,651
Quantity of equipment	1,642	5,104	3,651
Number of software licenses	1	0	0
Royalties (R$ thousand)[1]	43	91	13
Number of patents filed	10	19	6
Turnover (R$ thousand)[2,3]	2,615	6,898	5,677
Cost reduction (R$ thousand)[2,3]	183	1,037	3,875

NA: Not available.

[1] The variation is linked to a more conservative stance by companies in the electricity sector regarding purchases of new technologies, given the macroeconomic uncertainties.

[2] In 2023, Neoenergia's distributors prioritized other types of actions in the Losses Plan, emphasizing planning activities. Of particular note is the start of the Godel Losses Implementation Project in production environments and servers, bringing greater stability and support to the system, as well as the complete automation of the calculation of energy balances and the publication of results. This project will boost the return on investment and a greater volume of actions to combat losses through the use of R&D technologies.

[3] Billing relates to the year's turnover and cost reduction is the lowest cost to Neoenergia for using R&D products.

Aneel Research, Development and Innovation Program

Pursuant to Law No. 9.991/2000, later amended by Law No. 14.120 of March 1, 2021, and the regulations of the National Electric Energy Agency (RDI Aneel), electricity distribution companies must allocate 0.5% of their net operating revenue (ROL) to Research, Development and Innovation Programs (PDI Aneel), and generation and transmission companies, 1% of their ROL.

Four strategic themes guide our RDI program: Intelligent Technologies, Safety, Operational Efficiency and Sustainability, aligned with the strategy of seeking practical and concrete results for the business.

Highlighting the relevance of the results obtained by the Aneel PDI Program, products have been developed that are used by Neoenergia's companies and marketed, through technology licensing contracts, to other companies in the Brazilian electricity sector.

In 2023, R$ 259.13 million was invested in the Aneel RDI Program, of which R$ 77.95 million was for projects by Neoenergia companies, R$ 100.32 million was earmarked for the National Fund for Scientific and Technological Development (FNDTC), R$ 50.46 million for the Ministry of Mines and Energy (MME) and R$ 30.40 million transferred to the Energy Development Account (CDE).

Some of Neoenergia's innovative initiatives, classified by our Businesses, are presented below.

3.4.1.1 Renewables

Innovation in Renewables focuses on digitalizing processes and automating human activities by applying new technologies aimed at predicting failures and inspecting the condition of equipment/installations. The goal is to maximize generation with the highest possible profitability and the lowest risk to the safety of teams and equipment.

Hydroelectric and offshore generation

The **Aneel Hydro Digital** RDI project uses artificial intelligence and data from sensors installed in turbines to evaluate and propose supervisory incentives to improve generation performance. With the conclusion of this project, an increase in the value of annual energy generation and/or reserve capacity is expected. Another innovation project using artificial intelligence is **SIPRO-H,** which consists of using operation and maintenance (O&M) data from HPPs to identify systems and equipment with a high potential for failure. Lower maintenance costs and asset risks are made feasible by the early diagnosis of failures through the analysis of operating data from SCADA and maintenance data from SAP.

The RDI **Aneel Golden Mussel** Project is a biotechnological invention in the environmental domain that attempts to manage the population of golden mussels in reservoirs used in hydroelectric power plants by creating infertile creatures of the species to cause a population drop. This will prevent fouling and clogging in areas and equipment at the plants, such as water intakes, air radiators and grids. The RDI **Aneel Life Cycle** project, which is also in this field, compares generating and storage technologies and supports national planning decision-making procedures across various horizons and geographies with an emphasis on ESG objectives. Using a socio-environmental and energy perspective, the computational tool enables the spatiotemporal assessment of the life cycle of generation systems.

One safety initiative is the RDI **Aneel Dam Safety Project**, which uses georeferencing to create a system for intelligent administration of the Dam Safety Plan (PSB). This system will help in the deployment of teams, the management of instrumentation and project risk analysis to support our decision-making. Additionally, we have installed geolocation software with the **PROXI** project, which enables the real-time monitoring of river conditions, flood maps, potentially affected structures and planned escape routes.

Another project that guarantees the optimized management of hydroelectric plant operation and maintenance is Archimedes, a tool that allows the monitoring of indicators (KPIs) such as: operation performance, compliance with the maintenance plan, maintenance analysis, purchase requests, contract management, land regularization, dam safety, health and safety incidents and inspections, compliance with legal requirements, action plans for the integrated management system, compliance with environmental constraints, among others.

Wind and solar generation

The **O&M Inspect** project is one of the key digitalization initiatives, designed to optimize inspections in parks and replace the use of paper by technicians. The mobile application operates offline, allowing technicians to carry out detailed inspections and capture images directly in the field. We created an online application to automatically combine non-conformities and construct an integrated system that enables the planning and execution of the required repairs in order to compile the information gathered.

The **Fernando de Noronha Floating Solar Power Plant** project, which calls for the installation of a photovoltaic system atop a weir, will be the first Iberdrola Group installation to exploit this novel technology, further demonstrating our culture of innovation. The main objective is to reduce local diesel generation, which currently accounts for around 90% of all electricity produced on the island, and thus reduce CO_2 emissions. The project has a strict environmental license and studies have been carried out into the integration of solar and diesel generation.

The **Solar Photovoltaic Plant** project, which is part of the Energy Efficiency Program and has a social impact for low-income clients, is also significant. In the Ilha Amarela neighborhood of Salvador (BA), there are 13 solar power plants in the Mané Dendê Residence that will aggregate about 175 kWp. The generation is expected to meet the average consumption of 260 families, estimated at 80 kWh per month for each apartment, as well as supplying the common areas. The installation is expected to be completed in the first quarter of 2024.

3.4.1.2 Networks

Innovation in Networks is focused on the development and implementation of new technologies and services, designed to transform the customer experience, providing efficient and personalized digital channels. It furthermore contributes to the expansion of smart grids, supplying electricity efficiently, sustainably, economically and safely. Moreover, various asset automation and process digitalization projects are included.

From an environmental point of view, there are two significant RDI Aneel projects. The first is the **Hyacinth Macaw** initiative, which fosters sustainable and eco-efficient solutions for the coexistence of this species with the electricity distribution network and will implement a conservation program for one of the most endangered birds in the world. The second is the **Climate Forecasting** project, which seeks to predict the evolution of air temperature and thermal sensation using numerical models combined with machine learning techniques for more assertive energy market projections.

We have invested in an Electric Mobility Program that includes RDI Aneel projects to expand the electric vehicle recharging infrastructure and develop new solutions. These include the **Electric Truck**, which has an electro-hydraulic aerial basket for maintaining the power distribution network, and an intelligent system for managing recharging safely and efficiently on the utility's low-voltage network.

Green Trail in Fernando de Noronha is another notable RDI Aneel initiative that focuses on sustainable business models and solutions for tourism, public services and Neoenergia Pernambuco's operations. Electric vehicles and charging stations distributed in strategic locations on the island are used to ensure supply from renewable sources with an energy storage system.

Last but not least, the RDI Aneel **Green Corridor** project merits special attention because it has made it possible for the Northeast Region to have a comprehensive infrastructure for charging electric vehicles. With 17 stations installed, it has established the region's first electric corridor and the largest fast-charging “electric road,” spanning more than 1,200 kilometers between Salvador (BA) and Natal (RN). This program received recognition in the Sustainability Practices, Products and Services for Large Companies category of the 2023 ECO Amcham Awards.

In terms of safety, the PDI Aneel **Robotic Arm** project makes it possible to carry out tree pruning near energized networks robotically and with remote operation. We are working on the RDI Aneel Proximity Sensor project, which will involve installing sensors in the truck's overhead basket and a processing center that will alert and take action to prevent a potential risk situation. This will help prevent electrical accidents involving field crews, primarily caused by approaching the live line in 69 kV networks. The Aneel Smart Safety Eye RDI project is a system being developed using artificial intelligence that seeks to identify inappropriate actions by field teams, such as the non-use or inappropriate use of personal protective equipment (PPE), as well as incorrect procedures.

Furthermore, in order to minimize hazards for the maintenance crew, the RDI Aneel **Earth Mesh Measurement** project is creating technology that can measure the earth mesh's impedance without having to shut down the substation. There is also the **Spider Excavator Deployment** project, which consists of an

innovative excavator with an independent four-wheel drive. This makes it possible to access terrain with slopes of up to 45°, to work in flooded areas up to five meters deep and to move through trenches up to five meters high. The primary benefits that are anticipated are an increase in worker safety and a decrease in power outages caused by vegetation.

In the social realm, we draw attention to the Aneel **Microrrede** RDI project, designed to create a fully renewable microgrid that has been operational since 2022 as a substitute for fulfilling the requirements of the Light for All (LPT) program. It uses a centralized solar energy system with batteries and a distribution network, benefiting 113 consumer units in the hinterland of Bahia.

One project aimed at energy efficiency is the Implementation of a **Battery Energy Storage System (BESS)**, which involves the installation of an electricity storage system for the Santo Antônio Hospital, located in Salvador (BA). Operating during the distributor's peak hours, the system will reduce peak consumption by around 80%. Additionally, a photovoltaic solar plant will be built to provide about 20% of the hospital's energy needs. All of the preparatory studies for the project have already been finished; it started in 2023.

Another noteworthy effort is called **BaRR (Balance of Relays and Reclosers)**, which creates energy balances for more precise commercial loss detection by calculating the energy monitored by distribution protection equipment using electrical magnitude data. It includes the automatic extraction of data from SCADA and Spectrum SP7 Siemens, the processing of electrical quantity data and the generation of energy balances via Python script and power flow in the SinapGrid software.

Equally noteworthy is the PDI Aneel **Vant project**, a system for diagnosis, inspection and automatic registration of electrical assets on low-voltage and high-voltage transmission lines. It uses self-propelled unmanned aerial vehicles (UAVs) for remote automatic registration of assets such as transformers, insulators, cables and other assets and inspections of distribution lines, poles (mutual use) and street lighting. Through an Intelligent Integrated Management System (SIGI), Vant will use the information collected to generate asset loss and maintenance reports. Another project is **Boris**, a modularized application capable of providing employees in the field with information on the identification of installations with irregularities (metering fraud or defects) that results in the recovery of revenue for the company and, consequently, a reduction in losses for distributors.

Also highlighted are the following RDI Aneel projects that improve the operation of our networks:

- **Insulator Washing** – A vehicle with an intelligent system for washing the insulators in the distribution networks, which uses the measured level of salinity.
- **Mobile Emergency Tower** – Allows the emergency replacement of 69kV and/or 138kV structures (suspension and/or anchoring) and includes the development of removable national anchors.
- **Saturated Reactor** – Aims to dynamically regulate voltage in electricity distribution networks (34.5kV), in order to comply with the electricity supply standards established by the regulatory agency at the points of connection with consumers.
- **Sandbox Governance** – Monitors the execution and technical evaluation of sub-projects on tariffs, for experimenting with unconventional tariff models undertaken by distributors through the RDI Aneel program. The results of the project will deliver important inputs for the improvement or formulation of normative acts that result in the updating and modernization of tariff models.
- **Continuity Indicators** – Proposes alternative methodologies for defining collective limits for continuity indicators, with improvements that result in the definition of regulatory limits consistent with the different realities observed by the distributors in their concession area.
- **Tie Rods** – Development of pilot models for new transmission line foundations, from 88 kV to 500 kV. Two systems will be created: one consisting of a reinforced concrete footing and ties anchored in the ground; and the other consisting of helical piles, injected or not, crowned by a metal grid or precast block.
- **Hermetic Underground Substation** – The aim is to develop, implement and evaluate on site a new underground substation model with a voltage class of 13.8kV, characterized by the distribution of medium- and low-voltage electricity underground.
- **Integrated Automation Platform for Substation Simulation** – Enables the complete simulation of a substation, configuring the information that travels on the station's busbars, carrying out

interoperability tests, integrating equipment and systems, as well as testing the control and protection logic that make up a substation's automation system.

- **Intelligent Antennas** – Consists of a set of electronic circuits that form a reliable system of antennas with 360° coverage for communication between the Operations Center and the distribution network recloser switches, thus allowing application in any substation that uses a radio link.
- **RDI Aneel Electric Sector Analytical Intelligence System (Siase-T)** – Aims to develop an information portal in the energy transmission segment that will restructure and merge the databases used by the MME, EPE, ONS and Aneel and improve management, enabling society to access qualified information.

Drone-based digital inspection of transmission line structures is another creative initiative. It involves taking pictures of the structures using drones, examining the integrity of the components, and spotting anomalies so that they may be fixed and the asset's safety maintained. The intention is to apply artificial intelligence to identify anomalies. In addition, the pilot project to create a 3D virtual environment for interaction in a 500kV substation consisted of the complete modeling of the Fernão Dias substation (Atibaia – SP) with all its equipment and infrastructure, as well as the configuration of interlocking logic and equipment controls.

Intelligent Networks

We were the first in Latin America to build a private Long-Term Evolution (LTE) network for our business, which is built on wireless technology and fast data transfer speeds. To this end, we conducted a pilot for the telemetry of large customers using this private network, with 4G data transmission speeds in the Atibaia (SP) region. The equipment was monitored for three months and proved to have communication levels on the private network that were just as reliable as on the public operator network, which guarantees correct customer billing and reduces operating costs.

Siscon, a program already in place at Neoenergia Pernambuco and Neoenergia Cosern, is noteworthy in relation to efforts for the digital transformation of operations at distribution companies. Its goal is to modernize operation centers and processes in the field through the use of information infrastructure and the standardization of operation procedures. Another outstanding project was **Intelligent Cutoff (Mote)**, which developed devices to automate the cutting off and reconnection of power to customers in a swift manner while preserving the safety of the field teams. The remote commands used for this automation are communicated from an MDC system via Bluetooth or a mobile phone using an app on the field teams' tablets.

In addition to these projects, the Low Orbit Satellite **Telemetry** project brings smart metering to remote and difficult-to-communicate locations. It has been tested on large customers and uses Starlink nano-satellites aimed at the Internet of Things (IoT). As it orbits above an associated meter, energy reading records are collected and then sent to the distributor's Meter Data Manager (MDM) systems and then on to the commercial system for billing. Additionally, we have created the extremely pertinent **Safari** project in collaboration with Iberdrola's Innovation Center in Qatar. Its goal is to analyze and forecast network errors so that corrective action can be taken before the equipment fails.

Regarding smart grid technology, the **Aneel Godel IDP** project is noteworthy for having created multiple commercially available products. It won first place in the Distribution Systems Study Group at the National Electricity Production and Transmission Seminar in 2023 using the Godel Conecta module (XXVII SNPTEE).

The Intelligent Sensor was created as part of the project using Neoenergia-patented technology that was licensed for commercial use. The device was first created to discover defects and was later refined to lower technical and financial losses.

Other initiatives created and implemented in the Godel Project modules were:

- **Godel Analytics** – Application used by Neoenergia companies to map technical and commercial losses, indicate areas with the greatest opportunities for revenue recovery actions.
- **Godel Losses Modu**le – It enables the calculation of technical and non-technical losses using developed algorithms. The geo-referenced electrical network registry (GIS system), measurements from intelligent sensors and other measuring devices with data available in the SCADA and MDM systems, as well as measured and billed consumption data from customers available in the distributors' tax files, are all used by this algorithm to perform electrical calculations.

- **Godel Multilink** – Metering data concentrator with Brazilian technology for Mesh radio frequency communication in the Wi-SUN standard designed to guarantee interoperability between distribution network equipment and enable metering data to be sent to the distributor's management systems via multiple communication links.
- **Godel Conecta** – A pioneering system in Brazil for determining the capacity to accommodate distributed generation and new loads on the medium-voltage network. The user queries the capacity of the network, using the address, ZIP code or geographical coordinates and the analysis is performed per stretch of network to increase the reliability of the result. The system increases the efficiency with which customers respond to access requests and allows them to make their queries and get immediate answers.
- **Godel PQA-900** – Class A Qualimeter for assessing the quality of energy supply. As well as meeting all the requirements of the Distribution Procedures and international standards, the equipment differs from its competitors in that it has the capacity to record continuous waveforms without loss of information. This makes technical analysis more assertive and makes it possible to give clients more complete answers about the quality of their energy supply.

Customer experience

We seek to create and integrate service channels that connect and make life easier for clients by offering digital services that offer autonomy, ease and accessibility. One of the main initiatives with this objective is **Conexão Digital** (Digital Connection), an RDI Aneel project focused on electricity sector customers. The initiative operates on three pillars: modernization of the client journey, integrated development of digital solutions and digital inclusion. This encourages enhancements in customer experiences, keeping the client at the center of the enterprise at all times.

Among the aspects that make up the RDI Aneel Digital Connection are the transformation of processes and architectures, digital channels, Data Analytics and the robotic automation of processes, in conjunction with the customer relationship management platform (CRM SalesForce) and the integrated communications platform (Marketing Automation). Through data analysis, the [LS1] Digital Connection initiative works in the fields of digitalization and optimization. In 2023, we can highlight:

- By directing and producing reports on the execution of processes carried out by robots in registration routines, such as the automation of collection actions, advisory services, invoice delivery complaints, and the monitoring of legal processes, Robot Process Automation (RPA) expedites and enhances the quality of services provided in commercial areas;
- With a direct bearing on customer satisfaction with the perceived caliber of service rendered by our distributors, Analytics is taking the initiative to communicate with customers regarding the restoration of power and recommend training for service representatives. Other items that support strategic decision-making to manage actions that improve internal dealings are the 360° Voice of the Customer Survey and the Movement of Work Centers, which handle complaints based on the topic. The data products offer a fresh perspective on how to use artificial intelligence and analytical models to improve consumer experiences;
- A package of new features has been delivered to the Conexão Digital app, such as viewing consumption history, an alternative address for sending invoices, the implementation of the reCAPTCHA system for validating information security, among others. The increased quality and reliability of the app has attracted customers to migrate from human to digital customer service, in line with market trends. This movement lowers the expenses associated with human channels while also delivering value and satisfaction. (More information on the customer experience is presented in section 3.4.2 Our commitment to customers).

3.4.1.3 Liberalized

The innovations in the Liberalized markets focus on improving the efficiency of operational assets and associated processes with an impact on quality, safety and costs, as well as using and offering more and cleaner energy while clearly communicating its origin to clients and other stakeholders. Notable also are

our endeavors concerning the opening up of the Brazilian energy market, as well as our investments in green hydrogen and innovative decarbonization strategies for our customers.

Green hydrogen

Considered the fuel of the future, green hydrogen is one of the main options for meeting the growing demand for clean energy and offers innovative solutions for the Brazilian market. Investing in this technology means positioning the organization at the forefront of and contributing to the country's decarbonization and sustainable development. The RDI **Aneel Green Hydrogen** project will implement a solution for producing this fuel with a very low environmental impact from photovoltaic solar energy, to fuel vehicles.

Another relevant project is the **Hydrogen Calculator**. It is a tool that provides for the automation of calculations relating to the sizing of green hydrogen projects and their derivatives, as well as their application in mobility. It allows for different interfaces, which vary according to the inputs provided and the desired outputs. It has five different modes and offers complete data, calculated instantly.

Smart Solutions

In the field of Smart Solutions, we can highlight the **Mori** project resulting from a joint venture with Comerc Energia, signed in 2023. Through this operation, we began to offer the market a shared distributed generation model. This allows consumer units with no "hierarchical" relationship and in different areas to use solar power plants remotely by forming a consortium. Within the Liberalized portfolio, the model is a new offering that enables us to target new consumer profiles.

Thermal Operations and Green Solutions

The Green Solutions area is developing the **Sales Application** project. The aim of this app is to enable thermodynamic quantities to be calculated when visiting potential customers as well as incorporating financial data from a reference database. This provides the client with a quantifiable estimate of earnings while increasing the efficiency of the sales teams and decreasing the time required by the engineering team to perform preliminary estimates.

In addition, Termopernambuco's Operations department has developed a **Load Level Calculator**. Basically, it is a tool that calculates the plant's generation availability and inflexibility in periods of intervention in a safer and faster manner.

Sales and management

The **Second Copy of Bills** for the Liberalized Customers project was created with the intention of guaranteeing speed and ease of use for clients who require a second copy of their energy bill. By interacting with a chatbot, customers can obtain a second copy of their bill, creating a totally digital service.

3.4.1.4 Systems

The Digital Transformation Department's initiatives are aimed at improving process efficiency through digitalization.

The **Workday** Integration project seeks to advance our business areas through modernization by strengthening the personnel and organization management paradigm.

Also working in Networks, the **Kaffa** Solution consists of implementing a mobility system to update existing assets in the distributors and carry out integrated network inspections. Upon completion, it is expected to improve control of network assets, identify field teams and create records in real time.

As part of process governance, the **Softexpert SE Suite GRC** project is working toward improving internal controls. The aim is to regularize the control environment by defining activities that better the process or control design. One illustration is the designation of the individuals accountable for formulating adjustments and enhancements, enabling the tracking of the dates and conditions set forth for the fulfillment of these actions.

3.4.2 Our commitment to clients

We were able to attain excellence in customer relations in 2023 by utilizing a recently designed strategy. With the goal of exceeding quality indicators and placing the client viewpoint at the forefront of the business, we continue working to improve the customer experience. The people and organizations served by our companies increasingly expect to be listened to, to have a rewarding experience and to easily find solutions to their questions and problems.

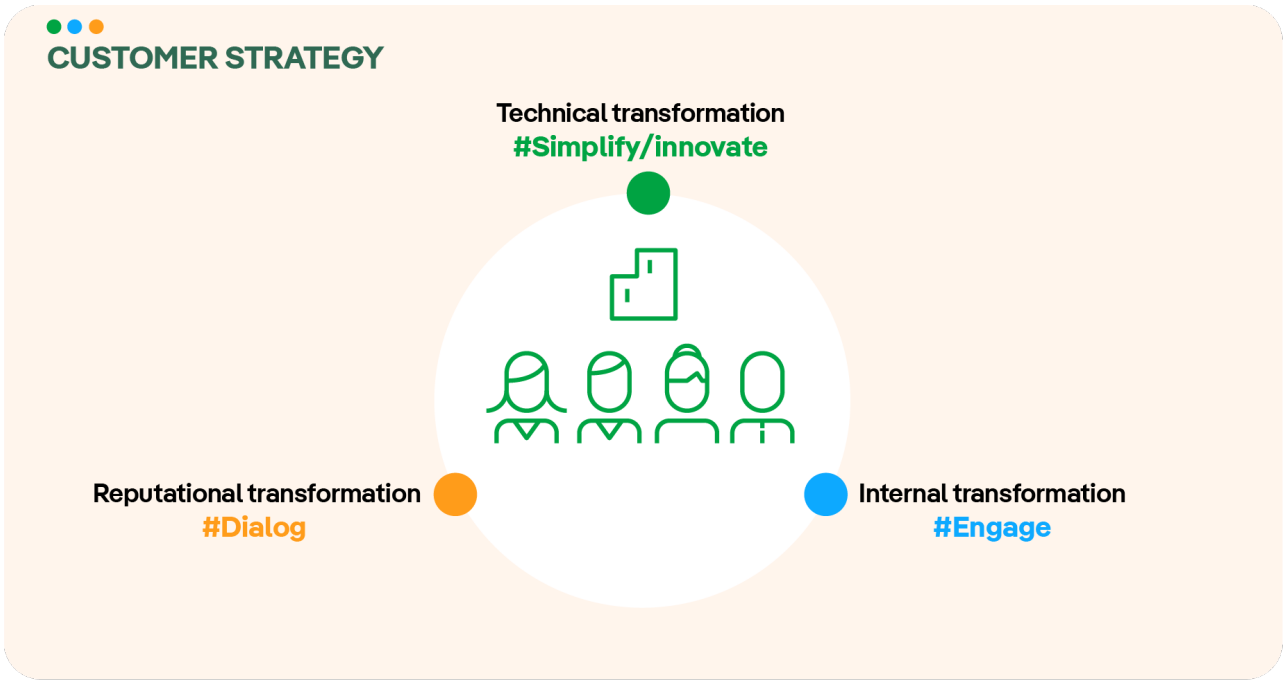
The basis for this transformation was the Excellence Plan, which promoted a reorganization of the area's governance. With the participation of all leaders and teams, a number of working groups were established to assist in the planning, monitoring, and assessment of the actions implemented.

In 2023, the plan for excellence was reinforced by the quickening of internal transformation procedures, team-building exercises, a reassessment of goals and objectives, and modifications to technical and governance frameworks that prioritize client input. Our goal was to become a benchmark company for how society and our clients perceived us, and this target was reflected in every new initiative we launched.

The Digital Connection project has accelerated customer experience innovations, resulting in time and efficiency gains in service, and it continues to grow as a priority under the Excellence Plan. It was launched in 2020 based on three pillars: modernization of the customer journey, integrated development of digital solutions and digital inclusion. In 2023, the app and institutional website were modernized with a focus on the customer journey and are moving towards unification across all companies.

Priorities

Maintaining proximity to network users and their high level of satisfaction, based on increasingly simple, effective, and digital processes, continues to be the highlight of our relationship with our 16.4 million customers in five Brazilian states and the Federal District. This familiarity is based on the Simplify/Innovate, Dialog and Commit pillars.



One of our priorities is a smooth and resolution-based journey to reduce the number of complaints. As such, we have focused on the root cause of processes with failures and opportunities for improvement, mainly related to customer service, deadlines, meter reading and billing. We have also implemented a new governance model for swift action on the causes of complaints. As a result, the Frequency of Procedural Complaints (FER), which measures the number of procedural complaints per thousand customers, ended

the year at 5.51, 39% lower than the target set for our companies.

We have also taken proactive steps to anticipate situations and position our clients. This includes sending messages about power disconnections, forecasts for when the power will be restored, warnings about normalization and messages about when bills are due to avoid the risk of delays or defaults. In 2023, we sent more than 200 million messages to warn consumers about these situations, to enable them to plan ahead and know in advance when normalization is expected.

Internal transformation

The Client is Everything to Us Program is still underway. Its many actions are aimed at reinforcing the concepts of client experience, service excellence, simplification, elimination of red tape, and empathy in relationships. We identified the consolidation of a client-centric internal culture as a major challenge because this journey of improving the client experience depends on the actions of all employees. However, as culture requires continuous action over time, we took another step in 2023.

During Client Month, we began a co-creation process to define the Neoenergia Way of conducting customer relations. We held six workshops with representatives from all Neoenergia departments to develop standards and behaviors that will establish a customer-focused culture.

This diagnosis was supported by a customer centricity survey to determine where we stand on the issue, what are the main pillars of the experience, and to prepare a client-centric plan to be implemented in 2024.

Digitalization Journey, the technical transformation

Digitalization is one of the primary paths we have taken to improve the client experience, personalize the relationship and make it less stressful. This includes new ways of paying bills and interacting with our channels without a human interface. Through the mobile app, for example, in a few minutes customers can register their digital bill, pay them, understand the details or report a power outage, among other actions. The focus on guaranteeing the best customer experience. By the end of 2023, 94% of customer service was digital or hybrid, compared to 86% in 2018.

This journey began in 2020 with the launch of Conexão Digital, Brazil's largest customer-focused Research, Development and Innovation electricity sector project. In 2023, this program continued to make progress on deliveries for the various fronts of the project, through increments/improvements to previously delivered products and the offer of new solutions.

Throughout the previously completed stages, we have had several deliveries, such as service through chatbots using the WhatsApp channel, enabling more access to our services, which was especially important at the time of its launch (2020) during the Covid-19 pandemic. Since then, we have optimized this channel with new features: payment by PIX, PIX second bill, PIX debt negotiation, PIX reconnection, human service for Micro and Mini Distributed Generation (MMGD). In 2023, we added new features with the

possibility of overflow to human service for all services at Neoenergia Cosern, registration updates at all our distributors; compensation for electrical damage at Neoenergia Elektro; permanent disconnection and Social Tariff at Neoenergia Pernambuco.

The level of satisfaction with the WhatsApp channel is around 89%, with a score of 4.71 out of 5.00. Since the start of this feature, we have served 124.0 million customers, 86.2 million of them in 2023 alone.

Also in 2023, we launched the new Neoenergia app, which includes supplementary services and functionalities as well as additions over the months that have greatly enhanced the product, creating value and maximizing the customer experience.

- Easy to get a second copy of the bill without having to log in;
- Faster login with Face ID and Biometrics functionality;
- Second copy of invoice, in case of mistakes, non-delivery and/or loss of printed invoice;
- Registering/changing automatic debits in accounts, avoiding trips to the branch office and banks;
- Changing the due date of the invoice if family routines change;
- Consultation of consumption history, with indicators of savings or over-consumption on the respective invoice;
- Consultation about the composition of the bill (generation, transmission, distribution, charges, losses and taxes) through the Understand Your Bill service.;
- Change of delivery address of the printed invoice if an alternative address is required;
- Adjustments for the inclusion of the Welcome Tutorial, to help with the first login;
- Update to the new Neoenergia brand logo.

The digital transformations implemented in recent years include:

CRM (Customer Relationship Management) – A SalesForce platform that aims to unify the customer service and service platforms, with 100% synchronous integration with the commercial systems of Neoenergia Elektro (UE), the Northeast distributors (SAP) and the technical systems (Ingrid, GSE/Siscon) This assures historical information and visibility of all the activities generated for the attendant. The main benefits are a 360° view of customers, convenience in service, multichannel (all channels), as well as general service questions and guidelines integrated into the CRM platform. In 2023, we updated the programming, scheduling and dispatching of commercial technical services contracted through SalesForce, which means a reduction in travel, assertiveness in execution and comfort for the customer to schedule the service and keep track of our team's service hours.

VRA – The Virtual Remote Assistant allows service to be carried out without an on-site visit through guided interaction and in real time via the customer's own cell phone. The client reports the problem and the service center gets in touch and, if appropriate, suggests video assistance. If the proposal is accepted, a link is sent to the cell phone allowing the attendant to view the problem and guide the solution via video. It could be, for example, a circuit breaker failure, which is easily solved by the customer themselves. If the problem is not solved, a technical team is sent to the site, as is normally the case. It has been implemented at Neoenergia Elektro, Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern.

Digital communication and marketing strategy and automation – More than 202 million emails and 144 million SMS messages were sent automatically to customers in 2023, including debt collection (with 11% effectiveness in payments, representing recovery of R$ 244 million in Estimated Losses of Doubtful Settlement – PECLD), reading impediments (with 76% of accesses made, representing 168,000 avoided), disconnection notice by WhatsApp (with 7% effectiveness in payments, representing R$ 1,228,000 in recovered PECLD) and Track Your Order for unproductive shifts (with 1.5% effectiveness in shifts without services being carried out, representing R$ 711,000 in efficiency). 228,000 in recovered PECLD) and Track Your Order for unproductive journeys (with 1.5% effectiveness in journeys without services being carried out, which represents R$ 711,000 in efficiency).

Humanizing channels – As part of our digital transformation strategy, humanization has been carried out on channels using simple language to be closer to clients. In 2023, another 822 pieces of content were humanized, such as the website, SMS, emails and the app.

Data & Analytics – Analytics has changed the way retailers interact with customers and gain insights for process improvement since being implemented in 2021. New functionalities have been added each year. In 2023, this front developed additional products:

- Automation of the process of monitoring legal cases for commercial management, freeing up people and working hours to focus on demands that promote services to improve the customer experience;
- Automation of processes involving registration routines, portfolio generation for collection advisory services, invoice delivery complaints and monitoring of legal processes for commercial management, freeing up people and hours to work on projects and experiments that improve the customer experience;
- Analytical model to suggest training for customer service staff, in order to improve the level of satisfaction and ensure that customer demand will be met on our front line;
- Analytical model for prioritizing communication to customers about power restoration. Provides personalized information according to profiles discovered by data analysis;
- Calculation model for losses, which, using the detection of changes in consumption behavior, helps us to identify the volume of energy underbilled to the customer;
- Model for tracking the movement of client orders between work centers to enhance end-to-end management by ensuring the deadlines of requests made by clients that pass through various departments.;
- Natural language processing model to understand the feelings aroused in customers from their interactions with our client service on various platforms, such as consumidor.gov and Reclame Aqui.

Digital bill

The digitalization journey can be observed by the increase in digital bill subscriptions, which has grown by 48% in the last two years. It now represents more than 9.5 million digital bills, around 15% of them delivered by distributors.

NUMBER OF DIGITAL INVOICES

	2023	2022	2021
Number of digital invoices (millions)	29.2	24.4	19.7
Annual growth (%)	20	24	33

We offer digital invoicing via email, SMS and WhatsApp. These methods make the process more practical, agile and secure for customers while also eliminating the use of paper, thus contributing to the preservation of the environment, in line with the Sustainable Development Goals.

As part of our continuous efforts to advance digitalization, we continue to introduce initiatives like: the Energy to Start Over Program, with a prize draw for digital customers; Massification and guarantee of the offer of the service in service channels and communications, including digital ones (emails, SMS and WhatsApp); Offer of the service by meter readers and on the back of the bill.

Proximity and connection

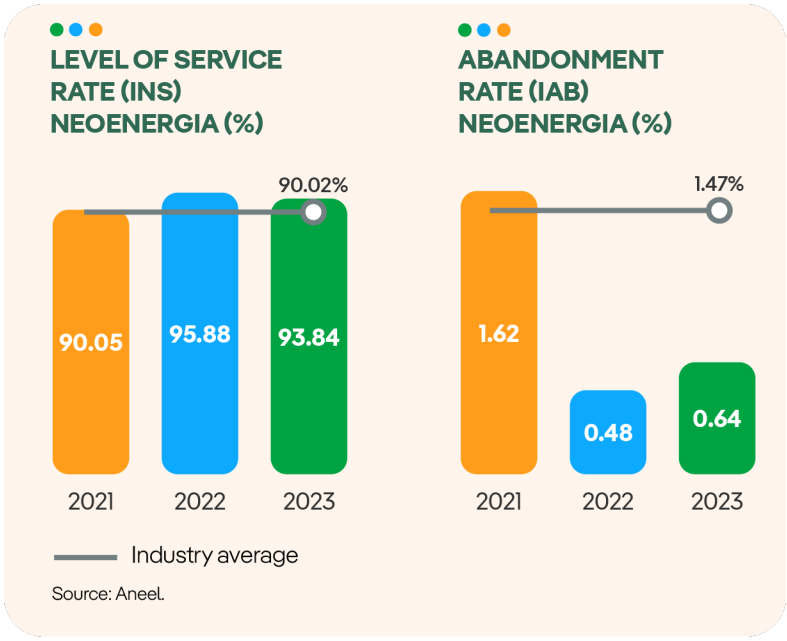
We are rapidly promoting the use of the digital environment, but we understand that face-to-face service is still important for greater proximity and relationship with customers. To this end, we have invested in the physical and technological modernization of our face-to-face spaces.

We also worked to expand self-service. We now have 361 new totems that make it possible to generate express self-service, helping to reduce in-store waiting times and reinforcing our commitment to serve all customers within 15 minutes. Regardig customer service, we also advertise digital services and channels, promoting digital inclusion, wi-fi access and consultative assistance from our agents through the Posso

Ajudar (How Can I Help You) program.

In the call center, we have implemented a new service model with competition between suppliers, who gain a greater share according to their performance, thus offering better client experiences.

We also introduced call automation and an intelligent call back system that guarantees 100% access to customers. As a result, we have the best positions in call center service data in Aneel's ranking of distributors with more than 400,000 customers. The Service Level Index (INS) reached 93.84% in Neoenergia's consolidated figures, compared to the sector average of 90.02%, and the Abandonment Index was 0.64% (national average of 1.81%).



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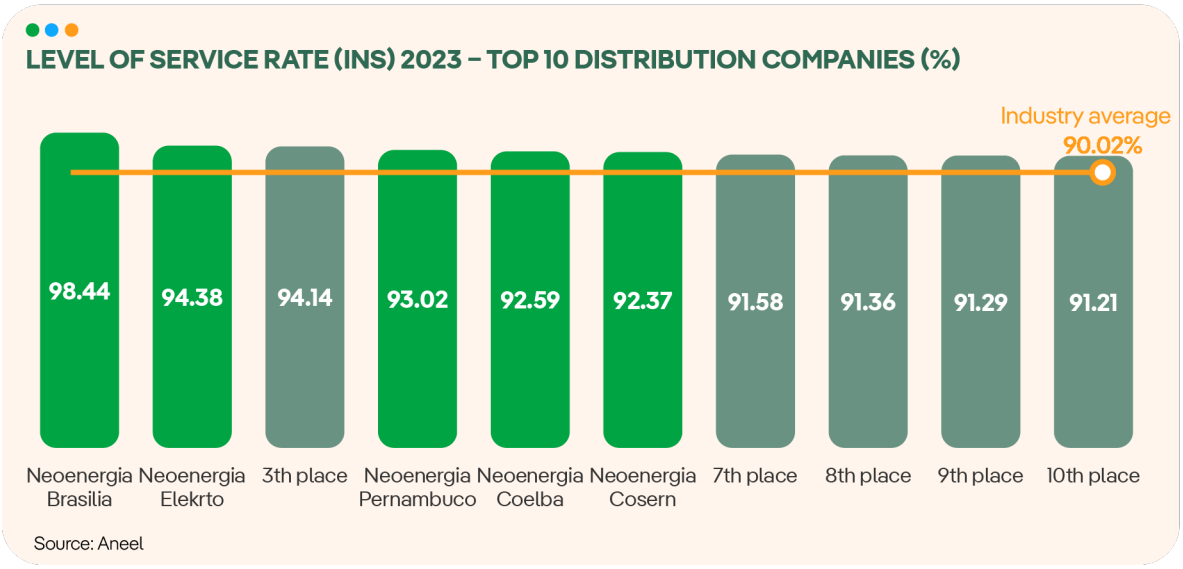

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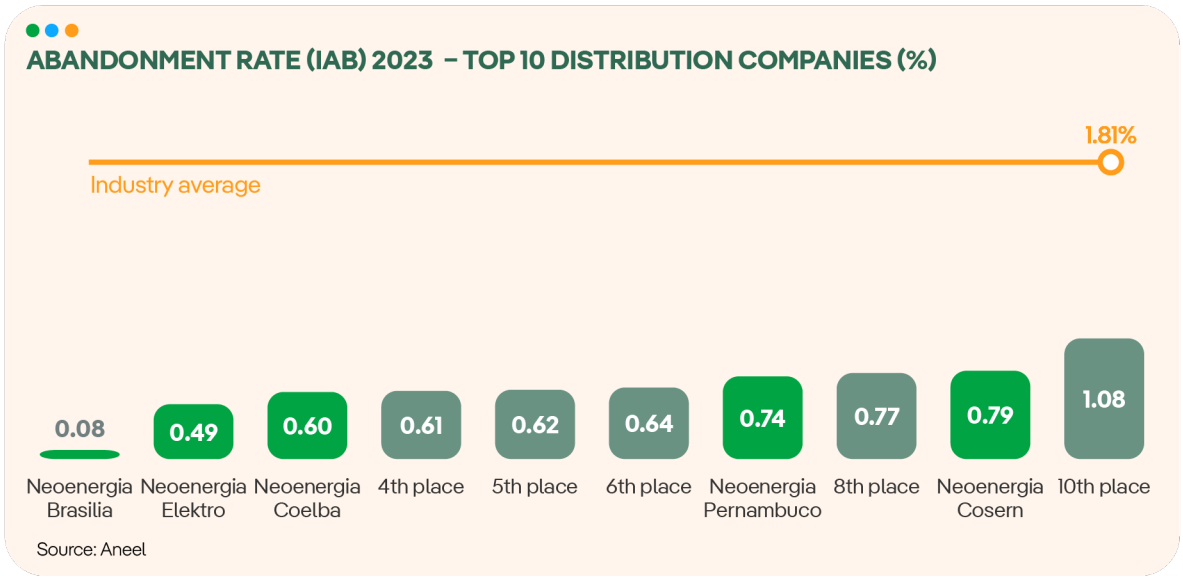


Source: Aneel

The quality indicators for telephone service lies have reached a level of excellence, which underscores our concern with guaranteeing the best client experience. The Customer Satisfaction Score (CSAT) grew 2.3% compared to 2022 and 51.7% over 2020. First Call Resolution (FCR) improved 2.2% compared to 2022 and 43% over 2020.

Payment default

We ended the year with a payment delinquency rate of 1.39%, compared to 1.22% at the end of 2022, due to more invoices being issued as a consequence of the resumption of higher ICMS rates by most state governments. In the first half of the year, large industrial and commercial client bankruptcies impacted this rate. To turn things around, we carried out significant talks regarding collections and saw positive developments in the courts, with private clients, municipal governments, and sanitation businesses.

In order to reduce delinquency and avoid the risk of interruptions to electricity services, we are searching for new solutions to support consumers. We were electricity sector pioneers in offering the possibility of bill payments via PIX, available to customers who opted for digital billing via email, WhatsApp or SMS. In 2023, we expanded PIX to all customers and started issuing bills with a QR Code. With this innovation, payment can be identified within one hour, 24 hours a day. The following actions also stood out:

Energia para Recomeçar – In the third edition of the campaign Energy to Start Again, each distributor raffled off R$ 80,000 in prizes to consumers who had paid their bills on time. The amount was credited directly into the energy bill. In the first ten months of the campaign, ten consumers received winnings of R$ 500 each month. In the 11th month, there was a special draw, in which six people received a prize of R$ 5,000.

Desenrola Brasil +Flexpag – The five distributors joined the federal government's Desenrolar (Let's Work it Out) program, which offered up to 90% discount for customers to negotiate their debts in up to 60 installments with an interest rate of 1.99%. For Desenrola customers who were not eligible for an installment plan, we set up a partnership with Flexpag so that they could negotiate their debts in up to 21 installments, with the same discount (90%) and the same interest rate as the government program (1.99%).

Conta Premiada (Winning Account**)** – The Winning Account campaign was an initiative consisting of three draws for ten prizes of R$ 500 per edition among customers who had paid their bills using PIX between October 1 and December 31, 2023. In total, there was R$ 15,000 in discounts offered on electricity bills, with R$ 500 in credits for each of the 30 winners.

Mês do Cliente (Customer's Month)– In celebration of Client Day, as of September we offered a R$ 20 discount through the Client Month program to those who paid for the first time using the Recarga Pay app. The campaign lasted until December 31, 2023.

Negociação por WhatsApp– This Negotiation by WhatsApp program allows customers the possibility of negotiating their bills via WhatsApp, the most widely used messaging channel because it's easy to identify the information on the bill, get a duplicate or pay the debt in installments.

PIX via WhatsApp – Expansion of the PIX payment channel for services via WhatsApp (duplicate payment, negotiation and reconnection), leveraging digital collection, which grew by 4.32 percentage points over 2022.

Feirão de Negociação em Brasília – A negotiation group effort in partnership with the Judiciary to discuss debt settlements.

Campanha Tudo Verde – The Everything Green Campaign involves third-party advisors to boost agents' engagement in negotiations, offering incentives to reward meeting targets per distributor.

Campanha de cadastro de baixa renda – A low-income registration campaign for communications via SMS and e-mail to update registration and continue to benefit from the Social Tariff.

Cashback – Partnerships with digital wallets make it possible to return funds through cashback. The bonus is available to consumers of the distributors who were not yet users of the partner platforms and registered within the promotion period.

21 credit card installments – Clients can pay in up to 21 installments with Master, Visa, Hiper, Elo and Amex cards. Payment can be made via the distributors' websites, in partnership with Flexpag.

3.4.2.1 Quality of supply

The quality of the energy supply is expressed mainly by the Equivalent Duration of Interruption per Consumer (DEC) and Equivalent Frequency of Interruption per Consumer (FEC) indicators, which measure faults in the distribution network.

In 2023, with the exception of Neoenergia Pernambuco, all of our distributors remained below the regulatory limits for the Equivalent Duration of Interruption per Consumer (DEC) indicator. And all of them met the limits for Equivalent Interruption Frequency per Consumer (FEC). Part of this positive result can be attributed to the self-healing systems. They minimize power interruptions in cases of so-called temporary failures, for example, when tree branches fall on the wiring. In 2023, 832 pieces of equipment were covered by this technology in the five distribution companies. With self-repair, the electricity supply can be restored in up to 60 seconds.

Super self-healing

In addition, the new super self-healing system is in operation throughout the city of Natal (RN), using artificial intelligence (AI). AI makes it possible to find the cause of a power outage and solve the problem more quickly – by mobilizing teams or maneuvering the network to restore service more quickly to the customer. The benefit is that it increases the self-healing system's operational range geographically, giving distributors additional options for solutions in the event of a power outage.

We have also invested in the modernization and digitalization of the network structure at Neoenergia Brasília, as part of the Multilink project, for which we already received approval to install 5,000 smart meters at the beginning of 2024. In addition to smart metering, the project includes modernizing substations, the telecommunications structure and network automation.

Our five distributors have around 17,561 reclosers; 34% are self-healing, installed in around 355 municipalities in five states and the Federal District.

OUTAGE FREQUENCY INDICATORS – FEC (TIMES)
GRI EU28 | SDG 1.4, 7.1 | SASB-IF-EU-550a.2

	Regulatory Limit 2023	2023	2022	2021
Neoenergia Coelba	6.85	4.97	4.99	5.18
Neoenergia Pernambuco	7.31	5.08	4.77	5.75
Neoenergia Cosern	6.46	3.23	3.05	2.81
Neoenergia Elektro	5.68	3.73	3.84	4.22
Neoenergia Brasília	5.12	4.74	5.72	7.06

OUTAGE DURATION INDICATORS – DEC (HOURS)
GRI EU29 | SDG 1.4, 7.1 | SASB-IF-EU-550a.2

	Regulatory Limit 2023	2023	2022	2021
Neoenergia Coelba	13.09	10.69	11.41	11.46
Neoenergia Pernambuco	12.43	11.30	11.75	12.00
Neoenergia Cosern	10.21	7.63	7.94	6.78
Neoenergia Elektro	7.73	7.32	6.97	7.38
Neoenergia Brasília	7.04	7.01	6.65	8.91

3.4.2.2 Customer satisfaction

GRI 2-29

Two of our distributors were recognized as the best in Brazil at the 25th edition of the Brazilian Association of Electricity Distributors (Abradee) Awards. Neoenergia Cosern won first place in the National, Northeast Region and Operational Management categories, as well as second place in Management Quality. Neoenergia Elektro came in second in the National category, first in the Southeast Region and in the Management Quality and Performance Evolution categories. It also came third in Operational Management.

In the survey for the Perceived Quality Satisfaction Index (ISQP) through the Abradee Award, the Neoenergia business group grew by two percentage points, reaching a score of 71.6%. Neoenergia Cosern achieved 77.4% and Neoenergia Elektro came in at 77.7%, which contributed to the recognitions it received.

In the Aneel Consumer Satisfaction Index (Iasc) for 2022, which will only be published in 2023, our business group achieved the national average score of 58.7%. Neoenergia Cosern recorded our best result, 63.6%. The result of the 2023 survey had not been released as of the publication of this report.

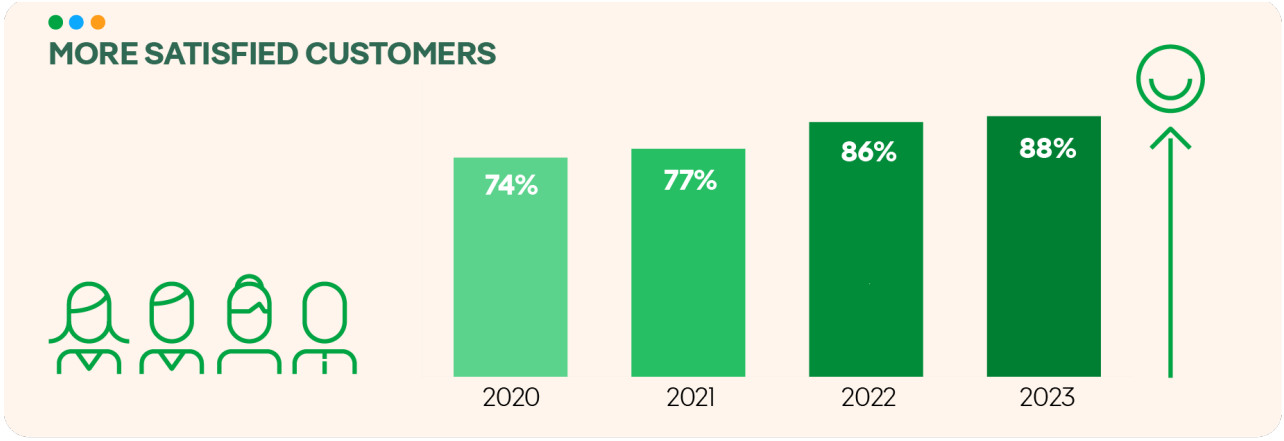
ABRADEE INDEX OF SATISFACTION WITH PERCEIVED QUALITY (ISQP) – %

	2023	2022	2021
Neoenergia – business group	71.6	69.6	65.7
Neoenergia Coelba	67.7	64.5	63.3
Neoenergia Pernambuco	73.9	74.4	64.5
Neoenergia Elektro	77.7	72.6	70.0
Neoenergia Cosern	77.4	75.9	71.1
Neoenergia Brasília	62.0	66.2	65.3

ANEEL CUSTOMER SATISFACTION INDEX (IASC) – %

	2023	2022	2021
Neoenergia – business group	NA	58.7	53.1
Neoenergia Coelba	NA	55.7	52.2
Neoenergia Pernambuco	NA	60.4	53.0
Neoenergia Elektro	NA	61.6	54.4
Neoenergia Cosern	NA	63.6	55.6
Neoenergia Brasília	NA	55.0	51.9

NA: Not available. The 2023 IASC Survey had not been released as of the publication of this report.



In addition to the electricity sector surveys, we measure customer satisfaction at each contact through various consultations. The most comprehensive one takes place at the end of the service and was offered in 2023 to 12 million contacts. This raised customer satisfaction by two percentage points, from 86% in 2022 to 88%.

COMPLAINTS RECEIVED

	2023	2022	2021
Total number of complaints (unit)	208,250	207,701	284.883
Number of complaints per 100 customers	1.28	1.30	1.82
Average response time (in days)	5.05	6.01	10.06

3.4.2.3 Responsible communication

GRI 3-3_417 – MATERIAL TOPIC: CUSTOMER SATISFACTION, EFFICIENCY AND RELIABILITY

We have implemented voluntary mechanisms and codes that infuse transparency and truthfulness into our advertising and marketing communications, going beyond regulatory compliance. Furthermore, we apply our code of ethics in this field to all employees, no matter where they are employed.

Our voluntary mechanisms and codes that infuse transparency and truthfulness into these processes exceed regulatory compliance in our advertising and marketing communications. No matter the physical location of our employees, we also enforce our code of ethics in this industry.

INCIDENTS AND FINES RELATED TO COMMUNICATION, MARKETING AND SPONSORSHIP
GRI 417-3 | SDG 16.3

	2023	2022	2021
Number of fines for non-compliance with laws and regulations that occurred and were paid in the year[1]	0	0	NA
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year [1]	0	0	NA
Monetary value of fines for non-compliance with laws and regulations that occurred and were paid in the year (R$ thousand) [1]	0	0	NA
Monetary value of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year (R$ thousand)[1]	0	0	NA
Number of incidents of non-compliance with advertising and marketing regulations resulting in a non-monetary sanction	0	0	0

[1] No data available for 2021, as the information was not compiled in this detail.

3.4.2.4 Information and labeling of distributed energy

GRI 417-1 | SDG 12.8

Our five distributors comply with Resolution 1,000/2022 of the National Electric Energy Agency (Aneel), which stipulates that consumers must be informed, in printed form on a bill or specific notification, about issues such as:

- Reclassification of consumer unit, response to project analysis, non-performance of any service, cost and conditions of energy supply works, suspension of supply, compensation for electrical damage, complaint, change of norms and standards, charging for irregular procedure, among others, by Normative Resolution (REN) No. 1,000/2022;
- Notices of scheduled shutdowns for maintenance, in accordance with REN No. 1,000/2022 and Distribution Procedure (Prodist) Module 8. In the case of these shutdowns, we also publish notices in mass-circulation newspapers and on radio stations, as well as sending letters to the consumers who will be affected;
- Loss of the Social Electricity Tariff benefit (REN No. 1,000/2022 and 472/2012) and tariff flag values and type (REN No. 1,000/2022) are also issues dealt with and communicated to consumers.

The energy bills also contain information on the safe and efficient use of electricity and the contact details of the service and relationship channels.

In the last three years, there have been no incidents of non-compliance with voluntary codes relating to the information and labeling of products or services.

3.4.2.5 Health and safety of clients and the general public

GRI 3-3_416, 416-1 – MATERIAL TOPIC: HEALTH AND SAFETY

The safety of our clients is a priority in our operations and the topic has been part of the annual goals of all the company's executives since 2020. It is everyone's mission to maintain a high level of safety on the energy distribution networks, as well as to adopt mitigation actions, establishing a baseline for events on the distribution network that could involve injury to people in the community.

In the case of accidents involving vehicle collisions with power poles, the distributors' teams are committed to prioritizing incidents that involve the population and compromise the integrity of the network and people's health. For this reason, teams are dispatched as quickly as possible to cases of accidental risk to the network and there is a direct channel with the Police and Fire Brigade.

INCIDENTS OF PRODUCT HEALTH AND SAFETY NON-COMPLIANCE AND SERVICESS (No.)
GRI 416-2 | SDG 16.3

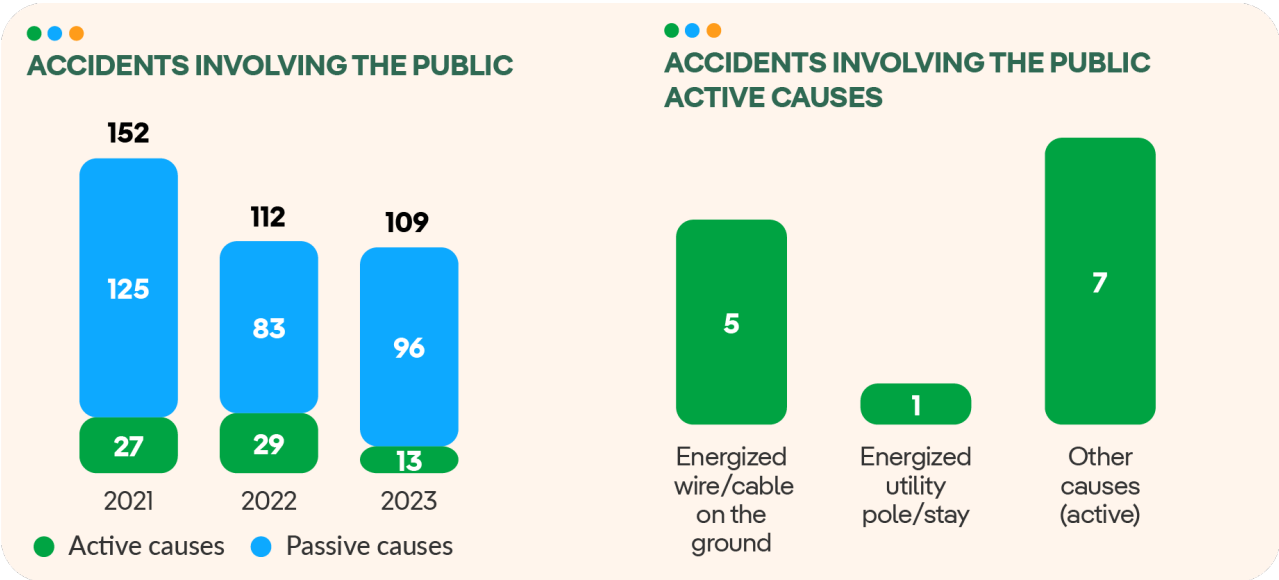
	2023	2022	2021
Resulting in a fine	0	0	0
Resulting in a warning	0	0	0
Relating to voluntary codes	0	0	0
Total Incidents	0	0	0

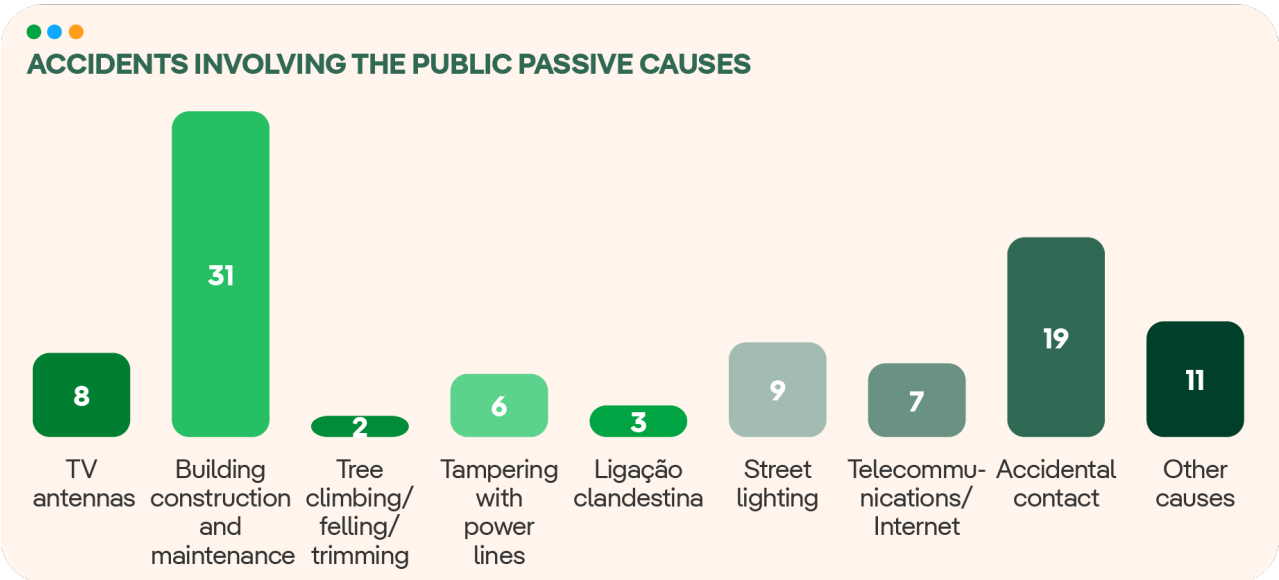
Our activities in the construction, operation and maintenance of electrical infrastructures can sometimes lead to accidents involving clients and communities close to the projects. These are what we term manageable risks because we can adopt maintenance, inspection and continuous improvement plans to guarantee the condition of the distribution networks.

But there is another category of safety risks for the population: we call them unmanageable because they are the result of reckless self-construction, risky behavior such as flying kites near the electricity grid, and interventions in the grid due to theft of energy and cables, among others. For these risks, we run programs to educate the population on the safe use of energy.

In 2023, the number of accidents in the community fell by 2.7% compared to 2022. However, we still consider the figure to be high. The main cause of accidents occurred in construction activities, which accounted for 28.4% of the total.

Active causes, those for which the distributor is responsible (energized wire/cable on the ground, energized pole/stay), accounted for 11.9% of accidents. When monitoring accidents, distributors follow a flow of procedures involving various areas, such as Operations, Safety, Legal and External Communication.





ACCIDENTS INVOLVING THE POPULATION (No.)
GRI EU25

	2023	2022	2021
People injured	88	81	109
Deaths	21	31	43
Number of legal cases (resolved and pending) related to incidents or accidents	73	80	97

a. Electro-magnetic fields

The assessment of human exposure to radiofrequency electric, magnetic and electro-magnetic fields is regulated in Brazil by the Regulation on the Assessment of Human Exposure to Electric, Magnetic and Electro-magnetic Fields Associated with the Operation of Radiocommunication Transmitting Stations, approved by Resolution No. 700 of September 28, 2018.

The issue has sparked debate. However, according to studies carried out by the World Health Organization (WHO), there is no convincing scientific evidence that human exposure to electro-magnetic field values below the established limits causes adverse health effects.

At Neoenergia, inspired by the precautionary principle, we observe all rules and regulations in order to collaborate with the government in adopting preventive or palliative measures deemed appropriate to avoid risks or damage to health. In 2023, we received no reports of damage to health from electro-magnetic fields.

3.4.2.6 Education for safe energy use

GRI 3-3_416 – MATERIAL TOPIC: HEALTH AND SAFETY | EU24

To guarantee the health and safety of our clients, we maintain effective and educational communication about the safe use of energy. Our actions are bundled in the Safe Community Program, which aims to make the community's coexistence with the electricity grid safer and more sustainable, contributing to a healthy life and promoting well-being for all. The program consolidates various external initiatives relating to safety (communication, training, lectures, educational materials), as well as technical actions, and covers the group's five distributors.

The Safe Community initiatives take place in schools, community organizations, social institutions and companies and across Neoenergia. They take advantage of opportunities in other programs that promote training, communication, volunteering and other engagement opportunities. By including as many people

as possible, we hope to create a positive feedback loop of safe conduct that will stop incidents from happening in the concession areas.

In addition to this program, we organize permanent actions to raise public awareness through messages on electricity bills, customer relations channels, the safety page (Don't Hesitate) on our website, publications on social networks, advertising campaigns, educational actions, partnerships with trade associations, among others. As part of Safe Community, we were the first company in the electricity sector to launch a safety brand with public interaction on our social networks (TikTok), with more than 70 million views and around 1.2 million clicks on the safety hub.

#TropaAntichoque (#Anti-Shock Troop)

This campaign was coupled in 2023 with the implementation of a marketing strategy aimed at educating the public about the dangers of using energy and encouraging them to adopt safer practices. It was run over a period of 30 days using TV, radio and digital communication, reaching more than 59 million people and chalking up more than 1 million qualified views of the educational videos.

A milestone of the campaign was the *#TropaAntichoque* challenge. The initiative encouraged the production of content on the subject and resulted in more than 2 million views and 581 publications on TikTok. We were the first company in the energy sector to use TikTok's Branded Mission format, becoming a pioneer on the platform. The challenge was stimulated by a song performed by Quarteto Arriação, which sets the tone with a typical Bahian dance rhythm (*piseiro*), very popular in the digital environment, and which mixes traditional *forró* style with the notes of the electronic keyboard.

In addition to this successful communication campaign, the Safe Community Program trained more than 3,500 self-employed professionals in partnership with Senai, 75% more than in the previous year. Field work in 2023 was conducted with meter readers, erecting more than 350,000 signs warning about risks posed by the electricity grid. We also maintained the Safety in the Community online course for all employees on GEP (Iberdrola's management and training platform). Educational actions on safety on the electricity grid reached more than 250,000 people.

Red August

We also took part in the Red August campaign coordinated by the Brazilian Association of Electricity Distributors (Abradee), which marked the month of awareness about accidents on the electricity grid. With the slogan "Pay attention! Between life and luck, choose to live safely." The initiative included an educational booklet and safety tips. Furthermore, we collaborated with this group to sway the Federal Legislature with safety-oriented recommendations and to establish a proposition for Aneel to oversee the supply of temporary network isolation services upon request by the consumer.

3.5 Contribution of socially responsible practices in the supply chain

GRI 3-3_204 – MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN

3.5.1 Description of the supply chain

GRI 2-6

Two different processes apply to our supply chain:

- Procurement of materials and equipment and the hiring of works and services, which are the responsibility of the Purchasing Department.
- The purchase of fuel, which is the responsibility of the Generation and Clients Business.

Both processes are guided by corporate policies and the Code of Ethics. However, each of them has specific characteristics in the different phases in which they are developed: registration and classification of suppliers, bidding, contracting, monitoring of contractual conditions and quality control.

Of the total number of suppliers, 4,870 were involved in technical and commercial services involving cutting, appraisal, maintenance, cleaning the right-of-way and network extension; non-technical services, which include information technology, building maintenance, vehicle fleet, medical assistance, communication and legal services; and materials and equipment.

3.5.1.1 Purchasing materials and equipment and contracting works and services

The Purchasing and Insurance Department is responsible for defining the strategy, procedures and supervising the buying of equipment and materials (except for fuel), as well as contracting works and services, insurance programs (except life and accident, health and pension insurance) for the entire Neoenergia group. It complies with the strategic goals established by the Board of Directors and respecting our Governance and Sustainability System.

The purchasing process is periodically audited internally and by outside entities. In 2023, we conducted several audits, such as Quality, Anti-Bribery and Occupational Health and Safety. Audits of labor and social security obligations are carried out annually with the suppliers of the Networks contracts, in which working hours, timecards, regularity of salaries and indications of irregularities received through the ethics channel and other complaint channels are analyzed. In 2023, 35 suppliers of technical and commercial services were audited.

To minimize risks of this nature, we implemented a partnership with the fintech Antecipa Fácil, which facilitates access to working capital by anticipating receivables. We also signed a partnership with the Getulio Vargas Foundation (FGV) and the Spanish Official Chamber of Commerce to train small and medium-sized suppliers in the circular economy.

In 2023, quick purchases (up to R$ 2 million) represented 48.25% of the total number of processes and only 2.41% of the amount spent with suppliers. This method was implemented in 2021, as contracts of this nature represented a low percentage of the total value of our purchases, but took up a high percentage of the time of employees working in this field.

PURCHASE OF MATERIALS, EQUIPMENT, WORKS AND SERVICES

	2023	2022	2021
Invoiced volume of equipment, materials, works and services (R$ million)	11,616	11,648	8,930
Number of suppliers with orders in the year	4,870	5,347	5,726

[1] Data collected in euros and using the conversion of R$ 5.403 for 2023.

3.5.1.2 Spending with local suppliers

GRI 3-3_204 – MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN

We follow a strategy of developing local suppliers for strategic contracts, which makes it possible to create indirect jobs and boost the development of industries and services in the regions where we operate.

We prioritize local companies both because they offer more competitive prices and because of our commitment to community development. Products such as insulators and small transformers are primarily purchased from domestic partners, while level A materials (voltage and power transformers and reclosers) come from global suppliers with operations in Brazil.

In the year, total spending on suppliers, with the exception of energy purchases, amounted to R$ 12.5 billion, 99.5% of which was made up of local suppliers based in Brazil. Of these, around 68.1% are concentrated in Bahia, São Paulo, Pernambuco and Rio Grande do Norte.

PURCHASE OF MATERIALS, EQUIPMENT, WORKS AND SERVICES FROM LOCAL SUPPLIERS (%)
GRI 204-1 | SDG 8.3

	2023	2022	2021
Total	99.5	99.6	99.3

3.5.2 Sustainable supply chain management

GRI 3-3_308_414 – MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN

We have established contractual clauses based on the ESG pillars in the contracting of service providers, applied especially in the contracts of the anchor Service Providers (EPSs). We are committed to extending to our suppliers our commitment to a set of principles and guidelines of conduct designed to guarantee ethical and responsible behavior.

We have developed specific guidelines for action in accordance with our principles and values that are embodied in the Supplier Code of Ethics, attached to the contracts, and which must be complied with by anyone who provides us with services or sells us materials and supplies.

3.5.2.1 Promoting sustainability and social responsibility

GRI 308-1, 414-1

To drive more sustainable management in our supply chain, we motivate our suppliers to improve their social, environmental and ethical performance. In 2023, we selected 89% of our main partners based on environmental and social criteria, as established in contractual clauses.

With the aim of bringing our suppliers closer together and developing them, we held the 4th Partner Companies Experience (EPX) event in 2023, whose theme was ESG Practices. The online meeting attracted 280 participants. Three Distribution EPSs had the opportunity to present a good practice. In addition, we covered topics on sustainability, diversity and inclusion, compliance and environmental policies, and cybersecurity.

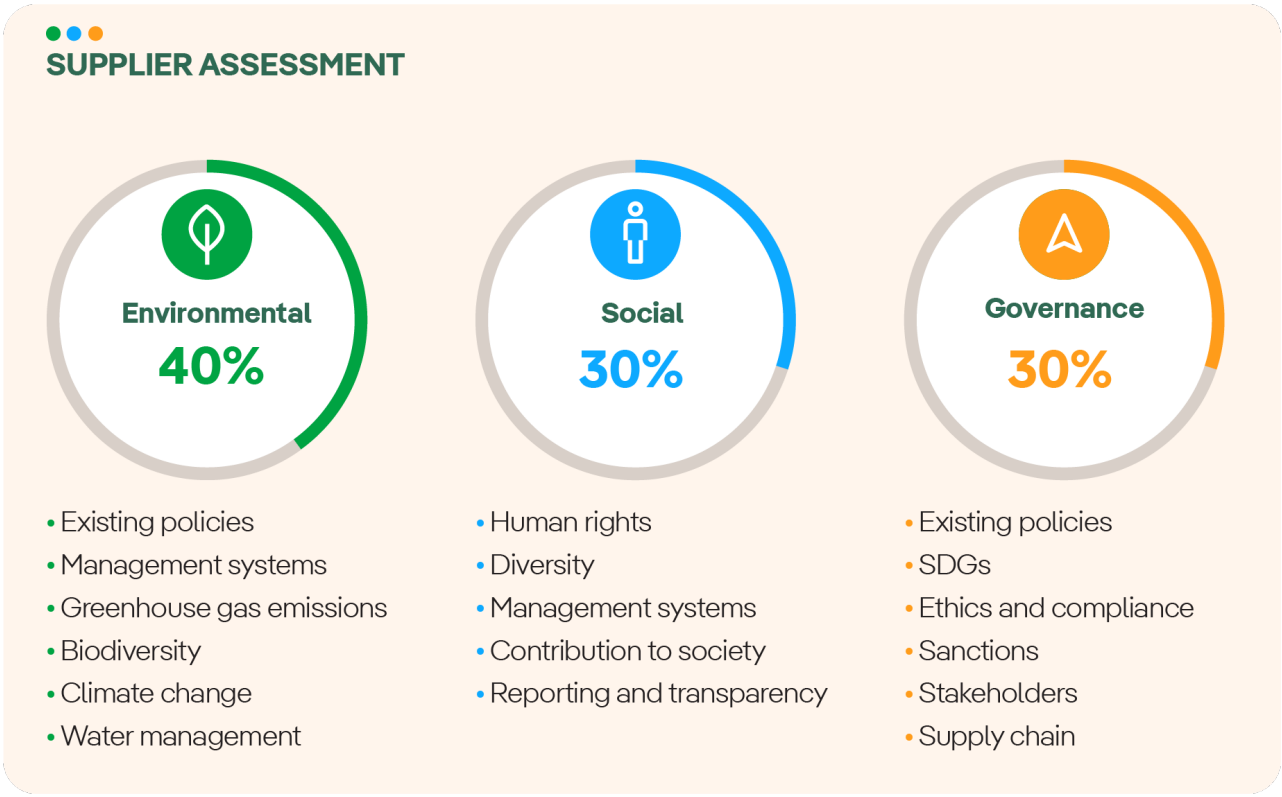
a. Commitment to the highest level of sustainability in the supply chain

Our goal is to achieve a minimum of 80% of key suppliers complying with our sustainable development policies and standards by 2025 and 85% by 2030. In 2023, we registered 89.2% of partner suppliers based on environmental and social criteria, as established in contractual clauses.

b. Supplier assessment model in terms of sustainability

The supplier assessment measures performance in attributes ranging from identification and linkage to the Sustainable Development Goals (SDGs), to management of risks arising from climate change, circular economy strategy, human rights due diligence, reputational due diligence and risk of corruption and fraud, among others.

In 2023 we included cybersecurity and information privacy criteria (LGPD) when contracting suppliers to avoid personal and strategic data leaks. Our analysis is conducted in three dimensions: environmental (with a weight of 40%), social (30%) and governance (30%).



The evaluation is carried out using the GoSupply platform, which scores companies on sustainability aspects. The potential supplier answers 43 social, environmental and governance questions. Companies with a score of more than 51 points and at least 30% in the three dimensions are considered sustainable. Those that initially fail to achieve this score receive guidance on how to become more adherent to our policies. We help draw up personalized improvement plans and monitor the company's progress.

As a way of recognizing the commitment of our suppliers, we presented the global Supplier of the Year 2023 awards to those who are committed to innovation, equality, quality, sustainability and job creation, among others. They also were notable for their contributions to a decarbonized economy based on investments in renewable energies and increasingly intelligent distribution networks, large-scale storage projects and commitment to innovative solutions for their customers.

SUPPLIER SATISFACTION SURVEY[1]

	2023	2022	2021
Number of suppliers who were sent a satisfaction survey	702	702	1,155
Number of suppliers who responded to the survey	389	389	477
Evaluation obtained in the satisfaction survey (%)	9.0	9.0	8.9

[1] Data repeated in 2022 and 2023 as this is a biannual survey sent to suppliers.

c. Factors assessed for supplier classification

The requirements for classifying suppliers include:

Fuel purchases are also subject to the general principles of our sustainable development policies. We conduct an internal assessment of the main fuel suppliers following economic, logistical, environmental and social criteria. Among the aspects assessed are: the existence of an environmental policy, information on greenhouse gas emissions, initiatives to reduce emissions, energy efficiency, biodiversity conservation, workplace health and safety aspects, equal opportunities, human rights and ethical behavior (practices against bribery and corruption).

3.5.2.2 Environmental assessment of suppliers

a. Environmental and sustainability alignment

GRI 3-3_308 – MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN

Internal procurement mechanisms		External mechanisms with suppliers	
Purchasing policy	It recognizes the environmental aspects required of the supplier and sustainable responsible management in the supply chain.	**Code of Ethics**	It incorporates environmental principles and must be accepted by all suppliers and attached to orders and contracts.
Registration and classification	Having environmental certification counts for points in the overall evaluation of the supplier, who must accept our Environmental Policy.	**Specific clauses**	Environmental clauses that the supplier must comply with during the term of the contract.
Bidding process	In the bid evaluation phase, the supplier's environmental assessment for the intended contract is recognized.	**Certification**	We proactively promote suppliers' environmental certifications, supporting them in their pursuit of excellence and generating a multiplier effect.
Annual improvement objectives	The variable remuneration of the purchasing team is directly related to progress in supplier sustainability.	**Measuring the carbon footprint**	Periodic greenhouse gas measurement campaign among suppliers.
Global environmental system	The Purchasing Department is part of Iberdrola's global environmental system committee, which monitors environmental guidelines, established objectives, associated indicators and audits.	**Sustainability assessment model**	It includes environmental aspects: biodiversity, circular economy and climate change risks. The evaluation of suppliers quantifies their relative position according to the management carried out.

GRI 308-2 | PG8

We did not detect any suppliers with a significant negative environmental impact during the year, and we don't have any significant suppliers located in water-stressed areas.

3. Audit of critical suppliers

In addition to producing a concept for Aneel to govern the provision of temporary network isolation services at the consumer's request, we collaborated with this organization to influence the Federal Legislature with safety-focused proposals carried out in accordance with contractual clauses and environmental legislation.

The distributors' suppliers are classified using an Impact, Risk and Frequency Matrix, which defines their polluting potential. The following criteria are assessed: environmental accidents, environmental fines, contribution to climate change and waste handling and transportation. After being scored on the matrix, suppliers who score above 70 points are audited.

With this process, we can identify possible non-conformities and encourage our suppliers to be more sustainable by creating action plans and requesting adjustments to mitigate the risks and/or impacts.

3. Anchoring Sustainable Value Chains Project in Brazil

In June 2023, the EAESP-FGV Center for Sustainability Studies launched the Anchoring Sustainable Value Chains in Brazil project, which is designed to help small and medium-sized enterprises (SMEs) that are part of the value chains of large companies in Brazil to move towards a circular and low-carbon economy.

The initiative will take place over 20 months in partnership with the Spanish Chamber of Commerce and the Official Spanish Chamber of Commerce in Brazil. The project is co-financed by AL-INVEST Verde, the European Union's program to promote sustainable growth and job creation in Latin America.

The project operates on three fronts: capacity building, knowledge production and networking and exchange. It consists of a training course, made up of five workshops, for SMEs in the value chains of the project's anchor companies. The following topics are covered in capacity building: management for sustainability: materiality, transparency and reporting; circular economy and life cycle thinking; greenhouse gas emissions management; value chains, human rights and social aspects. In one of the workshops, we presented our sustainable supplier management model.

In 2023, there were also two Community in Practice meetings, a space for exchange in which various public and private actors, as well as civil society, take part. At one of these meetings, we presented the Ecological Streetlamp project, which is 100% recyclable (this project is detailed in item 2.3.2 Waste management)

3.5.2.3 Social risk assessment of suppliers

GRI 414-2 | SDG 5.2, 8.8, 16.1

We incorporate specific social responsibility clauses into contracts for the purchase of equipment, materials, works and services. They are based on the UN Universal Declaration of Human Rights, International Labor Organization (ILO) conventions, the principles of the Global Compact and compliance with the Supplier Code of Ethics.

SOCIAL RISK IN SUPPLIERS

GRI 407-1, 408-1, 409-1 | SGD 8.7, 8.8, 16.2

	2023	2022	2021
Percentage of purchases from suppliers where the rights of association and collective bargaining have been violated	0%	0%	0%
Number of incidents recorded with suppliers regarding violation of rights of association and collective bargaining	0	0	0

Number of main activity centers at risk of violating the rights to freedom of association and collective bargaining	0	0	0
Percentage of purchases from suppliers with a significant risk of child labor	0	0	0
Number of recorded incidents of suppliers with cases of child labor	0	0	0
Number of main activity centers at risk of child labor	0	0	0
Percentage of purchases from suppliers with a significant risk of forced and compulsory labor	0%	0%	0%
Number of recorded incidents of suppliers with cases of forced and compulsory labor[1]	0	1	0

[1] In 2022, a labor lawsuit was filed by a former employee of a service provider against the Neoenergia group and Neoenergia Elektro for subsidiary liability. Among other issues, the ex-employee claimed recognition of alleged conditions analogous to slavery due to the circumstances of the accommodation where he stayed for two months, alleging that this lodging did not contain the necessary infrastructure. An agreement was approved by the parties with full and general discharge of the employment relationship, extinguishing the legal relationship between the parties and not allowing any allegation of non-compliance given the lack of analysis of the merits of the issue (case not judged). The case was sent to be filed as closed, and Neoenergia Elektro no longer has a contractual relationship with this service provider.

The following risks are particularly assessed, as set out in our Purchasing Policy: credit, fraud, cybersecurity, social responsibility, human resources and tax. Contracts in force are frequently analyzed for compliance and, if any point is breached and corrective plans are not adopted, we reserve the right to terminate the contract.

All relevant strategic suppliers are assessed following this approach and considering their significant human rights risks and their impact on society. These risks are managed and mitigated through monthly performance assessments and periodic field inspections.

We have not identified any incidents at our suppliers relating to the rights to freedom of association, collective bargaining, the use of child labor or forced or non-consensual labor. Nor is there any evidence that significant complaints have been received for these reasons. Similarly, we have not detected any suppliers with a significant negative social impact or incidents recorded through complaint channels that have led to orders or contracts being canceled. We have a labor control mechanism and a complaints channel to support these issues.

A. Procurement analysis in countries at risk of corruption

We used Transparency International's Corruption Perception Index (TI CPI 2022) as a source for classifying countries according to their level of risk. In the latest survey, carried out in 2023, Brazil was considered to be at high risk of corruption, with a score of 38 out of a maximum of 100, below the global average of 43 points and far from the average of 66 points of the countries that make up the Organization for Economic Cooperation and Development (OECD). Created in 1995, the index is made up of 13 surveys and evaluations produced by international institutions on the perception of corruption in the public sector.

This is why our local purchases are evaluated with greater discretion, even if they focus on private suppliers rather than public entities.

PURCHASES IN COUNTRIES WITH A RISK OF CORRUPTION
GRI 205-1

	% of general supply purchases in 2023 in index countries do IPC 2022
Purchases made in countries considered low risk	0.5
Purchases made in countries considered medium risk	0
Purchases made in high-risk countries	99.5

Low risk: country index ≥ 60 / Medium risk: 59-50 / High risk: < 50 on a scale of 0 (perception of high levels of corruption) to 100 (perception of low levels of corruption). Brazil is considered a high-risk country (99.5%).

3.6 Contributing to the well-being of our communities

3.6.1 Access to energy

GRI ex-EU23 e SASB IF-EU 240a.4 | SDG 1.4, 7.1

The General Sustainable Development Policy, approved by our Board of Directors, expresses our commitment to promoting universal access to energy services, counting on environmentally sustainable, economically acceptable and socially inclusive models. In addition, we pay attention to economically disadvantaged customers or those in any other situation of vulnerability, establishing specific protection procedures and collaborating in accordance with the policies of the competent public administrations to facilitate continuous access to the electricity supply.

3.6.1.1 Energy for customers without access to the distribution network

We have contributed to ensuring the universalization of energy in Brazil by promoting the Light for All Program in partnership with the federal government, which brings electricity networks to rural areas. Bahia is the last state in our areas of operation to still be rolling out the program. The other regions have had universal access for longer. By doing this, we have also achieved the UN's SDG 7, which calls for universal access to cheap, clean energy.

Over the course of 2023, R$ 366.8 million was invested to make 8,827 new connections in the state – R$ 310.1 million from Neoenergia Coelba's own resources and R$ 56.7 million as a subsidy from the federal government. Thus, in 20 years of the Light for All Program, 713,128 customer connections to the electricity grid have been completed in 415 municipalities in the state of Bahia (only two municipalities in the state are not part of Neoenergia Coelba's concession area).

EU26 | SDG 1.4, 7.1

On August 4, 2023, Decree No. 11.628 was published, which provides for the National Program for Universalization and Access to and Use of Electricity – Light for All, extending its validity until December 31, 2026. As a result, Neoenergia Coelba formalized the need to postpone the current tranche, the 11th, to 2024 (approximately 3,000 connections) while it negotiates additional targets with the MME and Aneel for implementation in the period from 2024 to 2026. The other four distributors have already completed universal access.

ESTIMATED POPULATION WITHOUT ACCESS TO ENERGY NETWORKS

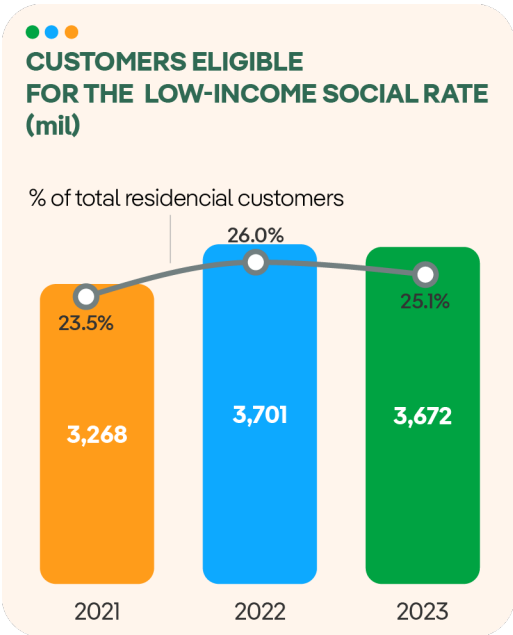
Neoenergia Coelba	Neoenergia Elektro	Neoenergia Pernambuco	Neoenergia Cosern	Neoenergia Brasília	Total
110,098	20,760	58,961	27,521	2,766	220,106

3.6.1.2 Access for vulnerable customers

We have procedures in place to protect customers in situations of socio-economic vulnerability and facilitate access to energy for the most disadvantaged. Among other initiatives, we have extended the deadlines for the billing process and offer flexible payment terms to avoid electricity supply suspensions for non-payment of the bill (*these initiatives are detailed in section 3.4.2 Our commitment to the customer*). In addition, a special differentiated tariff is offered to low-income customers, with lower rates and special conditions.

Social Tariff

The Social Electricity Tariff (TSEE) is a discount on electricity bills provided by the federal government to low-income families enrolled in the Single Registry (CadÚnico) or whose members include someone who is a beneficiary of the Continuous Cash Benefit (BPC). This discount varies between 10% and 65%, up to a limit of 220 kWh, depending on each family's monthly consumption.



By the end of 2023, 3,671,843 consumer units served by our five distributors were low-income, accounting for 25.of all residential customers (26% in 2022).

To help families qualify for the benefit, we automatically registered thousands of consumers by cross-referencing information from their contracts with data from the CadÚnico system, periodically made available to utilities by Aneel. In addition to proactively registering for the Social Tariff, the distributors responded to requests made by customers themselves, on platforms such as Neoenergia's website and WhatsApp. In this way, we have included a total of 2,699,914 million consumers in the Social Tariff over the last three years, with 1,013,737 in 2023 alone.

For indigenous and quilombola families who also qualify as low income, the discount is up to 100%, depending on their consumption. Currently, in the concession area of our five distributors, we have 11,715 indigenous customers and 43,994 quilombola customers registered for the benefit.

The Registration Repercussion process takes place when Aneel sends distributors the lists provided by the Ministry of Development and Social Assistance, Family and Fight against Hunger for the withdrawal of the Social Tariff benefit for clients who no longer meet the concession criteria or have outdated data. In 2023, seven lists were received for the operationalization of the cadastral repercussion process.

The lists only include families from the municipalities in the area of operation of the distributors involved in the procedures for verification, revision, logical exclusion and validation, and who receive the TSEE.

The Verification Registry consists of checking the information recorded in the Unified Registry against data from other federal government administrative records. Comparing this information allows inconsistencies to be identified that should be dealt with by updating the registry, as established by Ordinance No. 94 of September 4, 2013.

The Cadastral Revision is the procedure that aims to request the updating of the Unified Registry records by families identified as having an outdated registry, i.e. who have been without any changes for more than two years.

Logical Exclusion is carried out periodically by the Ministry of Development and Social Assistance, Family and Fight against Hunger and covers registrations whose last registration update took place four years ago or more. Also included are the registrations of families with a Registration Verification that does not comply with the guidelines set out in the specific operational instructions.

In addition, REN No. 1,000/2021 also establishes the Registration Validation procedures, aimed at proving compliance with the eligibility criteria for granting and maintaining the TSEE established in Law No. 12.212/2010.

The information on supply suspensions and reconnections, according to the structure established in the GRI Sector Supplement for companies in the electricity sector is detailed in Annex I.

3.6.1.3 Energy efficiency

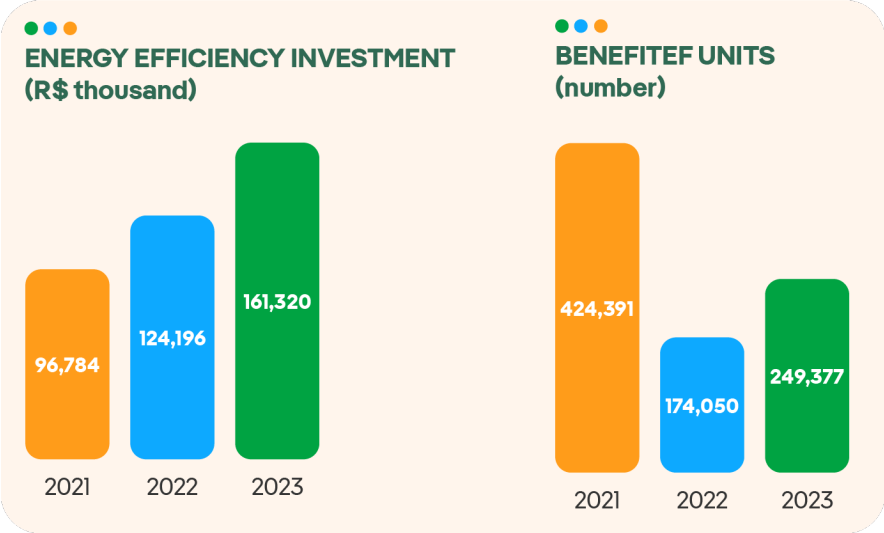
GRI ex-EU7

The company fosters the conscious, efficient and safe consumption of electricity through its Energy Efficiency Program, regulated by the National Electric Energy Agency (Aneel), which seeks to reduce electricity costs on various fronts and among all consumer classes. The program contributes directly to achieving SDG 7, clean and affordable energy for all.

Electricity distribution concessionaires must invest a minimum percentage of their net operating revenue (ROL) in this type of project, as determined by Law No. 9.991 of July 24, 2000. Our five distributors allocate these funds annually to actions that encourage the development and consolidation of new technologies, designed to save electricity and change habits towards conscious consumption, emphasizing low-income consumers.

GRI 302-5 | SDG 7.2, 7.3, 8.4, 12.2, 13.1 | PG7, PG8

Our investments in energy efficiency programs totaled R$ 161.3 million in 2023, 30% more than the previous year. Some 250,000 consumer units benefited, providing an estimated energy saving of 74 GWh/year, equivalent to supplying more than 30,800 homes with an average consumption of 200 kWh per month.



Education actions complement the program, with training for teachers and students on the topics of combating energy waste and energy efficiency. In addition, a Neoenergia Publications app is available on Android and IOS, which contains a range of informative and educational content on the efficient use of energy, including monthly publications, manuals and leaflets, including materials for children.

The performance of energy efficiency projects can change throughout the year and from one year to the next, and varies according to the type, quantity and stage of each project.

Residential Segment

In this consumption class, the main projects include replacing inefficient equipment, encouraging recycling, installing solar panels and providing a tool for monitoring consumption.

Conscious Consumption Platform

We have developed a tool that makes it possible to monitor consumption in real time, helping people to use energy consciously and save money. The platform was developed in partnership with a startup from Campina Grande (PB), one of the projects selected in the New Energy Challenge held in 2019, which identified innovative energy efficiency solutions in three areas: reducing energy consumption, distributed generation and new educational technologies.

The platform provides detailed information such as: peak consumption times, segregation of consumption for certain types of equipment (refrigerators, electric showers and air conditioning), projection of the amount of the next bill, among other functions. At the same time, tips and alerts are sent via e-mail and social media to already registered customers.

Energy with Citizenship and Solidarity Energy

Communities in Bahia, Pernambuco, Rio Grande do Norte, São Paulo, Mato Grosso do Sul and the Federal District are benefiting from the exchange of inefficient light bulbs for more economical and durable LED models. Customers also receive the Manual for Conscious Consumption of Electricity during initiatives supported by mobile units (trailers parked at strategic points or vehicles that provide door-to-door service). The projects include citizenship actions carried out in partnership with public bodies, such as issuing civil registrations, recognizing paternity and divorces, as well as improving the efficiency of public schools, medical clinics and non-profit institutions.

In 2023, the project replaced more than 926,000 inefficient light bulbs, 712,000 of them in the homes of low-income customers and more than 214,000 in almost 3,000 public or philanthropic institutions in these locations. It also installed 1 photovoltaic solar plant, with a total capacity of 166.86 kWp, in institutions in Bahia. Another initiative was the replacement of 2,447 old refrigerators, of which 717 were for consumers in municipalities affected by the rains in PE and SP and the rest for low-income residential consumers in SP and DF.

ENERGY WITH CITIZENSHIP (No.)

	2023	2022	2021
Replacing light bulbs in homes	782,825	701,933	628,408
Communities served	1,381	641	823
Replacing light bulbs in institutions	601,241	571,508	200,522
Institutions served	4,868	1,152	1,671

Vale Luz

Our Vale Luz program (Light is valuable) encourages consumers to recycle by giving them discounts on their energy bills in exchange for recyclable waste. In the Northeast, this material is sent to waste pickers' cooperatives and/or industries that reprocess waste in accordance with current environmental legislation. The waste is collected at fixed and mobile collection points. In 2023, we installed self-service points, return machine, for the collection of post-consumer packaging (aluminum and steel cans, PET bottles, glass and tetrapak) at all five distributors. Over the course of the year, 2,200 tons of waste were collected, and R$ 1.1 million in discounts were granted to around 32,000 customers.

LIGHT IS VALUABLE

	2023	2022	2021
Volume of waste (t)	2,250	1,674	1,100
Number of clients [1]	32,344	32,473	8,626
Light bulbs changed (No.)	70,277	115,854	136,970
Bill discounts (R$ thousand)	1,160	785	459
Investment (R$)	9.971.651	8.597.314	5.584.500
Energy saved (MWh)	10,602	23,207	NA
Reduction in peak demand (kW)	2,482	436	435.76

[1] The variation in customers between 2021 and 2022 was due to the project's wider scope, with new locations being served, and also because some light bulb exchange actions were carried out independently of the waste collection service.

Green IPTU

The Sustainable Certification Program, run by Neoenergia Coelba in partnership with Salvador City Hall, encourages residential, commercial, mixed and institutional real estate developments to adopt sustainable and energy-efficient practices in their buildings. Developments receive a score according to the city hall manual, which grants up to a 10% discount on property tax (IPTU). The projects are re-evaluated every three years.

Public buildings, commerce and industry

GRI 203-1| SDG 5.4, 9.1, 9.4, 11.2

Our distributors invested R$ 92 million in projects for public authorities, public services, charitable commercial institutions and industries, with actions ranging from the efficiency of lighting systems (both internal lighting in buildings and public lighting), the installation of solar photovoltaic systems, the efficiency of motor and procedural systems.

In the case of modernizing public lighting, 52 municipalities benefited in 2023 by replacing more than 37,300 points with LED technology. These initiatives help to save energy consumption and increase the municipalities' sense of security, as well as benefiting the electricity system by reducing demand at times when energy is most used in the localities.

We operate in the units of Public Services companies model, 10 of which are Sanitation units (Embasa – BA, Compesa (PE), Caern (RN) and Caesb (DF) and eight units of the DF Metro This involved the replacement of 2,284 light bulbs with LEDs and the planned installation of a floating solar photovoltaic plant in Fernando de Noronha in 2024.

In public buildings, non-profit institutions and industry, in addition to replacing more than 344,000 light bulbs/reflectors in 1,893 units, 45 solar photovoltaic systems were installed in public health and education institutions, totaling 9.5 MWp installed.

Educational actions

These initiatives seek to promote reflection and dialogue on the efficient and safe use of electricity and raise awareness among teachers, students and the school community about the importance of energy efficiency, the safe use of energy, environmental preservation, sustainability and the use of clean and renewable energy sources. Over the course of 2023, more than 9,600 teachers and 222,000 students were trained in the subject. A highlight was the inauguration of the Energy Trail at the Sesi LAB in Brasilia.

Aimed at teachers and students in Bahia, Pernambuco, Rio Grande Norte, São Paulo, Mato Grosso and the Federal District, the initiatives operate on several fronts: Aulas de Energia (Energy Classes); Festival Tô Ligado na Energia (FTLE); Energia que Transforma (EqT); Paxuá and Paramim; the National Energy Efficiency Olympics and Nova Escola.

Aulas de Energia comprises interactive environments that promote immersive experiences based on the use of electricity, energy generation and energy efficiency in fixed and mobile spaces. The fixed spaces are the Energy Museum in Salvador (BA), which now has a Maker Space, created to encourage students to learn through creativity and problem-solving using robotics and active methodologies; the Fernando de Noronha Visitor Center (PE), the Wind Energy Ecopost in Maracajaú (RN); and the recently opened Energy Trail in the Federal District, a partnership with Sesi Lab. In addition, mobile units in trucks adapted for these activities circulate in the concession area of four of the five distributors (the exception is Neoenergia Cosern).

The Tô Ligado (I'm Turned On) Energy Festival brings reflection and dialog about the efficient and safe use of energy to public schools through competitions with tasks and artistic workshops for students.

Paxuá and Paramim features animated projections and musical activations inspired by indigenous characters who act as advisors on the correct and efficient use of energy for children aged 3 to 10.

The National Energy Efficiency Olympics (ONEE) aims to awaken students' interest in scientific fields, as well as to cultivate healthy practices in the use of electricity, helping to reduce consumption and better distribute the cost of energy in the family budget.

Nova Escola offers online and/or face-to-face training for teachers on the subject of energy efficiency. It reaches a network of educators across the country. Its goal is to use content from the Energy that Transforms Methodology, recommended by Aneel, to develop specific energy efficiency training paths in line with the new National Common Curriculum Base (BNCC).

3.6.2 Support for local communities

3.6.2.1 Local community development programs

GRI 3-3_203_413 – MATERIAL TOPIC: LOCAL COMMUNITIES AND VULNERABLE CUSTOMERS
GRI 2-25

The operations of electricity companies have both positive and negative impacts on local communities. Favorable aspects stem from the provision of the energy service itself, which promotes economic and social development, providing security, job and income generation, the creation of companies that become suppliers to the enterprises, education, health and quality of life for the populations, as well as the effect of higher tax collection by sub-national governments with the assets installed in the territories. Negative impacts include land use and occupation, interference in historical, cultural and archaeological heritage, pressure on land conditions, risks to biodiversity and overloading of infrastructure and public services.

These impacts are managed with the support of programs developed during the construction and operation phases of the projects, including social communication actions, environmental education in the community and for construction workers; negotiation and compensation for the establishment of the easement strip where the transmission or sub-transmission line will be installed; priority in hiring workers and suppliers from the communities near the assets, as well as forest restoration initiatives in the Permanent Preservation Areas (PPAs) of the HPP reservoirs (more information in section 2.4 Biodiversity Protection).

Neoenergia believes that its leadership in the energy transition needs to be fair, benefiting the communities around its projects. In this sense, local community development programs become strategic.

Communication and environmental education

GRI 203-1 | 5.4, 9.1, 9.4, 11.2

The Solar Luzia Photovoltaic Plant's Environmental Education Program developed the Ecological Trail project, which was used as a pedagogical tool and implemented 36 actions in 34 schools, reaching a target audience of 1,409 people in 2023. The aim was mainly to develop a sense of appreciation, preservation and conservation of the environment. They worked on flora, fauna and the Caatinga biome, as well as the production of native seedlings. The students who took part in the activities developed an understanding that environmental education is not just about passing on information, but also about values, feelings and care, in order to enrich and develop critical attitudes and the knowledge needed to conserve the environment. Reflection was fostered through experience in order to make the target audience aware of the environmental issues addressed during the trail.

At the wind farms in operation in 2023, environmental education programs related to the various local realities of the communities located near the projects were developed. These include training to bolster community-based tourism in Rio Grande do Norte, women's empowerment in Bahia and cultural appreciation in Paraíba.

Specifically in the municipality of Caetité (Bahia), as part of the Winds of Change project, complementary training was offered to students on the Environment technical course at the Territorial Center for Professional Education in the Productive Sertão (Cetep). It culminated in a technical visit by around 30 students to our wind farms. The initiative is an innovative partnership in the electricity sector between Neoenergia and Rio Energy, which began in 2022.

During the construction and operation phases of the transmission companies, as part of the initiatives linked to licensing, individualized projects are carried out with the communities of each project. Environmental education programs present themes followed by debates, workshops and the sharing of graphic materials, thus empowering the population in relation to the socio-environmental scope and enabling them to act actively in defense of the environment. In the Social Communication Programs, we work on topics such as safe behavior and sustainable interactions with the lines and substations, with an emphasis on the subject of fires, for which we develop specific campaigns throughout the year.

Several socio-environmental programs are also under development at the hydroelectric plants within the scope of environmental licensing, which involve carrying out environmental education projects with vulnerable social groups, centered on popular participation and territorial management. Two lines of action are charted. The first is directed towards boosting community organizations for participation and strengthening social control within the scope of public environmental management; the second is aimed at meeting the agenda of priorities presented by the community itself regarding some environmental problems in the region.

In 2023, the Itapebi HPP, in partnership with the Department of Agriculture and the Environment of the municipalities of Itagimirim and Itapebi, in Bahia, carried out environmental education actions to promote the reforestation of the source of the Limoeiro River and the Bica Stream, used to supply the municipalities, enabling preservation, improving water quality and preventing silting along the watercourse. These areas were also fenced off and around 1,650 seedlings of native species were planted. In the municipality of Salto da Divisa (MG), in order to support a public policy of selective waste collection, we entered into a partnership with the Gota de Óleo Association through a joint effort with the community that resulted in the collection of 3,640 kilos of materials to be sent for recycling. The year also saw the completion of the cultural center in Itapebi, which was voluntarily donated to the municipality. The center will become a place for festivities, cultural presentations and community integration.

Within the scope of subtransmission, the distributors carry out Environmental Education Programs, Environmental Education for Workers and Social Communication Programs, depending on the specific degree of impact during the environmental licensing of each project. At Neoenergia Cosern, information meetings were held for the community as part of the conditions of the Authorizations for the Capture, Collection and Transport of Biological Material. The series of lectures was themed *Adventure in the Caatinga: Protecting the animals and plants that live here*. It was attended by some 120 participants in five municipalities, offering discussions about Neoenergia's role in environmental management and the sustainable administration of fauna in the energy sector projects under development in the region.

Territorial development

GRI 203-1 | 5.4, 9.1, 9.4, 11.2

We have also developed other territorial development initiatives, carried out through non-compulsory resources (private social investment – see more in *section* *3.6.3. Contributions to society*), which benefit the communities in the regions where we operate. In 2023, the following initiatives were standouts:

SER Program

With the Health, Education and Income Program (SER), we are working on pillars that directly impact the Municipal Human Development Index (IDHM) in the regions of the Lagoas, Canoas and Calango wind farms located in the states of Rio Grande do Norte and Paraíba; and the Potiguar Sul transmission line, which crosses the states of Rio Grande do Norte and Paraíba, meeting the three axes of the Index and which also represent the themes that form the project's acronym. It has been in operation since 2020, with funds from the BNDES' social sub-credit, and its on-site partner execution is carried out through the Local Economic Development Agency (Adel), supporting the program's management by the Corporate Social Responsibility (CSR) Department. The communities involved in the SER Program are encouraged to join the family farming process. The so-called Productive Backyards are a way for families to grow and produce vegetables for consumption, increasing food security.

In 2023, in the Lagoas and Canoas territories, as part of the Education axis, 82 hours of training were provided for the implementation and development of local production chains for around 45 beneficiaries. For 35 rural youths, we implemented revolving funds, with monthly technical and management assistance for their enterprises. In the Income axis, a project was started to install a forage kit and two reference production units for forage palm, with completion scheduled for the first half of 2024. In addition, 42 specialized advisory sessions were held on the use and management of collective spaces.

In these same territories, in the field of health, 140 families were trained in the management of and access to water resources. In Education, four workshops were held to train and guide family farmers in production and commercial processes, prioritizing the beneficiation of domestic production. Management and use of the 52,000-liter cistern at the Antônio Miranda de Assunção Municipal Primary School was also monitored, as well were the revitalization of the Training Centre and Community Library and the construction of a playful and creative space at the Juturana school.

In terms of income, technical and managerial support sessions were offered to 35 rural youths who took part in the Entrepreneurship and Social Protagonism Program. This includes access to solidarity microcredit for the development of their family businesses. In addition, eight family businesses have been incorporated into the Lagoa Nova free market, with regular monitoring of the management and logistics of their enterprises. By 2024, 14 cisterns are to be built for the population's consumption and productive support.

In the TL Potiguar Sul territory, the Health axis includes 40 hours of training for beneficiary families, focusing on access to and management of water resources, as well as monitoring the management and use of the deep well in the Cruz da Menina community. In terms of education, we would highlight the construction of the Quilombola Cultural Center in the same community, accompanied by the management of the space. In addition, 32 hours of training were given to quilombola women in entrepreneurship, handicrafts, rural tourism and cooking. Three family enterprises received technical and managerial assistance for their creation and operation, taking advantage of local vocations and potential. By 2024, 24 16,000-liter cisterns will be built to collect rainwater.

Over the years, in all the communities it has been active in, the SER Program has impacted 269 families and community leaders in terms of access to and management of water resources, benefited 412 family farmers in the development of production chains, and provided 70 young people with support for their rural businesses, including access to microcredit to improve their enterprises.

Centro Cultural Reform

In 2023, the Itapebi Hydroelectric Power Plant, in partnership with the Municipal Government, renovated the Cultural Center of the municipality of Itapebi (BA) as a way of encouraging culture and education in the region and among the population living near the project.

Community Transformation

As a result of a partnership between CSR Management and Rede Muda Mundo (RMM) to benefit communities around our distributors, we held three social events in the concession areas of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern. The initiative actively involved more than 1,000 beneficiaries in the chosen projects, through 1,200 services in legal, dental, nutritional, CV preparation, personal and beauty care, reading to children and document printing, among others.

Community Energy – Social Hackathon

In partnership with Casa Zero and with the support of Accenture, we held the Neoenergia Group's 1st Social Hackathon. The event was attended by 22 students from state technical schools and young people from the Pilar Community and the surrounding area, in Recife (PE). During the three-day event, the young people were divided into teams to develop innovative digital solutions focused on income generation and entrepreneurship, especially for the Pilar Community. The winning group presented the Compilar app, a platform for connecting residents of the community, who are informal entrepreneurs suffering from socio-

economic segregation that makes it difficult to reach a larger number of customers. The winning solution had the opportunity to be incubated by Porto Social to professionalize the idea, and all the members received tablets and technology courses on the Udemy online platform.

Programa Começar do Zero

In 2023, we launched the Programa Começar do Zero (Start from Scratch Program), a behavioral skills course for young people looking to develop their abilities to enter the job market. In its first edition, carried out in partnership with Casa Zero and Sebrae, the program involved 35 young people who took part in the course over 5 days in a face-to-face model.

3.6.2.2 Impact assessments

GRI 3-3_203_413 – MATERIAL TOPIC: LOCAL COMMUNITIES AND VULNERABLE CUSTOMERS

GRI 413-1, 413-2 | SDG 1.4, 2.3

Each of our businesses complies with specific environmental legislation that dictates the environmental impact study model to be developed and, depending on the type of project and its territory, a Participatory Socio-Environmental Diagnosis can also be carried out or updated whenever necessary.

These assessments include the analysis of possible impacts on human rights. They include the right to a safe, clean, healthy and sustainable environment, as well as environmental impacts – such as emissions, noise, waste, fires, loss of biodiversity in the region, changes in the soil, interference in the landscape, restriction of access to water and forest resources, and so forth.

There is also an assessment of the socio-economic environment, which involves demographic aspects such as the population of nearby municipalities, historical and cultural heritage, increased demand for employment in certain sectors and impacts on basic infrastructure, such as roads or highways. The area directly impacted by the project is duly compensated. In addition, in the case of transmission lines, the community is informed and educated about the possibilities of using the easement strip.

Particular social impact studies are conducted for indigenous and traditional communities when they are located within the project's sphere of influence. During the impact study process, the applicable legislation guarantees the consultation and participation of both the affected populations and representatives of the public administration.

Networks

Distribution lines up to 34.5 kV are classified as having a low environmental impact and therefore do not require an Environmental Impact Study and Environmental Impact Report (EIA/Rima). If energy connections are requested in indigenous and quilombola territories or if it is necessary to build lines in these protected areas, the distributors follow the environmental licensing procedure in accordance with the relevant environmental legislation. In 2023, Neoenergia Coelba and Neoenergia Elektro began licensing processes for the construction of energy distribution networks that will benefit several traditional communities.

Projects involving the installation of 138 kV distribution lines have been subject to individualized impact evaluations, which are determined by the level of interference and influence in sensitive areas. Economic aid to affected groups is provided according to the level of impact caused by the project. For example, the Indigenous Component for the licensing of the 138 kV Manoel da Nóbrega Distribution Line in Mongaguá in the state of São Paulo is currently being implemented. The following economic support was provided: i) Acquisition and donation of a 278-hectare plot of land to the Tekoà Mirim Indigenous Land community and subsequent support for notary public legalization; ii) Emergency support prior to the preparation and execution of the Basic Environmental Plan with a view to physically structuring the village.

When designing projects, we consider promoting the minimum impact on social relations, the landscape

and existing structures. Later on in the implementation phase, a few programs, including Erosion Monitoring and Control, the project's Demobilization Plan and the Degraded Areas Recovery Plan provide guidance for the necessary actions to be taken to restore the project-affected environment to a state that is as close to its original condition as possible and to preserve good relations with the local community.

Renewables

Hydroelectric plants in operation assess the impact through the Participatory Socio-Environmental Diagnosis – if the study is required and at the intervals defined by the licensing body. Impacts are identified and mitigating measures are proposed to mitigate adverse effects. Actions are validated with interest groups so that they can be implemented, especially in relation to adverse social effects.

This diagnosis is carried out in conjunction with the community and the local government. It seeks to gather perceptions about the place where they live and their relationship with the project, expectations for the region, forms of organization, potential, environmental problems and conflicts, local vulnerabilities, topics of interest, among other information. Based on this, the actions to be carried out as part of the projects' socio-environmental programs are defined.

For wind farms and photovoltaic plants, a series of environmental programs are in place to monitor and mitigate the potential impacts of the operation and maintenance of the projects. These programs are defined in the Operation Environmental Management Plan (PGAO) and their reports are submitted annually to the environmental agencies.

Participatory Socio-Environmental Diagnoses (DSAPs) were also developed in accounting for the need to update information on the communities close to our operational assets. In addition, projects were proposed for the different areas of influence, considering the results of the DSAP and the main potential and environmental problems identified in these areas. The projects will be developed as of 2024 together with the stakeholders.

As part of the Environmental Management System (EMS) of the wind and solar farms, we organize an annual assessment of the environmental aspects and impacts of the projects in operation to map significant aspects and guide actions for continuous improvement.

Engagement plans

Today, even without a standard procedure for assessing the socio-economic impacts caused by our activities, we have adopted compensation programs to assist the population to minimize any negative aspects identified in the impact studies. (More information in section *3.6.2.1 Local community development programs*).

In the process, plans are developed to engage interest groups designed to strengthen the links established with community leaders and grassroots organizers, thus making them an integral part of socio-environmental management. By doing so, we hope to stimulate a more comprehensive contemplation regarding the significance of endeavors that target the intended development and transformation of the communities within the operational sphere of influence.

For wind projects, in 2023, we began to draw up the standard procedure for assessing the socio-economic impacts caused by the activities, indicating compensation programs to assist the population in order to minimize any negative aspects identified in the impact studies.

We furthermore developed stakeholder engagement plans with a special chapter on targeting traditional quilombola communities and vulnerable social minorities during the installation phase of the Chafariz and Oitis Wind Complexes and the Luzia Solar Complex.

Indirect economic impacts

In addition to the direct economic impacts we generate as a result of the monetary flows with the installation of the assets, we also contribute other additional effects or indirect economic impacts.

GRI 203-2 | SDG 1.2, 1.4, 3.8, 8.2, 8.3, 8.5

The expansion of electricity systems boosts the economy and promotes job opportunities, contributing to the economic and social strengthening of the regions in which they operate.

Some of the positive effects at the local level are the improvement of the economy and employment (direct and indirect), the revitalization and settlement of remote and uninhabited rural areas, the collection of fees and taxes at different times of the activity and areas of operation, the training of professionals, the support of local communities through different forms of sponsorship, the promotion of economic development and the improvement of quality of life through electrification, among others.

Likewise, and on a general level, renewable projects help slow down the overall CO_2 emissions of the country's energy matrix, as well as those of the entire planet. This helps to prevent global warming and supports the objectives of decarbonization and building greater climate resilience, especially in the Semi-Arid region in the Northeast, where we have renewable assets.

Among the potentially negative indirect impacts that we are trying to avoid are the following:

- Environmental risks, which can lead to unintended consequences for the environment such as inappropriate discharges and emissions, or waste management;
- The landscape impact of facilities (hydroelectric and wind power plants, transmission and distribution networks) and the possible adverse effects (during their construction or operation) on the natural environment and traditional activities, particularly in rural areas, such as livestock, hunting or fishing.

GRI 203-1 | SDG 5.4, 9.1, 9.4, 11.2

In managing impacts during the construction and operation of our facilities, we invest in various types of infrastructure that do not belong to the company or serve a commercial purpose, but rather are intended to meet the needs of the social environment, resolving existing deficiencies in local communities.

Transmission and wind generation companies have invested in infrastructure in traditional, indigenous and quilombola regions, which are presented in item *3.1.2c. Projects developed for original and traditional communities.*

3.6.2.3 Consultation processes with local communities

GRI ex-EU19

Public hearings are customary for generating and transmission projects during which all interest groups are represented, including traditional populations residing within the sphere of impact. In addition, during the process of building transmission lines and substations, communities are informed about their installation and safe ways of coexisting and interacting with the project and the vehicles in circulation. They also have at their disposal an ombudsman and e-mail channels for direct contact with the responsible teams.

In addition to face-to-face interactions with the neighborhood, owners and communities impacted by the projects have an open avenue to voice grievances and issues at wind farms and hydroelectric facilities that are now in operation. There are different communication channels, accessible and free of charge for the complainant, managed with the support of specialized consultants, with a guarantee of non-retaliation. The channels are continuously publicized in face-to-face communication campaigns and in information materials.

In the implementation phase of the projects, in 2023, we provided a door-to-door ombudsman, email and WhatsApp contacts as open channels of communication while also holding public meetings to pass on information to the communities and listen to them in due course. These measures bring us closer to the local neighborhoods and build credibility and trust, culminating in friendly relations with the population adjacent the Chafariz Wind Complex, the Solar Luzia UFV in Paraíba and the Oitis Wind Complex in Piauí and Bahia.

When setting up power grids and substations, the distribution and sub-transmission businesses look for locations and routes that generate the least possible interference with population centers or the

environment. High-voltage projects are publicized through social networks and local radio stations, targeting areas of direct and indirect influence.

In order to improve the management and mitigation of impacts in the communities where we are present, from 2023 we will begin to review operational procedures to ensure that consultation processes are in line with the recommendations of the UN Guiding Principles on Companies and Human Rights.

In addition, when necessary, our environmental licensing processes undergo the Free, Prior and Informed Consultation procedure set forth in Convention 169 of the International Labor Organization (ILO) and incorporated into Brazilian law by Decree No. 5.051/2004. The purpose of this procedure is to guarantee that traditional communities express their opinions, suggestions and demands freely and independently.

The LD 138 kV Manoel da Nóbrega, in Mongaguá (SP) has an indigenous component license. In 2023, the process of preparing the Basic Environmental Plan for the Indigenous Component got underway. This included consultations with the Guarani community to accept the Work Plan. During the process, the community evaluated the programs suggested in the Indigenous Component Study in order to approve the methodology for detailing the programs.

3.6.2.4 Management in the event of population displacement

GRI ex-EU20, EU22 | SDG 1.4, 2.3

Pursuant with regulations set forth by the National Electricity Agency (Aneel), the execution of power generation, transmission and distribution projects may require the establishment of administrative easements and the expropriation of land during the construction phase. Such a process may result in the displacement of individuals.

Distribution

Nobody is expected to be moved as all previous studies for the implementation of high-voltage distribution lines seek to avoid impacts that cause people to be displaced. Any economic damage is compensated based on the schedule of values developed for each project. However, the premise is to minimize and/or avoid major economic impacts.

Transmission

In transmission projects, the previous studies of the Transmission Lines and Substations assess the impacts of their implementation and the alternatives for not displacing people, avoiding such dislocations as much as possible. In 2023, there was a need to physically remove six installations located in the right-of-way of transmission line projects: two in Morro do Chapéu and four in the Itajaí Valley, all of which received financial compensation.

Hydraulic

There was no displacement of people in 2023 and no further displacement is expected, as Neoenergia's hydroelectric plants are currently in operation.

Wind and solar

There were no people displaced in 2023 with regard to wind and solar renewable energy projects.

Thermal

There were no people displaced in 2023 and there are no plans to relocate anybody. The land on which the Transmission Line connected to where the generator is located is leased to the Port of Suape, which is responsible for this community. Termopernambuco's only responsibility is to carry out periodic maintenance on the Transmission Line and the easement strip.

Liberalized

There is no expectation that people will be displaced due to the products and services commercialized by the companies that are part of energy trading operations.

3.6.3 Contributions to society

GRI 203-1, 203-2, 413-1

We seek to have a positive impact on the communities with which we interact through social programs and projects that contribute to the agenda of the UN Sustainable Development Goals and reinforce our commitment to our purpose and values.

These investments complement the socio-environmental programs included in environmental licenses, territorial development programs carried out with non-mandatory resources (*see item 3.6.2.1 Local community development programs*) and energy efficiency programs and projects.

CONTRIBUTIONS TO COMMUNITIES (R$ THOUSAND)[1]

	2023	2022	2021[3]
By category			
One-off contributions	12,789	1,006	N/A
Social investments	10,112	24,214	N/A
Initiative aligned with the business	4,574	1,231	N/A
Cost of management	0	1,051	N/A
By type of contribution			
Cash contributions	25,593	26,224	N/A
Employee time	0	0	N/A
Contributions in kind	1,883	227	N/A
Cost of management	0	1,051	N/A
By contribution area[2]			
Art and Culture	14,936	10,523	N/A
Education	4,357	3,970	N/A
Socio-economic development	1,467	7,156	N/A
Social welfare	2,207	3,177	N/A
Strengthening active citizenship	490	0	N/A
Environment	100	1,233	N/A
Institutional strengthening	1,438	0	N/A
Diversity and family strengthening	70	0	N/A
Humanitarian aid	1,796	392	N/A
Others	616	0	N/A
Total	**27,476**	**26,451**	**19,361**

[1] The figures since 2022 take into account the contributions of Neoenergia's companies and the Instituto Neoenergia, with investments that fall under the B4SI criterion. Mandatory funds from environmental licensing, brand and image sponsorships, investments in the Energy Efficiency Program, Research and Development and the Light for All Program are not included. Also not included are amounts relating to donations from customers via their energy bills.
[2] New categories were included in 2023 for a better analysis of Private Social Investment.
[3] Figures by category were not collected in 2021, when only the total consolidated data was presented.

Via the energy bill, we encourage our Neoenergia Coelba, Neoenergia Pernambuco, Neoenergia Elektro and Neoenergia Cosern clients to make donations to non-profit institutions. In 2023, we raised approximately R$ 48 million for 14 institutions, including the Terra Foundation, the Pernambuco Cancer

Hospital, the Alice Figueira Support Foundation and the Cancer League.

We offer Christmas hampers to 1,200 families distributed in 21 communities in five municipalities (Santa Luzia, Areia de Baraúnas, São José de Sabugi, São Mamede and Várzea, all in Paraíba). The program is designed to help them celebrate the holiday and represents a contribution to a world with safe food for people in vulnerable situations, including children and the elderly, through a humanized approach. This strengthens the human right to adequate food and guarantees people's dignity.

Our Private Social Investment (PSI) is monitored by the Corporate Social Responsibility (CSR) Department, distributed throughout the company. In addition to PSI, we also invest in communities through environmental licensing programs. Our main initiatives in 2023, both voluntary and mandatory, were as follows:

Humanitarian aid

In 2023, we continued to support Casa da Misericórdia orphanage that offers full-time, indefinite care for children referred by the Guardianship Council because they are in a situation of abandonment and social risk, located in the municipality of Itapebi in the state of Bahia where our plant of the same name is located. We have been donating to this project since 2009, via the Transforma Brasil Fund. We also renovated the Itapebi Cultural Center to encourage culture and education in the region, and contributed more than 600 uniforms to low-income students at the Eulina Suzart Santos Municipal School Group and Nucleated Schools in the Historic City Countryside. Through another plant, Baixo Iguaçu, located in Paraná, we bestowed uniforms to the Capanema Futsal Association as part of a program to support the training of professional athletes.

We took emergency action at the beginning of 2023, donating 30 basic food hampers and 120 gallons of water to the Encanto da Patioba Indigenous Community in the municipality of Itapebi after heavy rains in December of the previous year that led to losses in the production and harvest of those families. We also donated 200 basic food hampers and 200 gallons of water to the Civil Defense in the municipality of Belmonte (BA) and 200 hampers to small rural landowners in the municipality of Itagimirim (BA), due to the severe rains in the region.

In 2023, the Solidarity Christmas project was run in the Zumbi Settlement located in the area of influence of the Rio do Fogo and Arizona Wind Farms in Rio Grande do Norte. The event included the distribution of Christmas hampers to 72 families and toys for 125 children as well as an end-of-year snacks.

Socio-economic development

We are continuing the Juntos pelo Desenvolvimento Sustentável (Together for Sustainable Development) program, run by the Comunitas organization, whose main motivation is to stimulate partnerships between the private sector and the public sector that improve public management, resulting in local development and the improvement of Brazilian public services. With the participation of various private leaders, it is developing direct and sustainable actions in six Brazilian states and 18 cities.

With our partnership, actions are being carried out with municipal managers in Salvador (BA), Petrolina, Caruaru and Recife (PE). In 2023, Recife's initiatives included solutions to make urban mobility attractive, specifically public transport, as well as encouraging investment in the electrification of the bus fleet. Work was also undertaken on the transition of the Pernambuco government, seeking to modernize the administrative structure by drafting a bill to adapt the current management configuration to the format proposed by the new administration and its vision for the future.

We also offer itinerant services in communities, providing information and assistance such as Social Tariff registration and debt negotiation, along with training and encouraging entrepreneurship. In 2023, at Neoenergia Coelba, we made approximately 110 visits to communities, including indigenous and quilombola populations. For the Calango/Santana, Rio do Fogo and Arizona and Mel 2 projects (wind farms in Rio Grande do Norte), we initiated a community-based tourism training program supported by the Seridó Geopark, for a series of workshops to identify local potential.

We also launched the Programa Sementes de Saberes (Seeds of Knowledge) Program in 2023, designed to boost local development based on the potential and challenges identified in the communities. Over the course of the year, more than 70 communities in the area of influence of the wind farms in operation were visited to carry out the Participatory Socio-Environmental Diagnosis (DSAP). Based on the information identified in the DSAP, projects are in the final stages of being drawn up, considering the different socio-environmental characteristics and local realities in the territories of Mel, Arizona and Rio do Fogo, Calango and Santana, in Rio Grande do Norte; Chafariz and Luzia, in Paraíba; and Caetité in Bahia, where Neoenergia's wind farms are located.

Sports

Our commitment to the practice of sports is also reaffirmed, as we promote gender equality by exclusively sponsoring Brazilian women's soccer teams. We are the only company in the country to wholly sponsor the national team and the biggest and most important women's soccer tournament, the Brasileirão Neoenergia.

To assist female athletes and foster their successful championship ambitions we created "Team Neoenergia," formed by athletes such as: Tota Magalhães, Brazilian under-23 road cycling and time trial champion; Bruna Kajiya, three-time world kitesurfing champion; and Mirelle Leite, a runner whose dream is to be the first indigenous Brazilian athlete to represent the country at the Olympic Games. New champions will also arrive in 2024, driving ever more challenges, female empowerment and achievements in sport.

The achievements of the Volunteer Program and the Instituto Neoenergia are highlighted below, in the following sections 3.6.3.1 Volunteering and Instituto Neoenergia.

3.6.3.1 Volunteering

GRI 203-1, 413-1

Our Volunteer Program permanently offers employees opportunities to engage in social initiatives that have an impact on the residents of our areas of operation. All initiatives are aligned with the United Nations (UN) Sustainable Development Goals (SDGs).

As a way of adding even more value to the program and raising awareness among the leadership, we launched an unprecedented initiative: Mentoria do Futuro (Mentoring the Future). It brought together the aspects of volunteer work as well as diversity and inclusion, and 28 young black youths from communities in Bahia benefited. The program, in partnership with the Joule Institute, took two months. The objective of the mentoring sessions was to use the career experience of Neoenergia leaders to instruct and support young students entering the job market.

In addition, one of the highlights was the Comunidade Segura (Safe Community) program: our volunteers visited neighborhoods to pass along information about electricity safety, especially during periods of higher exposure, such as popular festivals, Carnival and São João festivities. More than 520 people received advice on how to take care and protect themselves when they used electricity (more information on this program can be found at 3.4.2.6 Education for the safe use of energy).

In 2023, the Volunteer Program recorded 3,767 participations, up 7% compared to the previous year. This surpassed the projections in our ESG volunteering target, which foresees 3,700 participants in 2025 and 4,700 by 2030. Some of the 2023 actions that stood out were:

- Semana Internacional do Voluntariado Iberdrola (Iberdrola International Volunteer Week) – The event mobilized 2,072 employees in all Neoenergia companies in initiatives that benefited 21 NGOs and 3,000 people directly and indirectly.
- Esporte Solidário (Solidarity Sport) – Volunteers used a cell phone app to record walks, runs and bike rides. The challenge, totaling all the participants, enabled them to cover more than 19,000 kilometers,

subsequently converted into donations of 500 school kits for five institutions for children and youths in the states of Pernambuco, Bahia, São Paulo, Rio Grande do Norte and the Federal District.

- Eu cuido do meu quadrado (I take care of my block) – The volunteers and their families cleaned up around their homes and workplaces, collecting more than 604 kilos of garbage from the streets.
- Ensinando Profissões (Teaching Professions) – Lectures focused on contributing to quality employment for young people. It took place in five states and impacted more than 400 people.
- Campanha de doação de roupas (Clothing donation campaign) – More than 31,000 items collected for 76 charities.
- Operação quilo (Operation Kilo) – More than 38,000 kilos of food collected and distributed to thousands of people through 124 NGO organizations.
- Árvore da Solidariedade (Tree of Solidarity) – The traditional Christmas campaign took place in Bahia, the Federal District, Rio Grande do Norte, Rio de Janeiro, Pernambuco and São Paulo.
- Absorventes/Absorbents – More than 180,000 feminine pads were collected to help underprivileged women during their menstrual cycles.
- Gincana Encantos da Solidariedade (Charms of Solidarity Gymkhana) – Our volunteers gathered 31,490 hygiene items, which were donated to 90 institutions across the country, benefiting more than 17,000 people directly and indirectly.

Neoenergia Partnership and Transforma Brasil

Transforma Brasil is an independent civic engagement and mobilization movement whose vision is to transform Brazil through Brazilians volunteering. In 2023, we celebrated four years of partnership as a national sponsor, supporting Transforma Brasil in expanding its activities nationwide. The partner also helped the development of our Volunteer Program, with the indication of institutions and partnerships for positive social impact.

VOLUNTEERS

	2023	2022 [1]	2021
Number of volunteers active during the year	3,767	3,511	2,018
Total dedicated hours	7,602	6,046	7,030
Number of actions	33	35	177

[1] From 2022, a new calculation method was adopted to measure the total hours dedicated and the number of actions.

3.6.4 Instituto Neoenergia

GRI 203-1, 413-1

Instituto Neoenergia contributes to improving the quality of life of the most vulnerable people, supporting sustainable development in the communities where we operate. In addition, its premise is to ensure a careful look at people and communities, respecting all forms of diversity, leveraging opportunities through effective, inclusive, equitable and sustainable initiatives.

Its trajectory began in 2018, when the Instituto Iberdrola Brasil was renamed the Instituto Neoenergia and its projects were extended to the territories where Neoenergia has a presence. In 2023, the Institute celebrated five years of activities, with important advances to consolidate its work in Brazil.

The anniversary was marked by a number of initiatives, incorporating a campaign that included the launch of an activity book for children containing exclusive and educational illustrations referring to the Institute's programs and projects, the production of a new institutional video, and an engagement campaign during

the Neoenergia Leaders Convention. These will continue in 2024 for our employees through an immersive experience narrating some of the Institute's activities.

As the highlight of the five-year anniversary celebrations, the Institute staged a major cultural intervention in the city of Rio de Contas (BA): the eco-efficient lighting of the Senhora Santana Church, which is part of its Cultural Lighting Program. Some 2,400 people were in attendance.

As of 2023, the Institute will be contributing directly to one of the ESG targets we set for ourselves by 2030 in the social sphere: to expand our reach from 109,000 beneficiaries in 2021 to 280,000 by 2025 and 412,000 by 2030. Focusing on these new targets, its methodology for measuring results and calculating beneficiaries was consolidated. The terms of partnership and cooperation were also improved.

The Institute's communication has become more robust with the launch of its new institutional website and the creation of its own profiles on the Instagram, Facebook, LinkedIn and YouTube social networks. The aim of these new communication channels is to be more assertive with audiences of specific interest in the Third Sector, corporate foundations, people and groups in regions outside the major centers and the target audiences for calls for proposals and awards.

Milestones

Since 2018, R$ 18.8 million has been invested in programs and projects with its own resources, in addition to more than R$ 37.5 million for programs and projects with resources from federal, state and municipal incentive laws. In the Social Action and Arts and Culture pillars, investments using funds from cultural and sports incentive laws grew 48% from 2022 to 2023, reaching R$ 15.5 million. In 2023, investments totaled around R$ 19.2 million in programs and projects, covering 114 municipalities in nine states and the Federal District.

Another milestone was joining the Brazilian Philanthropy Commitment on Climate Change led by the Group of Institutes, Foundations and Companies (Gife), and becoming one of the signatory organizations. This is an instrument for supporting, inducing and facilitating the engagement of philanthropy and national private social investment regarding the climate change agenda.

The Institute has its own governance and its documents are published on its institutional website, with both a defined purpose and its values. Its work is guided by the 2022-2025 Master Plan developed by Iberdrola's Foundations Committee, which defines fronts for action; each country is free to implement it according to individual realities, guiding the group's foundations and institutes in five action pillars: Training and Research, Biodiversity and Climate Change, Art and Culture, Social Action and Institutional Collaboration, linked to the priority SDGs (1, 4, 11, 15 and 17) and to a further nine SDGs (5, 6, 7, 8, 10, 12, 13, 14 and 16), contributing directly to 14 of the 17 SDGs on the 2030 Agenda.

INSTITUTO NEOENERGIA'S OWN INVESTMENTS (R$ THOUSAND)[1]

Activity area	2023	2022	2021
Training and Research	950	950	914
Biodiversity and Climate Change	100	1,143	606
Art and Culture	1,363	978	507
Social Action	689	1,461	1,752
Institutional Collaboration	567	27	20
Total	**3,670**	**4,559**	**3,799**

[1] The figures shown in the table are from before the Institute's accounting audit was completed and, for this reason, may differ from the total that will be presented in the Instituto Neoenergia's final report. The figures do not include management costs.

3.6.4.1 Training and research

The goal of this pillar is to contribute to transformative, inclusive, innovative and quality education. The main initiative is the Balcão de Ideias e Práticas Educativas ideas and education project, developed in partnership with Centro Integrado de Estudos e Programas de Desenvolvimento Sustentável (CIEDS).

The project covers municipal networks in the states of Paraíba, São Paulo, Rio Grande do Norte, Pernambuco and Bahia to consolidate a network for the dissemination of innovative ideas and practices in education by advising educational managers and offering continuous training to teachers and school managers.

The priority in the fifth year of this project was to continue training teachers and managers in the partner departments through a hybrid format. In addition, the goal was to advise the management of the education departments regarding the implementation of the National Common Core Curriculum (BNCC) and to overcome learning gaps.

BALCÃO DE IDEIAS (IDEAS COUNTER)

Theme	Results
Certification of professionals	From the beginning of the self-training courses: ▪ 346 certified education professionals ▪ 6,225 training hours
Students benefited	97,789 students, since 2019
Management advice (municipal secretariats)	▪ 1,820 training hours, with 298 meetings (online and face-to-face), over five years of the project ▪ In 2023, advising 58 managers to better comply with the Municipal Education Plans in the cities of Itapebi and Itaparica (BA), Santa Luzia, Junco do Seridó and São José do Sabugi (PB), Rio do Fogo (RN) and Francisco Morato (SP).
Municipal networks served	13 networks, since 2019
Training hours	18,153 hours, including: ▪ 281 educational practices implemented ▪ 177 face-to-face and/or synchronous training meetings over the five years of the project ▪ In 2023, four municipalities took part: Mucugê (BA), Candeias (BA), Triunfo (PE) and Igarassu (PE).

This initiative contributes to the achievement of SDG targets 4: Quality education, 16: Peace, justice and effective institutions and 17: Partnerships and means of implementation.

3.6.4.2 Biodiversity and Climate Change

The Biodiversity and Climate Change pillar aims to support biodiversity resilience and environmental protection in order to contribute to the fight against climate change. During this five-year period, projects were developed based on three lines of action: Protection of Fauna; Preservation and Restoration of Marine Ecosystems; and Acceleration of NGOs and Impact Businesses with a Focus on the Environment.

Flyways Brasil

The Flyways Brasil Project began in 2015 and has been developed in partnership with SAVE Brasil for the conservation of waders (birds that live in wetlands, such as estuaries and lagoons) and migratory birds in their habitats, contributing to the preservation of species at a hemispheric level in the Potiguar Basin region (RN), with the engagement of society and local governments.

An important achievement in 2023 was the submission for the Potiguar Basin region to join the Western Hemisphere Shorebird Reserve Network (WHSRN). This recognition will allow the region to be identified as

an ecological sanctuary, encouraging the strengthening of public policies aimed at conserving biodiversity and the network of local ecosystems.

Other highlights were:

- Training offered to 36 teachers; six schools certified as "Friends of Waders"; and environmental awareness activities with the participation of 994 children;
- 20 bird censuses; 20 species of waders identified; and more than 15,900 birds counted – five of which are endangered species.

This initiative contributes directly and indirectly to achieving some of the SDG targets: 15: Life on Land; 4: Quality Education; 6: Clean Water and Sanitation; 8: Decent Work and Economic Growth; 11: Sustainable Cities and Communities; 12: Responsible Consumption and Production; 13: Action against Global Climate Change; 14: Life on Water and 17: Partnerships and Means of Implementation.

Coralizar

The Coralizar Project was set up in 2019 to prioritize an agenda of restoration, maintenance and adaptation of coral reefs, a species of paramount importance for the balance of saltwater ecosystems. The project promotes a pioneering activity in Pernambuco through an innovative methodology of active management and transplantation of corals. Fragments of these animals, detached from their colonies by human action or currents and condemned to death, are collected and managed for nurseries built in natural pools and laboratories in Tamandaré (PE) and in the district of Porto de Galinhas, in Ipojuca (PE), where they can regenerate again. The initiative focuses its efforts on the conservation of two native species that are fundamental to local marine biodiversity, *Mussismilia harttii* and *Millepora alcicornis*.

The project has already restored 0.42 square kilometers of coral since it began.

In 2023, the project had 120 colonies and 24 mesas under cultivation in Porto de Galinhas and 1,636 seedlings under ex situ cultivation (outside their natural habitats) in Tamandaré; 3,751 coral seedlings under cultivation and nurseries; and 5,387 corals restored. The project also had a positive impact on 228 people (rafters, fishermen, bio-manufacturers, among others).

This initiative contributes to the achievement of SDG targets 8: Decent work and economic growth, 11: Sustainable cities and communities, 12: Responsible consumption and production, 13: Action against global climate change, 14: Life in water and 17: Partnerships and means of implementation.

3.6.4.3 Art and Culture

The Art and Culture pillar seeks to contribute to the recognition of art and culture as essential tools for social transformation. There are three lines of action: valuing cultural diversity and people in the cultural sector; safeguarding cultural heritage and generating work and income through culture.

The investment has grown exponentially over the last five years because, in addition to the Institute's own resources, the pillar has gained relevance with the expansion of the use of incentive laws at the federal, state and municipal levels. The Instituto Neoenergia began managing cultural incentive laws in 2019, with an investment of over R$ 3.1 million, and ended with R$ 15.5 million in 2023.

Programa de Iluminação Cultural – The cultural lighting program aims to help safeguard buildings and monuments that are part of Brazil's cultural and historical heritage, with its 6th edition in 2023. During the year, efforts were directed towards municipalities in the interior of Brazil with a vocation for tourism and buildings listed at the state or federal level, such as Iphan. The action takes place on three fronts: heritage education initiatives with schools and community participation; eco-efficient lighting of the listed property that highlights architectural elements of the building; and cultural intervention, which is a major event designed to deliver the program. The goal is to revive the importance of cultural equipment and its preservation, as well as create a sense of belonging in the community.

Prêmio Inspirar– The 3rd edition of this award, which recognizes female leaders who develop art and culture promoting social change in their areas of activity honored 16 cis and trans women who are leaders of initiatives in their communities. The finalists and/or winners of this award can benefit from the Inspiring Women project, which began in 2021 with the city of Rio de Janeiro's Culture Incentive Law, known as the ISS Law.

Transformando Energia em Cultura – The Transforming Energy into Culture program issued calls for proposals in the Federal District, Rio Grande do Norte and Bahia, and for the first time included the state of São Paulo. This project supports socio-cultural initiatives that contribute to SDGs 4, 8, 11 and 17 and value the culture of the localities where they take place, with incentives from the Câmara Cascudo (RN), Faz-Cultura (BA) and Culture Incentive Laws (DF) and ProAC (SP).

Oficinas Culturais e Artísticas (OCA) – The OCA program generates work and income through culture, promoting themes and concepts of the creative economy, and prioritizes SDGs 1, 4, 8, 10, 12 and 17. In 2023, it offered 16 classes with more than 320 places in the São Paulo cities of Campos do Jordão, Santa Isabel, Capão Bonito, Araras, Atibaia, Mongaguá and Ilha Solteira. In 2021 and 2022, more than 600 students attended the workshops in more than 20 classes.

Caravana Energia que Transforma – The Energy Transformation Caravan project was revamped in 2023 and plans to resume its activities in person and online in 2024. The program has already trained 563 people, including representatives of organizations that work with cultural initiatives, mainly in the states of Rio Grande do Norte, Bahia, São Paulo and the Federal District. For 2024, the project will be carried out with funds from the Federal Culture Incentive Law (Rouanet Law).

Resgatando a História – In 2023, Neoenergia Institute continued to support projects that are part of the public call for proposals aimed at recovering and putting to new uses Brazil's cultural heritage in partnership with the BNDES. Funds were earmarked for the Estação Criativa de Caruaru through the Rouanet Law. The project consists of the restoration, requalification and modeling for new use of the old Caruaru Railway Station (PE).

In the pillar, the contribution was toward SDGs 4: Quality education, 5: Gender equality, 7: Affordable and clean energy, 8: Decent work and economic growth, 10: Reducing inequalities, 11: Sustainable cities and communities, 12: Responsible consumption and production, 16: Peace, justice and effective institutions and 17: Partnerships and means of implementation.

3.6.6.4 Social Action

To support the most vulnerable people and territories, contributing to human and sustainable development in the Social Action pillar, Instituto Neoenergia works along three lines of action: Strengthening territorial networks with a collective impact on prevention; Promoting and guaranteeing the rights of vulnerable people and groups; Empowering cis and trans women of all ages through sport, as well as promoting emergency aid.

Redes de Territórios pela Infância – Developed in partnership with the Centro Integrado de Estudos e Programas de Desenvolvimento Sustentável (Cieds), these networks seek to strengthen civil society organizations and local public facilities that work with children and adolescents. The project is directed towards integrated and networked action by optimizing resources, leveraging local knowledge, streamlining service flows and referrals and encouraging the creation of intersectoral alliances and pacts. It also fosters public and private policies and programs that catalyze opportunities to expand and strengthen processes of social inclusion and the integral development of children and adolescents. This program directly benefited 32 community-based organizations with 84 hours of training, and conducted three territorial meetings with 77 hours of connection, indirectly reaching 5,433 children and adolescents. In 2023, a guide to opportunities for services and civil society organizations focused on supporting children and adolescents was launched along with a fund to promote collaborative action plans to be carried out by the organizations served.

Instituto Neoenergia has been expanding its activities using sports incentive laws. Starting in 2020, with investments of R$ 515,000, it expected to reach the R$ 2 million mark in 2023. The current program was set up in 2023 for implementation in 2024. It is developing projects using funds from the São Paulo Sports Incentive Law (LPIE-SP).

Jogando Juntas – Introduced in 2023, the Playing Together initiative aims to identify, promote, finance and disseminate projects that, through women's sport, are intended to reduce social and gender inequalities. It seeks the inclusion of girls and women through sport, with the application of the incentive funds, also making use of the Federal Sports Law (LIE).

Educando pelo Esporte – The sport educational project was continued in 2023. Run through LPIE-SP, it promotes sports activities during the school day.

Mentes Brilhantes – Carried out in partnership with Neoenergia Elektro, the "Brilliant Minds" project was launched in 2017 with the goal of developing the socio-emotional skills of public school students through theater classes. The project was supported by the Rouanet Law, and was resumed and reformulated in 2021 with funds from the São Paulo Sports Incentive Law (LPIE-SP). The program has already benefited more than 3,100 students in the São Paulo municipalities of Andradina, Rio Claro, Caieiras and Limeira. Among the additional benefits of the program, there has been the revitalization of 14 spaces for carrying out these activities, food for the participants, and an improvement in school performance.

The pillar contributes to SDGs 1: Eradicate Poverty; 2: Eradicate Hunger, 4: Quality Education; 5: Gender Equality; 8: Decent Work and Economic Growth; 10: Reduce Inequalities; 11: Sustainable Cities and Communities; 16: Peace, Justice and Strong Institutions; 17: Partnerships and Means of Implementation.

3.6.4.5 Institutional collaboration

In this pillar, action is focused on promoting alliances and facilitating opportunities that accelerate meeting SDGs. It is associated with community initiatives, the third sector and foundations. The initiatives prioritize SDG 17 – Partnerships and means of implementation, which draws attention to the importance of strengthening the means of implementation and revitalizing the global partnership.

The highlight of this pillar is the Aceleração Social Impactô program, implemented since 2019 to speed the development of Civil Society Organizations (CSOs) and social businesses. Since that time, the plan has helped improve processes and management capacity at 62 CSOs and social businesses and has more than 1.1 million beneficiaries, 221,000 of them direct and 885,000 indirect.

In 2023, Impactô featured three editions: Impactô Green, Impactô Social and Impactô SDG. Impactô SDG, currently underway (and due to end in 2024), is present in the towns of Paripiranga, Santo Amaro, Vera Cruz, Cachoeira, Salvador (BA); Brasília (DF); Paulista, Recife, Petrolina, Olinda (PE); Natal (RN) and Dracena, Franco da Rocha, Paraibuna, São Paulo (SP) and has been expanding its scope of action in the interior of the country.

A highlight of this edition was the start of the impact measurement methodology for organizations participating in previous editions, directly benefiting more than 3,000 people and indirectly almost 13,000. In addition, the program contributes to achieving the goals of SDGs 1: Eradication of Poverty; 15: Life on Land and 17: Partnerships and Means of Implementation as priorities in its work.

The digital editorial project Nossas Vozes (Our Voices), produced in partnership with Escola de Notícias, an organization accelerated in 2020 by Impactô, was born out of the desire to promote the visibility of people who have led initiatives supported by Instituto Neoenergia and to share these inspiring stories with the world. The project featured six life stories and was published on the institutional website and YouTube channel. In 2023, the first season had 511,000 views on YouTube, with the second season scheduled for 2024.

4. Governance

Governance model as a differentiating factor

Our governance model sets us apart and is a hallmark of our commitment to sustainability, ethics and transparency. The system is built on regulatory compliance, robustness, coordination and acceptance of responsibilities at all levels. This is reflected in the composition and structure of the company's bodies, in line with the best corporate governance practices, and continues in our management systems and internal controls of the risks to which we are exposed.

Along these lines, we won the Transparency Trophy 2023, awarded by the National Association of Finance, Administration and Accounting Executives (Anefac), for the third year running. The recognition places us among the ten companies with net revenue of more than R$ 20 billion that present high quality and transparency in the financial information provided to the market, as well as for consistency in the Management Report and adherence to accounting principles. The award is considered a reference for the market with a focus on good governance practices.

Committed to maintaining a governance model in line with the best market practices, we have set ourselves the following objectives and targets.

The table below shows the results we achieved in 2021, 2022 and 2023 and the targets for 2025 and 2030.

Governance

	2021	2022	2023	2025	2030	Related SDGs
Variable remuneration ESG						
% of variable remuneration for long-term incentives linked to ESG	30%	30%	30%	30%	33%	5 13
Corporate governance practices						
Maintain best governance practices	✓	✓	✓	✓	✓	5 16 17
Independent external certification or validation of the compliance system						
Obtain/maintain (annually)	NA	NA	✓	✓	✓	16

4.1 Good governance, transparency and stakeholder relations

4.1.1 Governance system and sustainability

Our Governance and Sustainability System brings together policies, standards, good market practices and principles that govern the organization, operation and relations of the group. It is established to ensure compliance with the Bylaws that bind our shareholders and, in particular, the company's purpose and social interest.

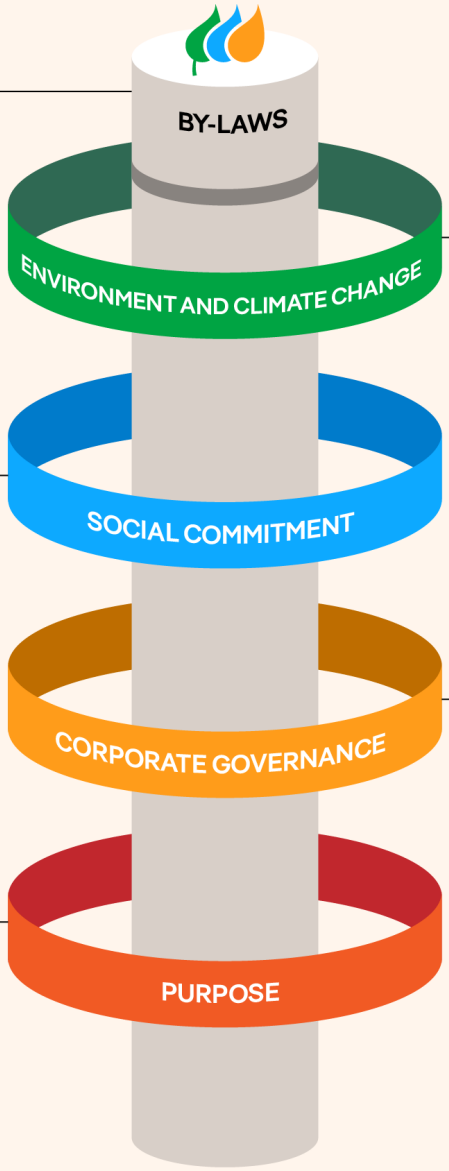
STRUCTURE OF THE GOVERNANCE AND SUSTAINABILITY SYSTEM

Our Governance and Sustainability System is the Company's internal system of rules. It configure Neoenergia as an integral company that enriches its purely corporate dimension with plural (economic, social, environmental and governance) business activities. Always at the forefront of international best practices, it is structured in five aspects:

BY-LAWS
The core of the internal system of rules, they make up the backbone of the Governance and Sustainability System. Based on the Purpose and Values, they lay out the guidelines that define the identity and unique aspects of the company and its business enterprise.

SOCIAL COMMITMENT
The policies within this topic reflect the company's commitment to addressing the challenges relating to human rights, to recognizing and valuing the importance of human and personal capital, and to promoting diversity, inclusion, equal opportunity and non-discrimination.

PURPOSE
This is the basis on which the Governance and Sustainability System is built and established. The rules and policies embody the company's corporate philosophy and the ideological and axiological foundations on which its corporate enterprise is based.



ENVIRONMENT AND CLIMATE CHANGE
The policies that make up this aspect of the system are Neoenergia's response to sustainable management, the challenges of climate change, the preservation of the environment and the loss of biodiversity, while helping to identify and take advantage of the opportunities arising from the energy and ecological transition.

CORPORATE GOVERNANCE
The policies and rules of this topic include best good governance practices, which are reflected in the guidelines and standards for conduct of the corporate bodies, establishing the operation thereof and complying with legal requirements and the highest standards in this field.

The specific section on corporate governance combines best practices and positions us as a benchmark company in our field of activity. It was set up in accordance with the Shareholders Agreement and current legislation, inspired by the purpose of "Continuing to collaboratively build a more accessible and sustainable electricity model every day." In addition, our Bylaws, approved by the General Shareholders Meeting, combine and endorse all the key elements and assign the Board of Directors the task of developing them without prejudice to other responsibilities.

In line with our sustainable development strategy, the System is constantly being revised to incorporate best practices and is based on three pillars:

i. Environmental performance and combating climate change through environmental policies;
ii. Social commitment, manifested in social policies; and
iii. Corporate governance standards and policies.

The System is complemented by the Corporate Governance Policy, which establishes the strategy and general commitments of corporate governance, based on the application of ethical standards and compliance with recommendations recognized in international markets and adapted to our needs and business reality.

Our Bylaws are based on our Purpose and Values, outlining the main lines that define our identity and uniqueness and our business project. It is the backbone of our Governance and Sustainability System.

4.1.2 Governance structure

a. Independent and plural Board of Directors

GRI 2-9, 2-11

Our Board of Directors is responsible for setting the strategic direction, establishing business guidelines, purpose and values, appointing the Executive Board and ensuring its efficiency. It must also approve and supervise corporate policies and the Code of Ethics that comply with the principles of corporate governance, standardization, compliance with risk limits and socio-economic responsibility. In 2023, the Board was made up of 23 members, including the chairman, members and alternates, elected and/or re-elected by the Extraordinary General Meeting (EGM) for a term of office until August 2025.

Of the members, 26.1% are aged between 31 and 50 and 73.9% are over 50. The Chairman of the Board of Directors does not hold an executive position at Neoenergia. The management bodies, including the Board of Directors, are evaluated on an annual basis by an external auditor hired for this purpose.

MEMBERS OF THE BOARD OF DIRECTORS

Name	Condition	Nationality	Start of Term	End of term	Presence on Board Committees
José Ignacio Sánchez Galán	Chairman	Spanish	22/08/2023	21/08/2025	No
José Sainz Armada	Titular	Spanish	22/08/2023	21/08/2025	Yes
Daniel Alcaín López	Member	Spanish	22/08/2023	21/08/2025	Yes
Mário José Ruiz-Tagle Larrain	Member	Chilean	22/08/2023	21/08/2025	No
Pedro Azagra Blazquez	Member	Spanish	22/08/2023	21/08/2025	No
Santiago Matias Martínez Garrido	Member	Spanish	22/08/2023	21/08/2025	Yes
Eduardo Capelastegui Saiz	Member	Spanish	22/08/2023	21/08/2025	No
Denísio Augusto Liberato Delfino	Member	Brazilian	22/08/2023	21/08/2025	Yes
Márcio de Souza	Member	Brazilian	22/08/2023	21/08/2025	Yes
Fernando Sabbi Melgarejo	Member	Brazilian	22/08/2023	21/08/2025	Yes
Juan Manuel Eguiagaray Ucelay	Member	Spanish	22/08/2023	21/08/2025	Yes
Marina Freitas Gonçalves de Araújo Grossi	Member	Brazilian	22/08/2023	21/08/2025	Yes
Cristiano Frederico Ruschmann	Member	Brazilian	22/08/2023	21/08/2025	Yes
Jesús Martinez Perez	Alternate	Spanish	22/08/2023	21/08/2025	Yes
Alejandro Román Arroyo	Alternate	Spanish	22/08/2023	21/08/2025	No
Mônica Grau Domene	Alternate	Spanish	22/08/2023	21/08/2025	Yes

Tomas Enrique Guijarro Rojas	Alternate	Spanish	22/08/2023	21/08/2025	No
Miguel Gallardo Corrales	Alternate	Spanish	22/08/2023	21/08/2025	Yes
Justo Garzón Ortega	Alternate	Spanish	22/08/2023	21/08/2025	Yes
Estrella Martin Segurado	Alternate	Spanish	15/02/2023	21/08/2025	Yes
Wilsa Figuereido	Alternate	Brazilian	22/08/2023	21/08/2025	No
Fabiano Romes Maciel	Alternate	Brazilian	22/08/2023	21/08/2025	Yes
Ana Maria Gati	Alternate	Brazilian	22/08/2023	21/08/2025	Yes

DIVERSITY ON THE BOARD OF DIRECTORS

GRI 405-1, 2-9 | SDG 5.1, 5.5, 8,5 | PG 6

		2023		2022		2021	
		N°	%	N°	%	N°	%
By gender	Men	18	78.3	22	86.3	19	95.0
	Women	5	21.7	3	13.6	1[1]	5.0
By age bracket	From 31 to 50 years old	6	26.1	5	22.7	8	42.1
	More than 51 years old	17	73.9	17	77.3	11	57.9

[1] Considers that director Isabel Garcia Tejerina attended all the meetings in 2021 as an independent full member. She resigned on 15/12/2021 and was replaced by Marina Freitas Gonçalves de Araújo Grossi in February 2022, also an independent full member.

b. Fiscal Council

The Fiscal Council is a permanent and independent body made up of ten sitting and alternate members elected for one-year terms, all of whom are shareholder representatives and do not hold executive positions in the company. It meets to express an opinion on the annual management report and the respective statements and to analyze the quarterly trial balance and the other financial statements that we develop periodically. The members of the Board of Directors are listed in the Governance Bodies Annex.

c. Executive Board

Responsible for implementing our strategic plan, it is made up of 10 members – including the CEO – appointed by the Board of Directors to three-year terms, with the possibility of renewal. Board meetings are held weekly or whenever called by any member. The directors are listed in the Governance Bodies Annex. n 2023, the structure of the Executive Board was simplified with the elimination of the Resources Executive Board.

d. Committees

GRI 2-9

Our Board of Directors is advised by five committees: Audit, Finance, Remuneration and Succession, Related-Parties and Sustainability. Each committee is made up of five full members and four alternates, with the exception of the Stakeholders Committee, which is made up of three full members, two of whom must be independent and one from the market.

Independent members joined the committees in 2019, ensuring greater transparency in their operation. The committees, within their scope, are responsible for analyzing and recommending most of the Board's decisions. The members are presented in the Annex Governance bodies.

Audit Committee – It oversees the efficiency of our internal control and risk management systems, inspects the performance of the internal audit department, which is functionally dependent on this Committee, ensures the activity and independence of the internal and external audits, and supervises the process of preparing financial information. It is made up of five full members, all directors, three of whom are independent, including the chairman, who is also a financial expert.

Remuneration and Succession Committee – It oversees the activities and decisions on the remuneration and succession of Neoenergia's directors and other managers, evaluates and recommends the concepts for classifying the performance of the Board's results and proposes general human resources policies and strategies. It is made up of five members, all board members, one of whom is independent.

Finance Committee – It advises on matters relating to our financial operations, evaluating the process of selecting suppliers of financial services and the guarantees to be provided by the company, its subsidiaries and affiliates, examining relevant financial issues that require further study and/or detailing of their impact, and carrying out studies, analyses and proposals required by the Board of Directors. Made up of five members, one independent and one appointed by the Board of Directors. The Finance Committee may have as members people appointed by the Board, who meet as required depending on the agenda topic.

Related-Parties Committee – Its three members, two of whom are independent directors and one of whom comes from the market, advise on matters relating to transactions between related-parties, verifying the advantages of the transaction for the company, possible conflicts of interest and market conditions.

GRI 2-15

Sustainability Committee – It is a strategic body that engages the Board of Directors and facilitates the integration of ESG aspects into our business strategy. It acts as the guardian of the sustainability agenda and receives reports from the Compliance Unit. The committee is made up of five members, two of whom are directors, one of whom is independent, and the others appointed by the Board of Directors.

The CVs of all the directors, members of the Committees and the Executive Board are available on the company's website, on the Investor Relations page, at Corporate Governance.

SHAREHOLDER COMPOSITION (%)
GRI 2-1

	2023	2022	2021
Iberdrola Energia S.A	50.00	50.00	50.00
Iberdrola S.A.	3.50	3.50	2.91
Caixa de Previdência dos Funcionários do Banco do Brasil – Previ	30.29	30.29	30.29
Board of directors and executive board members	0.06	0.04	0.00
Treasury	0.13	0.00	0.00
Free float	16.02	16.17	16.81

4.1.2.1 Selection and appointment of members of the highest governance body

GRI 2-10 | SDG 5.5, 16.7

We have a Management Appointment Policy that defines the criteria for the makeup of the Company's Board of Directors, Advisory Committees and Executive Board. Established in April 2019, it was last updated in February 2021.

Appointments are based on a prior analysis of the needs of these bodies, in order to ensure that the composition reflects a diversity of skills, knowledge, experience, origins, nationalities, age and gender. The aim is to promote equal opportunities, avoiding any form of discrimination. Appointments are made by the Board of Directors in compliance with the provisions of the Shareholders' Agreement and upon the prior recommendation of the Remuneration and Succession Committee.

All candidates must be people of honor, good repute, competence, experience, qualifications, training, availability and commitment to the job, with conduct and professional career aligned with the principles set out in the Code of Ethics and the company's values. This assessment is carried out by the Remuneration and

Succession Committee, with the support of the Compliance Department. The policy provides for the possibility of external consultants validating that the candidates meet the necessary conditions to occupy the position. The Remuneration and Succession Committee also proposes the appointment of independent members.

Under the terms of the Shareholders' Agreement, the shareholder entitled to nominate candidates notifies the Remuneration and Succession Committee in writing, submitting a statement attesting to having complied with all applicable legal requirements and in compliance with the Shareholders' Agreement and our Governance and Sustainability System.

4.1.2.2 Collective knowledge of the highest governance body

GRI 2-17, 2-18

We run a training and refresher program that responds to the need for professionalization, diversification and qualification of the Board of Directors. Board members receive training on relevant issues relating to the group and our businesses, as well as the environment in which we operate, which is complemented by reports, articles and other publications of interest made available to them on the Board of Directors' website.

This website also facilitates the performance of the directors' duties and the exercise of their right to information, incorporating the documentation deemed appropriate to prepare the meetings of the Board and its committees in accordance with the agenda, as well as the materials of the presentations made during the different meetings.

In addition, at each meeting of the Board of Directors, the CEO presents information about the economic, legal or geopolitical issues of interest to the Group.

The members of the Board of Directors and the five committees are evaluated annually in a process supported by an outside consultancy (PwC in 2023). This evaluation is based on a review of a series of quantifiable and measurable indicators that are objectively updated year-on-year based on the latest trends. As a result of this process, we develop and adopt continuous improvement plans to implement specific measures to perfect governance practices.

4.1.2.3 Identification, management and evaluation of economic, environmental and social impacts

GRI 2-12 | SDG 16.7

The advisory committees support our Board of Directors in its task of overseeing the management of our impacts and the economic, social and environmental performance we achieve. This includes both overseeing the risks and opportunities generated by our activities and compliance with the principles, codes and international standards corresponding to the tasks for which they are responsible. The Board and Committees periodically assess our performance in these aspects, supported by external information of interest – provided by independent advisors – as well as our internal information, mainly through regular reports.

GRI 2-16

At each meeting of the Board of Directors, the CEO updates the members on all relevant issues that may have an economic, environmental or social impact, some of which are considered crucial concerns for the development of the business. In addition, the Board's advisory committees require the Executive Board to present these issues. In 2023, these concerns were discussed at 14 advisory committee meetings, covering governance and sustainability systems, compliance, control and risk management, a cybersecurity plan, non-financial information, a long-term incentive program, ESG targets and our participation in COP 28.

GRI 2-13

The Sustainability Committee oversees the company's performance in terms of sustainability, corporate reputation and integrity, corporate governance and compliance, ensuring that social and environmental practices are in line with the strategy and policies approved by the Board of Directors and the Sustainability Committee.

It also supports the Board in approving and modifying the Purpose and Values, assessing our performance in terms of sustainable development and reviewing the Sustainable Development, Corporate Social Responsibility and Respect for Human Rights Policies, as well as environmental, social and governance requirements. It also monitors our contribution to achieving the SDGs, participation in national and international sustainability indexes, the social action strategy and the sponsorship and donations program, among other duties that ensure compliance with commitments and impact management.

4.1.2.4 Remuneration policies

GRI 2-19 | SDG 16.7

The Board of Directors, with the support of the Remuneration and Succession Committee, proposes the overall amount of the directors' remuneration and submits it to the General Shareholders Meeting for approval. Within the approved limit, it is up to the Board to distribute it among its members and the Executive Board. The remuneration of executive directors may also consist of the delivery of shares or stock options based on the value of the Company's shares. The Remuneration and Succession Committee is responsible for supervising the activities and decisions on the remuneration of directors and other managers.

Derived from our commitment to sustainability, the proposed long-term incentive plan includes, among other things, targets for increasing the proportion of women in relevant positions (SDG 5, gender equality), suppliers classified as sustainable (SDG 12, responsible consumption and production) as well as strengthening intellectual capital by training employees (SDG 4, quality education, and SDG 8, decent work and economic growth).

PROPORTION OF TOTAL ANNUAL REMUNERATION[1]

GRI 2-21

	Total annual remuneration ratio [2] (%)			Percentage increase in total remuneration (%)		
	2023	2022	2021	2023	2022	2021
Board member	31.57	29.02	28.57	1.73	0.90	N/A

[1] The ratio between the annual total remuneration and percentage increase of the highest paid individual in the organization and the average annual total remuneration of all employees (excluding the highest paid individual).).
[2] Total annual remuneration includes fixed salary, cash bonus and variable remuneration. It does not include long-term incentives or social benefits.
NA: Not applicable. The person in the position with the highest level of remuneration in 2021 has changed compared to 2020.

Stakeholder involvement in remuneration

GRI 2-20

The Annual Directors' Remuneration Report for the 2022 financial year was approved by a large majority at the Annual General Meeting held on April 27, 2023, with a quorum of 92.46% present. The Annual Directors' Remuneration Report for the 2023 financial year will be submitted to the General Shareholders Meeting to be held in 2024.

4.1.2.5 Shareholder involvement

We encourage the participation of our shareholders in the General Meeting as we believe that this is the main channel for participation in corporate life. Every year, we publish a Participation Manual and Management Proposal for the Annual General Meeting that contains all the information related to it, as well as its powers of resolution, deadlines for calling and holding the meeting, installation procedures and drawing up the minutes of the meeting.

The Manual is based on our Governance and Sustainability System, whose pillars are transparency and fairness, which inspire our Purpose and Values. Our principle, established in the Code of Ethics and the General Governance and Sustainability Policy, is that the relationship with our shareholders is guided by precise and transparent communication, with complete information that allows us to monitor our activities and performance.

In addition, we have made available via the World Wide We, the information and documents provided for in Law No. 6.404, of December 15, 1976 (Brazilian Corporate Law) and CVM Instruction 481, of December 17, 2009 ("ICVM 481"). They can be accessed on our Investor Relations website, on the Comissão de Valores Mobiliários (CVM) website and that of the B3 S.A. – Brasil, Bolsa, Balcão website, or directly at our headquarters.

Another way of encouraging shareholder participation in the General Meeting is by filling in and submitting the Remote Voting Form, which is available on the same websites or sent directly to the e-mail address ri@neoenergia.com.

4.2 Policies and commitments

GRI 2-23, 2-24

We have adopted a set of corporate policies, guided by our Governance and Sustainability System, which contains the guidelines governing our actions, those of the companies we operate and have a stake in, our directors, executives, employees and third-party contractors. These guidelines are set out in our Bylaws, which contain our Purpose and Values. The Governance and Sustainability System revolves around three pillars:

- Environmental performance and the fight against climate change, through environmental policies;
- Social commitment, manifested in social policies; and
- Corporate governance standards and policies.

The policies can be consulted in full on the Corporate Governance tab of our Investor Relations website, under Corporate Governance and Compliance Policies.

Our commitments are explicit in the Corporate Governance System section and include:

- Purpose and values (see also Purpose and values section), Code of Ethics, General Sustainable Development Policy and Stakeholder Relations Policy;
- Environment and climate action;
- Social commitment;
- Corporate governance.

4.2.1 Environmental and Climate Action Policies

Environmental Policies are our response to environmental challenges such as climate change and biodiversity loss, while helping to identify and seize the opportunities arising from the energy and ecological transition. These policies are: Sustainable Management, Environment, Climate Action and Biodiversity.

4.2.2 Social Commitment Policies

Our Social Commitment Policies reflect our commitment to human rights, the development of relationships with our stakeholders that respect diversity, inclusion and a sense of belonging. That is why we believe it is essential to promote equal opportunities and guarantee non-discrimination. There are nine policies in this area: Respect for Human Rights, People Management, Equity, Diversity and Inclusion, Selection and Hiring, Knowledge Management, Innovation, Quality, Corporate Security, Responsible Use of Artificial Intelligence Tools and Algorithms.

4.2.3 Corporate Governance and Compliance Policies

Our Corporate Governance and Compliance Policies establish the strategy and general commitments in these aspects, both for our holding company Neoenergia and for our other companies, based on the application of high ethical standards and compliance with governance recommendations recognized in international markets and adapted to our needs and peculiarities.

Our companies share the concept of corporate governance as an element of social impact, which represents the common interest of our shareholders. This concept is guided by the creation of sustainable value, with the aim of maintaining alignment with the other stakeholders related to our business activity and institutional reality in accord with our Purpose and Values, commitment to the social dividend and, in particular, the contribution to achieving the Sustainable Development Goals (SDGs).

The policies and standards related to Corporate Governance include the Risk Policies, as well as all the Governance Standards of the Management Bodies, Advisory Committees and other functions.

4.3 Long-term risks and opportunities

GRI 2-25

Aware of the importance of risk management for achieving strategic objectives, complying with regulations and for sustainable development, our Board of Directors, with the involvement of senior management, is committed to managing the strategic risks of all the group's activities and businesses, so that they are properly identified, measured, managed and controlled. The risk management process is based on preventive action, independence and commitment to our corporate objectives, best market practices and applicable guidelines with a focus on COSO ERM and ISO 31,000.

In this context, the Board has the following responsibilities:

- Annually review and approve, through the Risk Policies, the risk appetite of the group and of each of the businesses and functions, in accordance with the objectives established in the multi-annual plan and in the respective annual budgets;
- Periodically monitor the maps of our main risks and exposures, as well as compliance with the approved limits and indicators.

4.3.1 Integrated control and management system for risks

Corporate Risk Management is coordinated by the Risk Management Department, part of the Finance Superintendent's Office, which is responsible for identifying, assessing, monitoring, proposing mitigation strategies and drawing up risk policies. The Group's risk management framework is established in the General Corporate Risk Management Policy, whose principles are based on an integrated risk management and control model supported by the Global Risk Committees.

The risk management process's objectives are:

- Achieve the results of strategic planning with controlled risk;
- Incorporate risk metrics into corporate objectives;
- Preserving and creating results;
- Ensure the legal compliance of our activities, as well as their alignment with our policies, values and commitments;
- Ensuring the interests of shareholders, customers and other stakeholders;
- Protect our reputation and image;

- Ensure stability, financial solidity and sustainable development, as well as promoting operational efficiency.

To achieve these goals, we observe the following basic principles:

- Segregate functions between risk-taking areas and risk management areas, ensuring an adequate level of independence;
- Spread the risk culture among employees through communication and training;
- Ensure the correct use of mitigation instruments and risk limits;
- Strengthen the corporate governance structure.

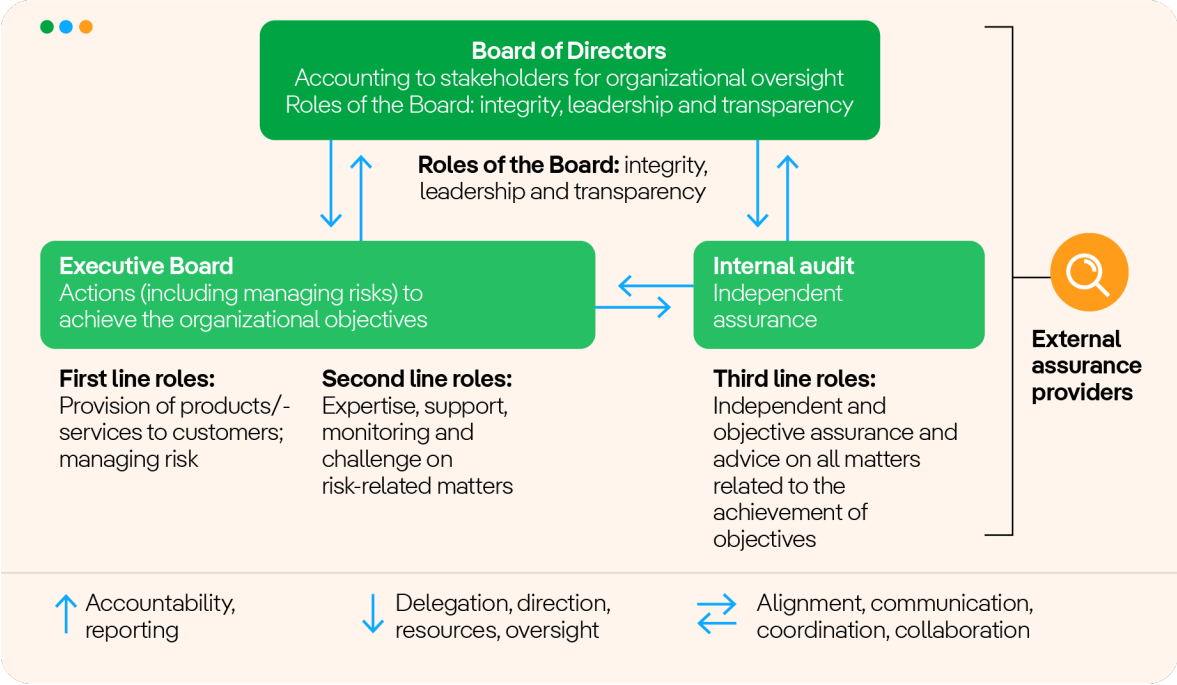
To ensure the risk management cycle, meetings are held between the risk area and the main people responsible for the corporate and business areas, with the aim of measuring the evolution of risks in the maps and ensuring compliance with the guidelines and limits of the policies. The result of this work is reported quarterly to the Executive Board through the group's consolidated risk matrix and the Report of the Audit and Regulatory Compliance Committee on Neoenergia's Risk Management.

In 2023, we incorporated the analysis of ESG+F Risks into our policies, as well as into our Risk Maps. In addition, we published the Procedure for Monitoring Risks Associated with ESG+F Targets, which monitors sub-indicators of risk (KRIs – Key Risk Indicators) to monitor compliance with targets and check how they permeate our management and processes.

Three lines of defense

In accordance with the main guidelines and good governance practices, such as those of the Brazilian Institute of Corporate Governance (IBGC), The Institute of Internal Auditors and the international standards based on COSO and ISO 31000, our governance structure is based on the Three-Line Model.

The first line corresponds to the business areas, which are directly responsible for the processes and risk management of activities in accordance with the policies and mitigation strategies; the second line is made up of the Risk Management, Internal Controls and Compliance areas, which supervise the application, verify compliance and support the business areas in risk management and recommend adjustments when necessary, acting in an advisory capacity. With regard to the third line, the Internal Audit, the assessment is independent, issuing reports, opinions and control recommendations.



The risk management culture is disseminated throughout the company, mainly through the Policies. Training sessions on the subject are held for the entire organization, with specific aspects addressed. In addition, during

the process of updating the Risk Maps and reviewing the company's Risk Policies, there is broad participation from the business and corporate areas, making it possible to foster and expand the risk culture.

The Risk Department also actively participates in business forums and committees where best practices are discussed, initiatives to use risk management tools are encouraged and updates are provided on our potential and emerging risks.

4.3.2 Risk policies and limits

The General Corporate Risk Management Policy is broken down into corporate risk policies and business risk policies, which are approved by the Board of Directors.

Corporate Risk Policies:

- General Corporate Risk Management Policy;
- Credit Risk Policy;
- Energy Market Risk Policy;
- Operational Risk Policy for Market Transactions;
- Insurance Policy;
- Investment Policy;
- Financial Risk Policy;
- Treasury Stock Policy;
- Purchasing Policy;
- Information Technology (IT) Policy;
- Cybersecurity Risk Policy;
- Reputational Risk Policy;
- Occupational Health and Safety Policy.

Business Risk Policies:

- Liberalized Business Risk Policy;
- Renewables Business Risk Policy;
- Network Business Risk Policy.

4.3.3 Main risk factors

We are exposed to various risks inherent in the sectors and markets in which we operate, which may prevent us from achieving our objectives and executing the strategies we have defined. These risks are grouped into:

a) Governance risks – They derive from possible non-compliance with (i) applicable legislation, (ii) the provisions of the Governance and Sustainability System, (iii) good market practices and recommendations from its regulatory bodies, (iv) international standards related to governance. The possible consequences may be: (i) legal challenges, which may include corporate agreements, (ii) disagreements between shareholders, (iii) the receipt of notifications from regulatory bodies, minority shareholders and other affected interest groups, (iv) divestment or devaluation of our shares traded on stock exchanges, and (v) the linking of negative news and low customer satisfaction ratings.

b) Market risks – Understood as the exposure of the group's results and assets to variations in prices and other market variables, such as:

- Financial: exchange rates, interest rates, solvency, liquidity, inflation and the value of financial assets and liabilities.

- Prices of energy and other raw materials: prices of energy, gas and other fuels, CO_2 emission rights, green hydrogen and other support mechanisms for renewable energies, as well as prices of other raw materials (steel, aluminum, copper, others).

c) Credit risks – Defined as the possibility of non-compliance with the financial and contractual obligations of counterparties, including the risk of bankruptcy and replacement costs, such as default or non-performance, giving rise to an economic, financial or non-financial loss for our companies. Counterparties can be ending customers, counterparties in the financial market or energy market, partners, suppliers, financial entities and insurers, among others.

d) Business risks – Established as the uncertainty regarding the behavior of key variables intrinsic to our business, such as, for example, the supply/demand balance of electricity, the quality of supply, hydrology and the strategy of other agents.

e) Regulatory and political risks – These are the risks arising from the creation or alteration of the rules established by the regulatory bodies on which the electricity sector bases its operations, such as changes in the degree of control of regulated activities and supply conditions, or environmental or tax regulations, including the risks of political change that may affect legal certainty and the legal framework applicable to business in each jurisdiction, the nationalization or expropriation of assets, cancellation of licenses, partial or total breach of contracts and legal or fraud risks.

f) Operational, technological, environmental, social and legal risks – These refer to the occurrence of direct or indirect economic or financial losses resulting from external events or inadequate internal processes, including those arising from:

- Technological failures, human errors and technological obsolescence;
- Operation and construction of facilities;
- Purchasing and supply chains;
- Cybersecurity and information systems, including the risks associated with non-compliance with the General Data Protection Law 13.709/18;
- People's health and safety;
- Climate change, extreme natural phenomena and pandemics;
- Regulatory compliance;
- Reliability of financial and non-financial information;
- Fraud and corruption; and
- Litigation, arbitration and tax contingencies.

g) Reputational risks – Potential negative impact on our value due to the conduct, behavior and positioning of the company in disagreement with the expectations created by the various stakeholders, as defined in the Stakeholder Relations Policy, including behavior or conduct related to corruption.

Given the multidimensional nature of the risks, the taxonomy defined in the system includes additional classification variables to better monitor, control and report these risks using monitoring tools. These additional categories include:

- Classification of risks into structural, current (hot topics) and emerging, the latter being understood as possible new threats, with as yet uncertain impact and undefined probability, but with an upward trend and the possibility of becoming relevant to us;
- Inclusion of secondary risk factors, such as financial, environmental, sustainability, governance (Environmental, Social and Governance – ESG), fraud and corruption, tax, health and safety, cybersecurity and those related to third parties.

h) ESG+F Risks (Environmental, Social, Governance and Financial Materiality) – A set of risks related to environmental, social and governance aspects with a potential impact on economic and financial performance, as well as on our reputation. This assessment will include – but not be limited to – stakeholder engagement, materiality matrix, sustainability of the value chain, assessments and action plans related to

the risk of climate change, biodiversity, the environment and social responsibility, as well as non-compliance with regulatory obligations established by the CVM, B3 and other applicable competent bodies. In particular, our governance should be a big part of our long-term plan to keep an eye on the risk of not living up to the ESG+F promises we make to the market and on the costs of not meeting our legal and contractual ESG+F obligations. Monitoring will be carried out in accordance with the Procedure for Monitoring Risks Associated with our ESG+F Targets.

4.3.4 Evolution of the risk management process

GRI 2-24

The risk control and management system enables the preventive identification of threats and the extrapolation of risk limits and indicators that support the decision-making process to minimize potential negative impacts and volatility in results. The Risk Management Superintendency is a member of the Iberdrola Group Executive Risk Committee, which meets monthly to update best practices and report on the evolution of the main risk factors and mitigation strategies. It also participates in the complementary Credit Risk and Market Risk committees on a monthly basis. In addition, on a quarterly basis, the Risk Superintendency sends the Report of the Audit and Regulatory Compliance Committee on Neoenergia's Risk Management, which is presented at meetings of the Board of Directors.

4.3.5 Emergencies and contingency plans

GRI ex-EU21, 2-25

Emergency Response Plans (ERP) are maintained in all our companies to manage accidents and incidents involving occupational safety or environmental issues. In addition to traditional emergency scenarios (such as fire, explosion and electrical discharge), the plans describe environmental emergencies, such as in the case of chemical products. We carry out simulated training to restrict and control possible oil and chemical spills, fires, vehicle collisions and other accidents.

The focus at distribution companies is to ensure that power is restored promptly in the event of a supply interruption. In the event of contingencies on distribution lines and substations, we adopt de-energization procedures and send out emergency maintenance teams. All contingency plans are available electronically and are consulted in real time by all system controllers. If necessary, work safety teams, the Fire Brigade and the public emergency medical services network are called in.

The Integrated Operation Center (COI) of each distributor coordinates, supervises and operates the electricity system. All interventions are governed by Operating Instructions. There are procedures for restoring supply, scheduling and intervention, compliance with current regulations, a crisis plan for the IOC and the corporate headquarters' power supply system, backup for IOC posts in the event of disasters, as well as real-time monitoring processes, with data analysis and the use of business intelligence tools to streamline decision-making processes.

Hydroelectric generators also apply Dam Safety Plans that follow regulatory determinations and ensure the monitoring, control and maintenance of these structures in accordance with guidelines defined by Aneel. This risk is considered remote, as hydroelectric plants are static structures, firmly built on foundations in the riverbed. Training takes place at all of the group's plants and is controlled by internal indicators that are also linked to the company's management process.

4.3.6 Cybersecurity and information privacy

GRI 3-3 – MATERIAL TOPIC: INNOVATION, DIGITALIZATION AND CYBERSECURITY.

We protect our networks, systems, data and applications from external threats, with the support of our Cybersecurity Risk Policy, which is part of our Corporate Risk Policies approved by the Board of Directors. We use physical and digital technological infrastructure in our processes and operations to ensure that

there are no interruptions to our activities, damage to assets or safety risks to people.

Cyber resilience is of strategic importance and to this end we promote the safe use of cyber assets and strengthen resources for detecting, preventing, defending and responding to cyber-attacks or cybersecurity incidents. Our management model is coordinated by a Committee that follows global standards and rules established by our controlling shareholder, Iberdrola, and seeks to foster a cybersecurity culture.

The global policy is based on the guidelines of the Global Cybersecurity Framework, as well as other cybersecurity/resilience standards, norms, procedures and protocols. We integrate cybersecurity into all strategic and operational decisions, and analyze these risks in projects and processes supported by the pillars of governance, cybersecurity culture, resilience, assurance and collaboration.

Effectiveness

We have a backup and recovery solution for the five distribution companies that enables data protection and fast and effective recovery of operations data, applications, databases, etc. The solution has been designed to meet the storage requirements of the electricity sector's regulatory bodies and the retention period. One of the tool's main gains is the environment's complete recovery time and the security of the information stored. Its effectiveness was reinforced with the inauguration of a security center for operational networks, which searches for cyber threats and raises our level of maturity in terms of data governance.

All our distributors also rely on separate information and operating networks (the process was completed at Neoenergia Brasília in 2023), which increases our operational security.

In 2023, we continued to work on initiatives to reinforce cybersecurity, through training for employees, the use of phishing as a way of guiding people not to open external links from suspicious senders and, in addition, we promoted educational actions using the gamification concept.

GRI 3-3_418 – MATERIAL TOPIC: CUSTOMER SATISFACTION, EFFICIENCY AND RELIABILITY

We take a holistic approach to privacy and data protection and have integrated it into our management system and culture. In order to protect the data of individuals with whom we have relationships, such as employees, clients, suppliers and partners, we maintain a Personal Data Protection Policy, approved by the Board of Directors and adapted to the General Data Protection Law (LGPD). Its purpose is to guarantee respect for the right to privacy in the processing of personal data, establishing principles and guidelines for action on data protection.

PRIVACY INCIDENTS (NO.)

GRI 418-1 | SDG 16.3, 16.3 | SASB IF-EU-550a.1

	2023	2022	2021
Official organizations	0	0	1
Other origins, validated	0	0	1
Leakage, theft or loss of data	0	0	0

CYBERSECURITY INCIDENTS (No.)

	2023	2022	2021
Total number of clients affected by the company's data breach	0	0	NA
Total number of cybersecurity breaches [1]	0	1	NA
Total number of information security breaches involving personal customer information	0	0	NA
Total value of fines paid in relation to information security violations	0	0	NA

[1] In 2022, there was no immediate materialized damage as a result of the exposure of the information and the information has a low potential for damage to the holders.
NA: Not available.

4.4 Ethics and integrity

GRI 3-3_205 – MATERIAL TOPIC: ETHICS, INTEGRITY AND TRANSPARENCY

GRI 2-26 | SDG 16.3 | PG 10

We believe that a sustainable society is built on trust, integrity, transparency and respect for the law. For this reason, ethics is part of our decisions, acting as a guiding principle in our business model and in our relationships with clients, shareholders, employees, suppliers, service providers, the market and public bodies.

We have established our business strategy and carry out our activities in compliance with Brazilian laws, best market practices, our Code of Ethics and internal standards. As proof of these attitudes and a reaffirmation of our commitment to the integrity of our anti-corruption processes, we regularly undergo the ISO 37001 certification process. In 2023, Neoenergia, NC Energia and Termopernambuco were recertified under this standard.

The concern with ethical and legal compliance applies to the entire business chain, with a clear stance of repudiating any form of corruption, bribery, money laundering and other conduct contrary to the law and the principles of good corporate governance. We request that our suppliers of goods and services adopt conduct with integrity and adhere to the same principles and we have adopted a tool that monitors the existence of negative media and sanctions from registered suppliers. When the system detects any of these issues, the compliance department analyzes the context and assesses the risks with the respective mitigation measures.

In addition, for the fifth time in a row, we won the Pro-Ethics Company Seal (from the Office of the Comptroller General – CGU), in the 2022-2023 edition, a public-private initiative that aims to adopt voluntary measures to prevent, detect and remedy acts of corruption and fraud and encourage best practices in business integrity.

We are also signatories to the Ethos Institute's Business Movement for Integrity and Transparency Commitment, an initiative that seeks to engage business leaders, governments and civil society in adopting practices that favor transparency and the fight against corruption in the business environment and in public-private relations. We are part of the Anti-Corruption Platform of the Brazil Network of the UN Global Compact, contributing to the discussion of issues related to the fight against corruption in the country, and the Alliance for Integrity, created to promote and strengthen ethical and upright behavior in the private sector.

Integrity Program

We administer an Integrity Program in compliance with Brazilian anti-corruption legislation, coordinated by the Compliance Superintendency, which is corporate and applicable to all companies in the Neoenergia group. The area, in addition to being responsible for planning, designing, executing, maintaining and evaluating the program, develops and reviews codes of conduct, integrity policies and related procedures and works on identifying, evaluating and mitigating non-compliance risks.

The activities are based on the pillars of prevention, detection and reaction (remediation) and on the three-line model, containing the elements necessary for strategic integrity management (the three-line model is detailed in *Integrated system for risk management and control*).

We created the Supplier Integrity Program in 2022 to encourage previously selected suppliers to implement an integrity program or optimize the existing program, as well as to improve the sustainability environment of our supply chain. More information on the program's progress can be found at 3.5.2 Sustainable management of the supply chain.

Every year, our Compliance System is subjected to various analyses, such as: an audit of the Integrity Program carried out by an external auditor focusing on crime prevention; an internal audit carried out by the Internal Audit Superintendency; an internal audit of the Integrity Program; and ISO 37001 certification audits. Quarterly monitoring is carried out by the Sustainability Committee, linked to the Board of Directors, and monitored monthly by the Executive Board.

Compliance Governance

Compliance governance underwent a change in 2023 to bring it into line with the parent company's practices. The newly created Compliance Unit is a collegiate body with an external chairman, whose role is similar to that of a board member. Thus, the Compliance Superintendency, which has budgetary autonomy and independence of action, reports to the Compliance Unit (in monthly meetings), which in turn reports to the Board of Directors through the Sustainability Committee.

Each business has its own Compliance Unit, distributed as follows: Neoenergia Holding Compliance Unit, Compliance Unit at each Neoenergia distributor, Liberalized Compliance Unit and Renewables Compliance Unit.

During this cycle, the Compliance Superintendency was restructured as well, with business-defined teams established to ensure synergy and cohesion. Therefore, our objective was to enhance the culture of honesty and adherence to ethical practices. To ensure engagement with the topic, we introduced changes to the training courses, which are now more focused on clarifying ethical dilemmas than referring to the codes (more information in 4.4.5). In addition, we trained 34 compliance multipliers to spread the concept of ethics and integrity throughout the company.

The Superintendency is responsible for disseminating a culture of integrity in the organization, assessing compliance risks involving corruption, fraud and the like, vetting suppliers, investigating and monitoring cases of breaches of the rules of conduct, as well as helping to clarify doubts and determine the correct interpretation of the provisions of the Code of Ethics. It is backed up by a Disciplinary Measures Committee made up of important parts of the organization. This committee looks into and decides what punishments to give to professionals in the group for inappropriate behavior found during investigations, with management overseen by the Compliance Superintendency. Human Resources is in charge of implementing disciplinary procedures.

We consider inappropriate conduct to be:

1) Violating our Code of Ethics;

2) Contravening the company's integrity policies and regulations;

3) Infringement of the law and regulations with which the company or its professionals must comply.

Fighting corruption

Our Anti-Corruption and Fraud, Crime Prevention and Compliance for the Defense of Competition policies and the manuals on Donations and Sponsorships and Social Investment, on Receiving and Delivering Gifts, Presents, Hospitality and Advantages, on Relations with Public Authorities and on Conflicts of Interest reinforce the fight against any form of corruption, fraud, bribery, undue favoritism, influence peddling, extortion and bribery in internal relations, with suppliers, partners or public agents. These guidelines are disseminated to all employees (including executives and board members), who receive training to prevent inappropriate conduct. These policies can be found on our website.

The suppliers we hire are obliged, from the registration stage, to agree to comply with the Code of Ethics and the Policy Against Corruption and Fraud. All suppliers registered with Neoenergia are included in the Dow Jones Risk & Compliance tool and are monitored daily for compliance aspects. Suppliers of consultancy, advisory, legal and representation services, intelligence and advertising services have more specific evaluations.

Sponsorships and donations

The Sponsorship, Donations and Private Social Investment Manual guides and assists the conduct of our professionals to avoid situations of actual, potential or perceived conflicts of interest and situations that could characterize money laundering, financing of illicit activities, bribery or any form of public or private corruption, as well as reinforcing the ethical and integrity standards of the Code of Ethics.

Applications for donations and sponsorships must be submitted to the Institutional Committee together

with details from the requested area and a rationale for the requested action. Furthermore, all bidders who propose to establish sponsorship or private social investment initiatives, or who hope to profit from contributions, as well as the suppliers involved, undergo a reputational and corruption risk assessment by the Compliance Superintendency. Once approved by the Executive Board, donations, sponsorships, and private social investments must be documented in writing and include anti-corruption provisions.

Competition

GRI 3-3_206 – MATERIAL TOPIC: ETHICS, INTEGRITY AND TRANSPARENCY

The Code of Ethics establishes our commitment to compete fairly in the markets and not to carry out misleading advertising or defame competitors or third parties. We also undertake to obtain information from third parties in accordance with the rules to promote free competition for the benefit of consumers and users and to adopt transparent and free market practices.

All of our companies ensure that the rules regarding the separation of activities are strictly followed. In many jurisdictions, the applicable internal regulations also go beyond what is legally required, which significantly strengthens the measures to prevent unfair competition resulting from the lack of separation between the regulated and liberalized companies.

In addition, the liberalized companies have specific controls to prevent any kind of unfair competition practice, particularly in such areas as advertising campaigns for individuals or price manipulation.

GRI 206-1 | SDG 16.3

No cases related to monopolistic practices or against free competition were registered during the year. There were also no open cases registered in previous years.

4.4.1 Policies and protocols

Our Compliance System is based on regulations approved by the Board of Directors, which include:

- Code of Ethics
- Governance and Sustainability System
- Policy against Corruption and Fraud
- Crime Prevention Policy
- Personal Data Protection Policy
- Related Party Transactions Policy
- Compliance Policy and Complaints Protection System
- Antitrust Policy

4.4.1.1 Code of Ethics

GRI 2-12, 2-23

In our Code of Ethics, we have established a set of principles and guidelines of conduct that guarantee the ethical and responsible behavior of all managers, employees, third-party contractors and suppliers. The document is part of the Governance and Sustainability System and is applicable to all companies over which we have effective control, within the legally established limits, regardless of their hierarchical level, geographical location or functional dependency (group company to which they provide services).

Our Board of Directors first authorized it in 2006, and the most recent revision was made in 2023 when it was expanded to include non-retaliation and protection for complainants who disclose any violations of our standards for ethics and integrity.

4.4.2 Compliance risk assessment

GRI 205-1 | SDG 16.5 | PG 10

To draw up the Compliance Risk Map, we considered the main risks of each business, process and partner in accordance with the Compliance Risk Assessment Manual. This included reputational risks (corruption, fraud, money laundering), international sanctions, intellectual and industrial property, market abuse, anti-competitive practices, data protection, cyber-crimes, harassment, discrimination, facility security, the environment and public health, and client protections.

The risk assessment standard applies to all activities, business areas and subsidiaries and is designed to regulate our compliance risk management process, considering the stages of identification, assessment, mitigation and monitoring of the compliance risks to which the company and its subsidiaries are exposed.

The risks identified as being subject to monitoring must be classified in terms of probability/vulnerability of occurrence and impact on the organization. Aspects such as financial losses, fines or administrative sanctions, reputation and image, as well as the possibility of committing a crime are considered, as shown below:

Impact – Extent to which we may be exposed or unprotected in relation to negative impacts and their effects, before the risk assessment has been conducted with the possibility of financial losses, reputational losses, litigation, criminal actions and operational problems.

Probability/Vulnerability – Extent to which we may be exposed or unprotected in relation to negative impacts after existing controls have been assessed and/or level of exposure to risk considering the degree of maturity and effectiveness of internal controls.

4.4.3 Monitoring and following up complaints

GRI 2-26 | SDG 16.3 | PG 10

We offer a consultation channel that allows any employee to resolve their doubts about the concepts of integrity applicable to their professional conduct (compliance@neoenergia.com). There is also a Complaint Channel so that anyone can report alleged illegal conduct. These mechanisms for detecting and/or monitoring non-compliance enable us to verify the effectiveness of our control and prevention activities.

Our Complaint Channel is operated by a specialized and independent company, which ensures the anonymity and confidentiality of complaints. These claims can be made seven days a week, 24 hours a day, by e-mail (neoenergia@canaldedenuncia.com.br), telephone 0800 591 0857 or on the internet (https://canalconfidencial.com.br/neoenergia). The channel is accessible to all our employees, third-party contractors and society in general.

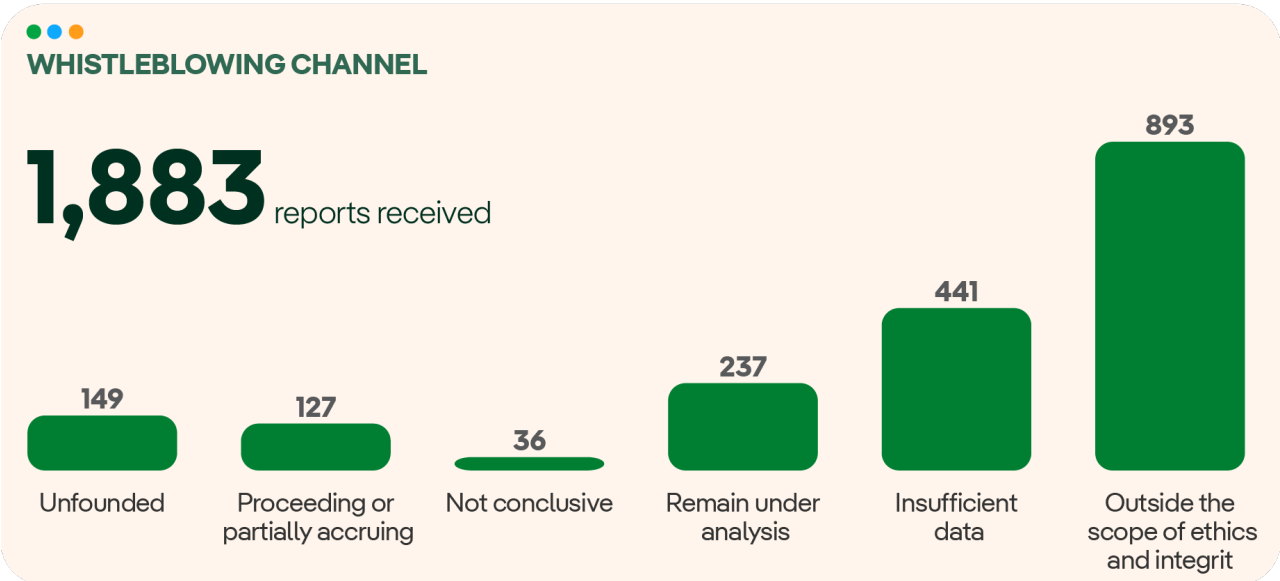
The Compliance Superintendency is responsible for managing complaints and investigations (its duties are set out in the Compliance Unit's Internal Regulations, available on our website). When an individual files a claim using our Complaints Channel, a protocol number and password are subsequently generated in their name. With this information in hand, he or she can monitor the progress and follow up their complaint via the Channel or by telephone. At the end of the investigation process, the complainant receives a reply on the outcome of the investigation.

In addition, the Compliance team publishes the number of complaints each month in the Ethics Bulletin, including the status of the queries received and the due diligence assessments carried out (whether they were concluded to be well-founded, partially well-founded, unfounded or with insufficient data).

4.4.4 Response and remedial plans

GRI 205-3 | SDG 16.5 | PG 10

In 2023, the channel received 1,883 complaints, of which 893 were considered to be outside the scope of the program (they dealt with issues unrelated to ethics and integrity) while 990 were accepted for processing. Of the latter, 149 were assessed as unfounded, 441 presented insufficient data for assessment, 70 were considered partially justified, 57 were considered justified, 36 were inconclusive and 237 remained under analysis at the end of the year. The well-founded and partially well-founded complaints resulted in relevant remedial measures, either by applying an appropriate disciplinary measure (verbal or written warnings, suspensions and even dismissals in cases considered serious), or by improving processes to avoid future problems.



Of the complaints received, 86 concerned bribery and kickbacks related to private corruption, of which 55 were closed as providing insufficient data, 6 as unsubstantiated, 1 as substantiated, 1 with partial substantiation and 18 remained under analysis at the end of the year. In the case that was upheld, private corruption was identified on the part of the reported employee, who was dismissed as soon as the case was confirmed.

During the year, no employee or supplier was accused of public corruption and, consequently, there were no dismissals or contract terminations for this reason. Nor were there any cases of corruption brought to court.

The other complaints mainly concerned alleged inappropriate conduct of suppliers or contractors, inappropriate conduct among own employees, theft or fraud, bribery or kickbacks, and harassment. There have been no proven reports of public corruption since the channel was inaugurated.

a. Information on the existence of corruption cases during the year

Since its implementation in 2015, the Complaints Channel has never received any reports related to the corruption of public officials or money laundering. Operations exposed to relationships with the public administration comply with the Standard for Relationships with the Public Authorities and are subject to risk assessments related to corruption. This includes the holding company, distributors, generators, transmitters and traders, as well as the Environment, Legal, People Management, External Communication, Procurement and Governance areas.

b. Processes from previous years with an impact on the financial year

There are no cases from previous years that have an impact on the 2023 financial year.

4.4.5 Communication and training on anti-corruption regulations

We believe that every employee must be aware of and abide by the Code of Ethics in order for our Compliance System to function properly. As a result, in addition to several other training sessions on particular subjects, we provide yearly training sessions on the Compliance System, Code of Ethics, Anti-Corruption and Fraud Policy, Manual on Relations with Public Authorities, and ISO 37001 for Leaders.

With particular instructions for every business sector, the goal of every training session is to strengthen our culture of anti-corruption and upstanding professional conduct. Sensitivities of certain areas, reports received through the Complaints Channel, and discussions with the Compliance section are taken into consideration to assist with the content.

In addition, training on the Code of Ethics and Integrity Policies is made available on our intranet over a learning platform. Board members, upon taking office, and executives, employees and business partners, when signing an employment or supply contract, must accept the Code of Ethics and the Policy Against Corruption and Fraud.

In celebration of National Ethics Day in May, we introduced the theme of *Jeitinho Ético Brasileiro* (The Brazilian Ethical Way) to address dilemmas that can be experienced by everyone. Among the activities was a talk for leaders on the results of an Aliant survey of integrity in organizations.

In 2023, we shared a series of dilemmas specific to the areas in which the employees work, allowing them to identify everyday situations and problems. As support, we explained regulations that try to avoid these situations and reinforced values and principles. We also moved closer to the companies that provide services, most of which work on behalf of Neoenergia through outsourced employees. We hold monthly training sessions with these companies, covering subjects related to the Code of Ethics, Integrity Policies, Conflicts of Interest, Corruption, among others.

GRI 2-15

We have a Conflicts of Interest Manual that sets out guidelines on the subject, which applies to employees, board members, executives, third-party contractors, trainees and apprentices. When they are hired or promoted, leaders are required to fill in a declaration on possible conflicts of interest. The protocols and other procedures approved by the Compliance area are available on the employee portal and are communicated by e-mail to all areas for which these procedures may be applied.

EMPLOYEES INFORMED OF ANTI-CORRUPTION POLICIES AND PROCEDURES

GRI 205-2 | SDG 16.5 | PG 10

	2023[2]		2022		2021	
	Number of employees notified	% in relation to the total	Number of employees notified	% of total	Number of employees notified	% of total
Direct leadership [1]	425	100	1.035	94	NA	NA
Intermediate controls and qualified technicians	3,530	100	9,719	96	NA	NA
Professionals and support teams	11,738	100	3,551	95	NA	NA
Total	15,693	100.0	14.305	92.9	14.997	99.6

[1] Direct leadership: directors, superintendents and managers; Intermediate controls and qualified technicians: managers, specialists and analysts; Professionals and support staff: administrative, technical and operational personnel.

[2] For the 2022 figures, the total number of participants in compliance training used, as well as those who were made aware of compliance issues in other training sessions. In 2023, we started to consider all employees who were informed about the change in policies. For this reason, the difference in values.

EMPLOYEES TRAINED IN ANTI-CORRUPTION POLICIES AND PROCEDURES AND IN ETHICS AND INTEGRITY (No.)

GRI 205-2 | SDG 16.5

	2023	2022	2021
Trained employees – Direct leadership	406	407	379
Trained employees – Intermediate controls and qualified technicians	1,659	2,025	3,062
Trained employees – Support professionals and teams	9,873	7,437	10,714
Total	11,938	9,869	14,155

SUPPLIERS TRAINED IN ANTI-CORRUPTION POLICIES AND PROCEDURES AND IN ETHICS AND INTEGRITY (%)[1]

GRI 205-2 | SDG 16.5

	2023	2022	2021
Suppliers trained in the Code of Ethics (% of total)	27	57	ND

NA: Not available.

[1] Considering service providers.

During the year, training was also provided for the members of the Fiscal Council and the Board of Directors in Policies and Procedures on the subject of ethics and integrity. Neoenergia's Code of Ethics and the Supplier Code of Ethics are sent to all suppliers when they register on the purchasing platform and 27% of all suppliers have been trained in anti-corruption policies and processes.

4.4.6 Public policies

GRI 3-3_415 – MATERIAL TOPIC: ETHICS, INTEGRITY AND TRANSPARENCY

a. Relations with regulatory bodies and social entities

We maintain two types of relationships with regulatory bodies, seeking to:

- Contribute to efficient regulation and enable a competitive market and sufficient remuneration for regulated businesses. We maintain a permanent and constructive dialog to exchange information, knowledge and positions. We are attentive to the concerns and proposals of the regulatory bodies and present our positions in the legitimate defense of our interests and those of our shareholders and clients. We take part in public consultations held by regulatory bodies in the processes prior to reviewing or defining national energy policies, as well as in the official processes for processing regulations and monitoring their application;
- Contribute all the information required by the regulatory authorities, both for the normal exercise of our activity and that required on a temporary basis.

Participation in associations

GRI 2-28

In addition to their direct relationship with regulatory bodies, the group's companies participate in the regulatory process through the various national and international business associations to which they belong. The main ones are:

- Associação Brasileira da Infraestrutura e Indústrias de Base (Brazilian Association of Infrastructure and Basic Industries – Abdib)

- Associação Brasileira das Companhias Abertas (Brazilian Association of Publicly Traded Companies – Abrasca)
- Associação Brasileira das Empresas de Transmissão de Energia Elétrica (Brazilian Association of Electricity Transmission Companies – Abrate)
- Associação Brasileira das Empresas Geradoras de Energia Elétrica (Brazilian Association of Electricity Generating Companies – Abrage)
- Associação Brasileira de Comunicação Empresarial (Brazilian Corporate Communication Association – Aberje)
- Associação Brasileira de Distribuidoras de Energia Elétrica (Brazilian Association of Electricity Distributors – Abradee)
- Associação Brasileira de Energia Eólica (Brazilian Wind Energy Association – ABEEolica)
- Associação Brasileira de Energia Solar Fotovoltaica (Brazilian Photovoltaic Solar Energy Association – Absolar)
- Associação Brasileira de Geradoras Termelétricas (Brazilian Association of Thermoelectric Generators – Abraget)
- Associação Brasileira de Normas Técnicas (Brazilian Association of Technical Standards – ABNT)
- Associação Brasileira de Relações internacionais (Brazilian Association of International Relations – Abrig)
- Associação Brasileira dos Comercializadores de Energia (Brazilian Association of Energy Traders – Abraceel)
- Associação Brasileira dos Contadores do Setor de Energia Elétrica (Brazilian Association of Electricity Sector Accountants – Abraconee)
- Associação Brasileira dos Produtores Independentes de Energia Elétrica (Brazilian Association of Independent Power Producers – Apine)
- Associação da Indústria de Cogeração de Energia (Energy Cogeneration Industry Association – Cogen)
- Associação UTC América Latina (UTC Latin America Association – UTCAL)
- American Chamber of Commerce (Amcham)
- Câmara de Comercialização de Energia Elétrica (Chamber of Electric Energy Commercialization – CCEE)
- Centro Brasileiro de Relações Internacionais (Center of Industries of the State of Pernambuco – Cebri)
- Centro de Indústrias do Estado de Pernambuco (Center of Industries of the State of Pernambuco – Ciepe)
- Conselho Regional de Engenharia e Agronomia (Regional Council of Engineering and Agronomy (– CREA)
- Federação das Indústrias do Estado da Bahia (Federation of Industries of the State of Bahia – Fieb)
- Instituto Abradee da Energia
- Instituto Acende Brasil
- Instituto Brasileiro de Governança Corporativa (Brazilian Institute of Corporate Governance – IBGC)
- Operador Nacional do Sistema Elétrico (National Electric System Operator – ONS)

ABEEólica Board – Laura Porto, executive director of Renewables, has been elected to the new Board of Directors of the Brazilian Wind Energy Association (ABEEólica) for the 2023-2025 biennium. She will continue to represent developers and investors, a position she has held since 2010.

ONS Board – Solange Maria Pinto Ribeiro, Vice President of Regulation, Institutional and Sustainability, was elected the new Chairman of the ONS Board of Directors at an Extraordinary Meeting of the Board of Directors of the National Electricity System Operator. She is the first woman to hold the position.

Solange Ribeiro also participates in meetings of the Sustainable Energy Project of the Acende Brasil Institute, and occasional meetings of the Brazilian Center for International Relations (Cebri) and the E+ Institute.

CONTRIBUTIONS TO ASSOCIATIONS (R$ thousand)

2023	2022	2021
8,534	8,560	8,554

GRI 415-1 | SDG 16.5

b. Lobbying activities and contributions to political parties and related institutions

Lobbying activities are forbidden for all our companies. Likewise, we neither directly nor indirectly make contributions or donations, even in the form of loans or advances, to politicians, candidates, and politically exposed persons, including persons related to them, nor to political parties, coalitions of parties or trade unions.

Our Code of Ethics does not allow us to support candidates or political parties and recommends that employees interested in participating in political-electoral processes do not, under any circumstances, associate the company's image with them. The Code also recommends that suppliers do not use the financial resources they receive from us for services rendered for donations or sponsorship of political parties.

CONTRIBUTION TO POLITICAL PARTIES (R$ THOUSAND)

2023	2022	2021
0	0	0

c. External initiatives that the organization subscribes to and adopts

GRI 2-23

We join with or support external initiatives aligned with sustainable development.

Sustainable Development Goals (SDGs) – We have incorporated the goals of the UN's Agenda 2030 into our business strategy and Sustainable Development Policy, prioritizing SDG 7 (Renewable and Affordable Energy) and SDG 13 (Climate Action) and, as a direct contribution, SDG 6 (Drinking Water and Sanitation), SDG 9 (Industry, Innovation and Infrastructure), SDG 15 (Life on Land) and SDG 17 (Partnerships and Means of Implementation).

Global Compact – In 2007 we adhered to the 10 Principles of the UN Global Compact on human and labor rights, the environment and anti-corruption. We are part of the Anti-Corruption Platform of the Global Compact Brazil Network, and we take part in the Climate and Water Working Groups and the Management Committee of the Human Rights group for the electricity sector. The company's vice-president for Regulation, Institutional and Sustainability, Solange Ribeiro, is vice-president of the Global Compact Council. The Compliance Superintendent, Roberto Medeiros, is a member of the Advisory Board and the Integrity Committee of the Global Compact Brazil Network.

Forward Faster Initiative – In September 2023, we joined the commitments of the Global Compact's Forward Faster initiative to challenge companies to raise their levels of ambition in the 2030 Agenda for five topics: gender equality, climate action, living wages, water resilience and finance and investment.

Race is a Priority – In 2023, we joined the Global Compact initiative, reinforcing our commitment to racial equality. The aim is to increase the number of black people in leadership positions in all units in Brazil by more than 30% by 2025.

Women Lead – In 2023, we joined this Global Compact initiative which aims to increase the number of

women in leadership positions in all its units in Brazil. The commitment is to reach 30% by 2025.

WEPs – In 2022, we signed the declaration of support for the Women's Empowerment Principles (WEPs), a UN Women and the Global Compact initiative. By signing the declaration, we committed to seven premises that include training corporate leadership focused on gender equality, fair and non-discriminatory treatment and ensuring health, safety and well-being.

Brazilian Business Council for Sustainable Development (CEBDS) – We signed the Entrepreneurs for the Climate position and joined the Brazilian Business Commitment to Biodiversity, both CEBDS initiatives. We participate in the technical chambers for Water, Biodiversity and Biotechnology, Climate, Energy, Sustainable Finance, Social Impact and the Advocacy Working Group. Solange Ribeiro, vice-president of the Neoenergia Group, participates as a member of the Board of Directors and also of the CEO Group. In the Climate Change Chamber, we participate in the Carbon Market Task Force and in the Rounds of Meetings of the Ecological Transformation Plan, contributing to the creation of new regulations, such as the carbon market and sustainable taxonomy.

Energy Compact – We take part in the United Nations initiative, a collective project encouraged by the UN in which participants make voluntary commitments, with specific targets and timetables, to boost progress in meeting SDG 7. The idea is to accelerate universal access to clean and affordable energy for the Brazilian population. UN-Energy seeks to provide technical support and facilitate partnerships through an Energy Pact Action Network.

Business Movement for Integrity and Transparency – We participate in the Ethos Institute initiative that seeks to engage business leaders, governments and civil society in adopting practices that favor transparency and the fight against corruption in the business environment and in public-private relations.

Comunitas – We are affiliated with this civil society organization that fosters and strengthens a collective pact between sectors for the sustainable development of the country.

Compromisso Empresarial Brasileiro para a Biodiversidade – Launched in 2019, this Brazilian business biodiversity initiative aims to emphasize the importance of biodiversity and ecosystem services for private enterprise in Brazil. The document is made up of nine goals, whose fundamental principle is the conservation and sustainable use of natural resources based on sustainable consumption and production patterns.

Conselho Brasileiro de Voluntariado Empresarial – We have been a part of the Brazilian volunteer council since 2022. It serves as a plural, independent, and nonpartisan network that unites major corporations, confederations, institutes, and business foundations to promote and develop volunteering. It also offers its members a forum for innovation, group creation, and communication.

Instituto Ethos – We are signatories to the Business Movement for Integrity and Transparency Commitment; we adhere to the **Instituto** Ethos anti-corruption manifesto, which helps implement policies to promote integrity and combat corruption, as well as mobilizing companies and business entities, and we have a seat on the Anti-Corruption Working Group.

Gife – Since 2019, the Instituto Neoenergia has been allied with the Group of Institutes, Foundations and Companies (Gife), an association of social investors in Brazil. It promotes private social investment (PSI) through technical qualification, networking, institutional political strengthening and support for the strategic performance of organizations that carry out PSI voluntarily and systematically in the public interest, contributing to sustainable development.

Instituto Brasileiro de Economia Circular (Ibec): At the end of 2023, we joined this organization which aims to accelerate the circular economy in the country through structural changes, education and practical actions. To this end, it has developed a hub on the subject allowing member companies to benefit from engagement activities, training and the possibility of studies, projects and co-creation of global solutions.

4.5 Fiscal responsibility

GRI 3-3_207 – MATERIAL TOPIC: ECONOMIC PERFORMANCE AND SUSTAINABLE FINANCING

207-1, 207-2, 207-3

Our Corporate Tax Policy reflects our tax strategy, which is based on ensuring compliance with current tax rules, excellence and commitment to the application of good tax practices, appropriate to our corporate structure and governance. The policy applies to all Neoenergia companies.

This policy is part of our Governance and Compliance Policies. They contain the rules and principles that govern our organization, our operations and our relationships. Initially approved by the Board of Directors in 2018, the Tax Policy is constantly updated, with the last modification made on December 13, 2022. The document is public and available on our corporate website.

Our Board of Directors is responsible for designing, evaluating and permanently reviewing corporate policies, including the Corporate Tax Policy. The Board of Directors is also responsible for formulating the tax strategy and approving investments or operations which, due to their high value or characteristics, are of special tax relevance. Aware of the importance of tax information for all our stakeholders and in line with our commitment to transparency and best practices, we have been voluntarily preparing a Tax Transparency Report since 2021. It includes the relevant tax information along with an analysis of our tax contribution at a global level. The document is public and available on our corporate website.

4.5.1 Responsible fiscal behavior

Our Corporate Tax Policy defines our basic principles of action in tax matters:

- Compliance with tax regulations by paying the taxes due. Tax decisions are made based on a reasonable interpretation of the applicable rules and are closely linked to our activities;
- The prevention and reduction of significant tax risks, ensuring that taxation is adequately related to the structure and location of our activities, our human and material resources and business risks;
- Strengthening a relationship with the tax authorities based on respect for the law, loyalty, trust, professionalism, collaboration, reciprocity and good faith;
- The conception of the taxes that our companies collect in the territories in which they operate as the main contribution to the maintenance of public charges and, therefore, as one of our contributions to society.

In applying these principles, we have adopted the following good tax practices, among others:

- Not to use structures of an artificial nature outside our own activities and for the sole purpose of reducing the tax burden; or, in particular, to carry out transactions with related entities solely for reasons of erosion of tax bases or transfer of profits to low-tax territories;
- Avoid structures that are not transparent with the intended tax purposes, such as those designed to prevent the competent tax authorities from knowing who is ultimately responsible for the activities or the ultimate owner of the goods or rights involved;
- Do not set up or acquire companies based in tax havens, with the sole exception of cases in which we are obliged to do so because it is an indirect acquisition in which the company based in a tax haven is part of an acquired group;
- Provide channels for reporting conduct that may involve the practice of any irregularity or any act contrary to the law or our Governance and Sustainability System, including the rules of action established in our Code of Ethics and, consequently, actions in tax matters;
- The responsible fiscal behavior of all our companies is part of the General Sustainable Development Policy, which includes the basic principles that must be respected. The Corporate Tax Policy is inspired by our Purpose, group values and Code of Ethics, and is based on a commitment to ethical principles, good corporate governance and transparency.

4.5.2 Fiscal governance and risk management

Responsibility

The Board of Directors and the Executive Board promote compliance with the principles and good tax practices in the group's companies in keeping with our Corporate Tax Policy. In addition, in the individual companies, the respective Boards of Directors and Executive Board are responsible for ensuring compliance with the Corporate Tax Policy.

Control and monitoring

Three levels of the company control and monitor compliance with the rules, principles and good tax practices set out in the Corporate Fiscal Policy: 1) the Tax Superintendency, in line with the Compliance Superintendence; 2) the Audit Committee; 3) and the Board of Directors. These bodies ensure the tax policies and criteria applied during the year and, in particular, our degree of compliance with the Corporate Fiscal Policy. Every year, the Tax Superintendency reports to the Audit Committee on the level of compliance with the Corporate Fiscal Policy.

Risk management and compliance

We strive to prevent and reduce significant tax risks. To this end, we have established objective criteria for classifying transactions according to their tax risk. In line with this commitment, we do not include among our subsidiaries and investees any companies resident in tax havens, thus being aligned with the OECD's Base Erosion Profit Shifting (BEPS) Plan, to which our controlling shareholder, Iberdrola, is a signatory.

4.5.3 Relations with stakeholders in tax matters

In compliance with our commitment to transparency in our relations and communication with our stakeholders, we disclose the most relevant information about our performance in tax matters and tax contributions to support public taxation in the main locations where we operate, ensuring that the information is clear, useful and truthful.

Based on respect for the law, loyalty, trust, professionalism, collaboration, reciprocity, and good faith, as well as the basic principles of action outlined in our Corporate Tax Policy, we aim to improve our relationship with the authorities in tax matters. This is not to diminish the legitimate disputes that may arise with these authorities regarding the interpretation of applicable laws and regulations, as long as they uphold the aforementioned principles and protect the public interest.

Any concerns about illegal accounting and tax behavior can be reported through the Complaints Channel, which is external, confidential and protected by anonymity, covering issues of compliance with laws, our Code of Ethics and our integrity standards. Contact can be made seven days a week, 24 hours a day, also by e-mail (neoenergia@canaldedenuncia.com.br) and telephone 0800 591 0857.

The taxes paid in the last three years are shown in the following tables:

TAX CONTRIBUTION (R$ MILLION)
GRI 207-4 | SDG 1.1, 1.3, 10.4, 17.1, 17.3

	2023	2022	2021
Contributions for third-party payments	12,396	11,359	11,989
Corporate taxes	769	536	752
Others	502	440	387
Total	13,667	12,335	13,128

The effective tax rate is lower than the nominal rate, mainly due to the (optional) application of the presumed profit regime in the taxation of some of the companies, the payment of interest on own equity and the existence of a Sudene tax incentive.

FINANCIAL AID RECEIVED FROM GOVERNMENT (R$ MILLION))

GRI 201-4

	2023	2022	2021
Capital grants[1]	NA	NA	NA
Operating grants[1]	NA	NA	NA
Investment tax credits	587	380	NA
Production tax credits[1]	NA	NA	NA
Aid for other items covered by the GRI Protocol[1]	NA	NA	NA
Total	**587**	**380**	**0**

[1] NA– Not applicable. With the exception of regional incentives from Sudam and Sudene, there are no other tax benefits received from the government that fall under the other items in GRI 201-4.

4.6 Socio-economic compliance

The following table details the significant fines and penalties over the last three years.

SOCIO-ECONOMIC NON-COMPLIANCE

GRI 2-27 | SDG 16.3

	2023	2022	2021
Monetary value of fines paid during the year received from previous years (R$)	0	0	0
Monetary value of fines paid during the year received during the year (R$)	0	0	0
Non-monetary sanctions (no.)	0	1	3

Violations of environmental regulations are listed in the Environmental chapter.

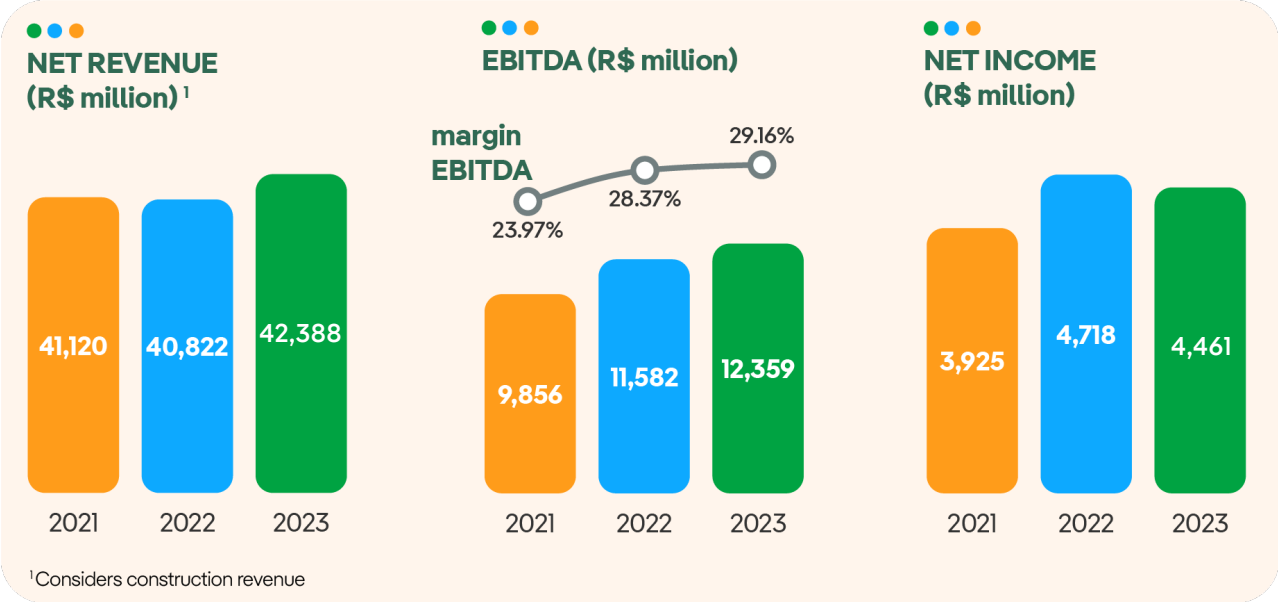
5. Financial

5.1 Sustainable economic growth

5.1.1 Economic and financial impact

GRI 3-3_201 – MATERIAL TOPIC: ECONOMIC PERFORMANCE AND SUSTAINABLE FINANCING

In our 26 years of operations in Brazil, we have ensured a fundamental contribution from the electricity sector as an important driver of the economy, expressed by our high investments and the generation of quality jobs, both direct and indirect. As one of the largest business groups in the sector in Brazil, we follow a sustainable, safe and competitive business model, capable of supporting Brazil's energy needs and tackling the fight against climate change. In the last three years, we have invested R$ 28.2 billion and generated around 4,000 new direct jobs, tallying just our own employees and third-party contractors.



Revenue and Margin

Our consolidated net operating revenue totaled R$ 42,388 million in 2023, a variation of 4% on the previous year. Gross Margin was R$ 15,742 million (a -3% variation on 2022). The main positive influences were tariff revisions and readjustments, a larger customer base and energy volumes at the distributors, and better results in Renewables. The negative impacts refer to a lower margin in the Transmission business, due to non-recurring adjustments via IFRS 15, lower New Replacement Value (NRV) and even lower margin at Termopernambuco.

EBITDA and net profit

EBITDA was R$ 12.359 billion (7% versus 2022). Net income totaled R$ 4,461 million, a variation of 5% on the previous year's result. But when we adjust the result for 2022 – positively impacted by the recognition of R$ 678 million from the incorporation and transfer of control of Neoenergia Brasília da Bahia PCH III to Neoenergia – we observed 10% growth.

Investments

Capex investments totaled R$ 8.9 billion in 2023, down 10% from the previous year. The largest volume (R$ 8.2 billion) was allocated to the Networks business, of which R$ 4.7 billion to the Distribution segment (57% of the total), for expansion, improvement, digitalization and efficiency projects.

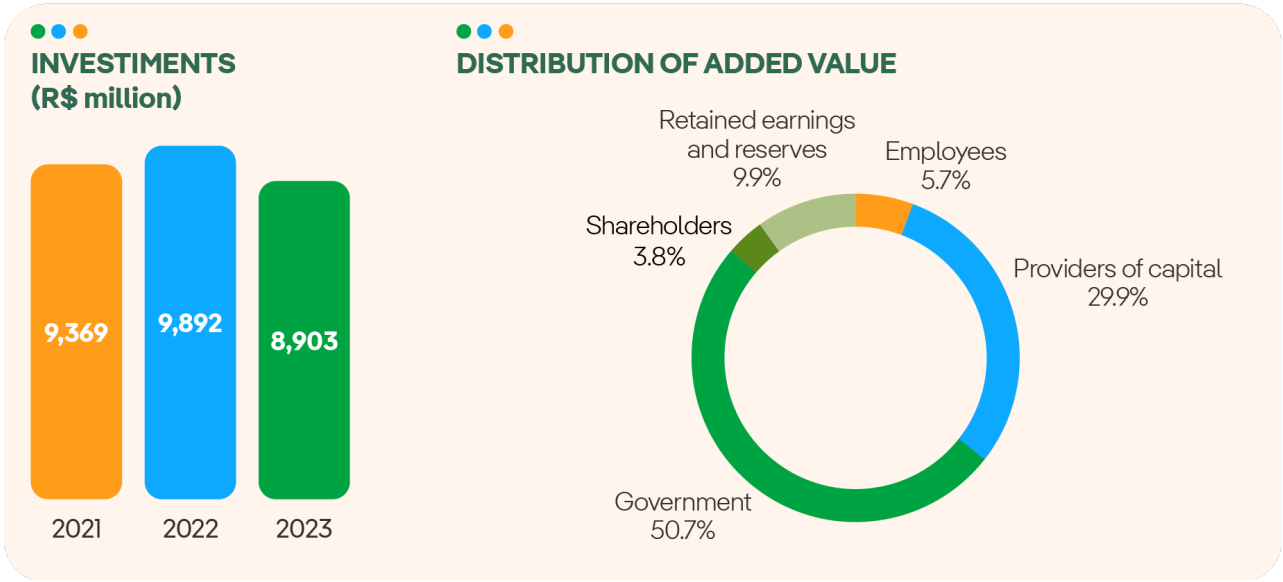
Investments of R$ 3.5 billion in Transmission were earmarked for the construction of lots acquired in auctions between 2018 and 2021. In Renewables, resources of R$ 630 million were concentrated on the Oitis wind complex, in Piauí and Bahia, completed in 2023, adding 566.5 MW of capacity. The hydroelectric plants received investments of R$ 40 million, basically in maintenance.

The funds for investments in Liberalized business ventures (R$ 59 million) were concentrated on maintenance work at Termopernambuco.

Added value

GRI 201-1

We produced added value of R$ 33.1 billion, compared to R$ 33.3 billion the previous year, with a variation of (0.58%). The largest portion, 50.66%, was related to taxes, fees and contributions paid to governments (federal, state and municipal). These include taxes on profit (income tax and social contribution), intra-sectoral obligations, ICMS, PIS and Cofins, INSS on payroll, among others. The second largest volume refers to interest and rent payments to capital providers, at 29.95%. The remuneration of own employees (salaries, benefits and social charges) accounted for 5.72% of the total. Shareholders received 3.80% in dividends and interest on equity, while retained earnings and profit retention reserves accounted for 9.87%. (*Details of the value added can be found at item 7.1 – Annexes – Economic Dimension*).



Debt

Encompassing cash, cash equivalents, and marketable securities, our consolidated net debt increased by 7.3% to R$ 39.15 billion from R$ 20.22; this rise was primarily attributable to the execution of Capex for network projects.

We structure our debt in line with the financial cycle of our businesses, observing the particularities of each company and the characteristics of its concessions/authorizations. In order to reduce the cost of debt and lengthen the amortization profile, we actively manage our financial liabilities so as to avoid concentration of maturities, resulting in effective lengthening. The average debt maturity stood at 5.19 years in December 2023 (5.29 years in December 2022), with leverage of 3.17 times EBITDA (3.15 times at the end of the previous year).

The economic and financial results for 2023 are detailed in 2023's Financial Statements, accessible on our website at Results Central.

5.1.2 Capital market

Our market value (NEOE3) on the B3 – Brasil, Bolsa, Balcão – was R$ 25.9 billion on December 28, 2023, with shares quoted at R$ 21.34. Compared to 2022, there was an increase of 47.4%. Since the IPO in June 2019, the shares have risen by 36.4%.

As of June 2022, the company has also listed on Latibex in Madrid, which is linked to the Spanish stock exchange. Our presence on this market makes it easier for individual European investors, especially Spaniards, to acquire our shares for their portfolios, taking advantage of trading in euros and the European markets' opening and closing times.

STOCK PERFORMANCE ON B3

	2023	2022	2021	IPO
Number of shares (thousand)	1,213,797	1,213,797	1,213,797	1,213,797
Market value (R$ million)	25,902	18,753	19,664	18,966
Last quotation (R$/share)	21.34	15.45	16.20	15.65

5.2 ESG Financing

GRI 3-3 – MATERIAL TOPIC: ECONOMIC PERFORMANCE AND SUSTAINABLE FINANCING

Consistent with our sustainable business model, we are positioned as one of the leading and pioneering business groups in Brazil with financing linked to environmental, social and governance (ESG) performance. This encompasses three defined objectives: (i) to align our financial strategy with our purpose, values and investment strategy, (ii) to optimize the cost of our debt and (iii) to diversify our sources of financing, making sustainability a means and an end at the same time for the financial strength we seek and for which we are characterized.

We have made commitments to increase the share of ESG/green rated financing in new contracts we sign with financial institutions and development entities, as well as to review and update our Green Finance Framework rating annually.

ESG TARGETS

Sustainable financing

	2021	2022	2023	2025	2030	Related SDGs
Green financing framework Annual review and update (if applicable)	✓	✓	✓	✓	✓	5 6 7 13 16
ESG financing % of new financial contracts in the three-year period 2023/2025 and 2026/2030 with ESG/green rating (with European taxonomy)	NA	NA	49%	>60%	>75%	5 6 7 13 16

5.2.1 Green financing operations

Green bonds

We signed new green operations in 2023 worth around R$ 5.1 billion. As a result, loans classified as sustainable finance totaled R$ 15.3 billion at the end of 2023, compared to R$ 10.2 billion at the end of the previous year. The funds raised in 2023 were earmarked for the expansion of the Renewables and Network businesses.

We have carried out 28 operations in this format since 2019, when we were the first company in the electricity sector to issue green debentures. Since then, we have intensified our financing through this type of certification, with issues in different aspects: public and private operations, senior and subordinated debt, issued by the holding company or our subsidiaries.

The distinguishing feature of these loans is the commitment to allocate the funds to invest in environmentally sustainable and socially responsible projects, mainly in renewable energies; in the expansion and digitalization of electricity transmission and distribution networks; in research into new, more efficient technologies; or in intelligent mobility projects. We also commit to periodically reporting on the environmental return that investments in these projects have provided during the corresponding period.

Since 2020, most of the debt we contract as green is backed by the Green Finance Framework, whose external certification is issued by NINT and confirms our good sustainability practices. This framework is aligned with the Green Bond Principles promulgated by the International Capital Markets Association (ICMA). In addition, each operation contracted under the framework also has a simplified external second opinion which confirms that the operation meets the criteria described in our Green Finance Framework.

The documentation for all the green operations we have contracted is available on the Investor Relations website, in the section Sustainability/Green debt.

Green loans in the capital market

Our capital market issues in 2023 involved debentures from Neoenergia Coelba (R$ 2.2 billion) and Neoenergia Pernambuco (R$ 500 million). We had the first 4131 certified in Neoenergia Brasília (R$ 200 million). We contracted operations with development banks for Neoenergia Pernambuco (R$ 465 million), Neoenergia Elektro (R$ 800 million), and Neoenergia S.A. (R$ 475 million). We also contracted the first green international bank guarantee with the European Investment Bank (EIB) for the disbursement of US$ 43 million. This loan has already been certified by the EIB as green and the guarantee matures in November 2027.

Our first green loan in the capital markets took place in 2019 through the 6th issue of debentures in two series in the amount of R$ 803 million and R$ 492 million, respectively, totaling R$ 1.295 billion for transmission and renewable energy infrastructure projects.

In 2020, Neoenergia Itabapoana issued debentures worth R$ 300 million to finance the transmission line that runs through the states of Espírito Santo, Minas Gerais and Rio de Janeiro.

Neoenergia's 6th debenture issue and Neoenergia Itabapoana's 1st debenture issue were operations prior to the publication of our Green Finance Framework and were therefore not backed by the company's green finance protocol. However, both operations are committed to annual external certification until they mature.

In 2021, the distributors issued debentures (Neoenergia Pernambuco and Neoenergia Coelba), promissory notes (Neoenergia Elektro) and commercial notes (Neoenergia Coelba and Neoenergia Cosern), in the total amount of R$ 1.966 billion to execute the plans eligible as green in their Distribution Development Plans (PDD).

In 2022, debentures were issued by Neoenergia Elektro (R$ 200 million) and Neoenergia Brasília (R$ 300 million), and a commercial note by Neoenergia Pernambuco (R$ 450 million) also for the green PDD plans.

Green loans with development entities

- Some of these entities apply their own criteria for evaluating projects and assigning them as green instruments. All the assets they finance are included as eligible projects for green financing in our green financing framework. We certified the following operation in 2023:
- R$ 465 million contracted in a second operation with the Japan International Cooperation Agency (Jica) for Neoenergia Pernambuco. The investments will make it possible to expand the distribution of energy from low-carbon sources, as well as improving this infrastructure in the distributor's concession area.

We obtained our first green loan from development entities in 2019, when we contracted a € 250 million loan with the European Investment Bank (EIB) for wind farm projects. In 2021 we signed another contract for € 200 million for the Chafariz and Oitis wind farms and the Luzia solar project. In 2021, Neoenergia Coelba took out a loan of R$ 509 million in co-financing from Jica.

In 2022, the following loans had been certified as green:

- R$ 1.305 billion contracted with the National Economic Development Bank (BNDES) for Neoenergia Vale do Itajaí Transmissão de Energia. The investments will make it possible to expand the transmission of energy from low-carbon sources, as well as improving this infrastructure in the states of Paraná and Santa Catarina;
- R$ 369 million with the BNDES for Neoenergia Santa Luzia Transmissão de Energia for the construction of transmission lines benefiting the states of Ceará and Paraíba;
- R$ 375 million with the BNDES for Neoenergia Dourados Transmissão de Energia to build the line that will improve the transmission infrastructure in the states of Mato Grosso do Sul and São Paulo.

5.2.2 Financial operations linked to the achievement of sustainable objectives

In 2023, we made our second Sustainability Linked Loan, one of which was granted by the International Finance Corporation (IFC), in the amount of R$ 800 million, contracted by Neoenergia Elektro, maturing in eight years, for improvements, expansion and digitalization of the distributor's network. The indicators will be measured in 2027 and, due to its characteristics, the operation has been labeled a Super Green Loan.

Also in 2023, we had the third loan of this type, granted by the Instituto de Crédito Oficial (ICO), a Spanish development bank. The operation, in the amount of R$ 475 million, was contracted by Neoenergia S.A., has a ten-year term and is intended for the Morro do Chapéu transmission lot, a project that promotes the transmission of clean energy in Brazil. The indicators will be measured in 2026. Due to its characteristics, it has also been labeled a Super Green Loan.

We ended 2023 with three financing operations linked to ESG targets. They are:

Institution	Beneficiary	Target 1	Target 2	Target 3
International Finance Corporation (IFC)	Neoenergia Coelba	Reach 36gCO2eq/kWh per kWh generated by Dec/26	Reach 10.7% of women electricians in the workforce by Dec/26	Validation of Scope 1, 2 and 3 GHG emissions targets by SBTi (binary: yes or no).
International Finance Corporation (IFC)	Neoenergia Elektro	Increase the percentage of digitized networks from 74.5% on 12/31/2022 to 86.6% by 12/31/2027	Increase the percentage of women electricians from 4.3% on 12/31/2022 to 12.2% on 12/31/2027	-
Instituto de Crédito Oficial (ICO)	Neoenergia S.A. (backed by Morro do Chapéu)	Alcançar 36gCO_2eq/kWh per kWh generated until Dec/26	Achieve 10.7% of female electricians in the workforce by Dec/26	-

The table below summarizes the operations we have contracted with green certification since 2019:

GREEN DEBT – NEOENERGIA GROUP

Company	Instrument	Summary of the destination of the funds	Volume	Framework criteria
2019				
Neoenergia	6th Debentures- 1st Series	Transmission & Renewable	R$ 1.3 billion	Second Opinion Certification
Neoenergia	Long-term – BEI	Renewable	€ 250 million	BEI
2020				
Neoenergia Itabapoana	1st Debentures	Transmission	R$ 300 million	Second Opinion Certification
2021				
Neoenergia Elektro	3rd Promissory Note	PDD1	R$ 500 million	Green Finance Framework, aligned with the best ESG practices
Neoenergia Pernambuco	11th Debentures	PDD	R$ 200 million	
Neoenergia Coelba	13th Debentures	PDD	R$ 800 million	
Neoenergia Coelba	1st Commercial	PDD	R$ 266 million	
Neoenergia Cosern	1st Commercial Note	PDD	R$ 66.67 million	
Neoenergia Cosern	1st Commercial Note	PDD	R$ 133.33 million	
Neoenergia	Long-term	Renewable	€ 200 million	BEI
Neoenergia Coelba	Long-term	-	R$ 508 million	Jica
2022				
Neoenergia Elektro	11th Debentures	PDD1	R$ 200 million	Green Finance Framework
Neoenergia Brasília	5th Debentures	PDD1	R$ 300 million	Green Finance Framework
Neoenergia Vale do Itajaí	BNDES Credit	Transmission	R$ 1,305 billion	Green Finance Framework
Neoenergia Coelba	IFC – Super Green Loan	PDD1	R$ 550 million	Sustainability-Linked Finance Framework e Green Finance Framework
Neoenergia Santa Luzia	BNDES Credit	Transmission	R$ 368.98 million	Green Finance Framework
Neoenergia Dourados	BNDES Credit	Transmission	R$ 375 million	Green Finance Framework
2023				
Neoenergia S.A.	ICO – Super Green Loan	Morro do Chapéu Equity	R$ 475 million	ICO
Neoenergia Coelba	16th Debentures	PDD	R$ 1.2 billion	Green Finance Framework
Neoenergia Coelba	17th Debentures	PDD	R$ 700 million	Green Finance Framework
Neoenergia Coelba	15th Debentures	PDD	R$ 300 million	Green Finance Framework
Neoenergia Pernambuco	13th Debentures	PDD	R$ 500 million	Green Finance Framework
Neoenergia Pernambuco	Long-term – Jica	Capex	R$ 465 million	Jica
Neoenergia Cosern	11th Debentures	PDD	R$ 500 million	Green Finance Framework
Neoenergia Elektro	IFC – Super Green Loan	Capex	R$ 800 million	Sustainability-Linked Finance Framework e Green Finance Framework
Neoenergia Brasília	MUFG	PDD	R$ 200 million	Green Finance Framework

5.2.3 Green Finance Framework

To ratify our commitment to sustainability aspects and in line with the organic growth of our business, we maintain on our website an updated version of our Green Finance Framework based on the Green Bond Principles (GBP) as published by the International Capital Market Association (ICMA). These principles promote integrity in the green debt market through guidelines aimed at ensuring transparency, with disclosure of indicators and practices.

The document also complies with the Green Loan Principles (GLP), which are based on and refer to ICMA's GBP to promote consistency in the financial market. The framework aligns with the four main components of the GBP and GLP: (i) use of resources; (ii) evaluation and selection of assets; (iii) management and control of resources and (iv) reporting.

The business lines eligible in the framework as green help directly achieve SDGs 7 (clean and affordable energy), 8 (decent work and economic growth) and 13 (action against global climate change), as well as indirectly impacting other SDGs.

Certified emissions – Indicators

As set forth in the Green Finance Framework, we have fulfilled our commitment to report annually on the specific indicators for the projects that will be used as collateral for green financing. All the commitments made in the Green Finance Framework remain valid and complied with.

BENCHMARKS FOR GREEN BONDS – GREEN FINANCE *FRAMEWORK*

Distribution Business Indicators per project/issue	Company	2023	2022	2021
Number of households/customers connected to smart grids[1]	Neoenergia Elektro	1,898,025	1,614,873	2,018,155
	Neoenergia Pernambuco	1,213,663	950,792	867,665
	Neoenergia Coelba	1,807,788	1,628,924	557,464
	Neoenergia Cosern	1,279,009	768,103	891,674
	Neoenergia Brasília	455,886	387,955	NA
Energy losses and technical availability indices (DEC and FEC)	Neoenergia Elektro	see item 3.4.2.1	see item 3.4.2.1	see item 3.4.2.1
	Neoenergia Pernambuco	see item 3.4.2.1	see item 3.4.2.1	see item 3.4.2.1
	Neoenergia Coelba	see item 3.4.2.1	see item 3.4.2.1	see item 3.4.2.1
	Neoenergia Cosern	see item 3.4.2.1	see item 3.4.2.1	see item 3.4.2.1
	Neoenergia Brasília	see item 3.4.2.1	see item 3.4.2.1	NA
Company investment in social action (R$ thousand) [1]	Neoenergia Elektro	2,228	4,940	1,579
	Neoenergia Pernambuco	1,282	1,997	3,049
	Neoenergia Coelba	2,696	4,844	4,250
	Neoenergia Cosern	298	4,680	3,283
	Neoenergia Brasília	226	3.540	NA
Renewable energy purchase index (%)	Neoenergia Elektro	77%	80%	79%
	Neoenergia Pernambuco	55%	57%	57%
	Neoenergia Coelba	67%	68%	68%
	Neoenergia Cosern	58%	59%	59%
	Neoenergia Brasília	82%	83%	NA

NA: Not applicable.

[1] The criteria for classifying the company's social investment were changed in 2023.

Benchmarks for Green Bonds – Green Finance Framework

Transmission Business

Dourados (EKTT12)

Indicator of transmission service provision to green users: renewable users (77.3%); non-renewable users (22.7%). Status of environmental licensing and compliance with environmental conditions:

Stretch	Assets	Prior License	Installation License	Process status
1	TL 230KV Nova Porto Primavera – Rio Brilhante, C2, CS	Feb/19	Feb /19	Finalized
2	TL 230KV Nova Porto Primavera – Ivinhema 2 C2, CS	Nay/18	Feb /19	Finalized
3	TL 230 KV Rio Brilhante – Campo Grande 2 C1, CS	Dec/18	Aug/19	Finalized
4	TL 230 KV Campo Grande 2 – Imbirussu C2, CS	Dec /18	Aug /19	Finalized
5	TL 230 KV Rio Brilhante – Dourados 2 C1, CS TL 230 KV Dourados 2 – Dourados C2, CS SS 230/138 kV Dourados 2 and sections	Dec /18	Aug /19	Finalized

- With regard to environmental conditions, Neoenergia Dourados is in compliance with the general and specific conditions of its operating licenses. The exceptions are the conditions that are being complied with, listed below by license:
- Ibama License 1578/2020: conditions 1.4, 2.3, 2.4, 2.5, 2.7 and 2.8.
- Ibama License 1602/2020: conditions 1.4, 2.3, 2.4, 2.5, 2.6, 2.7 and 2.9 and 2.10.
- Ibama License 5/2022: conditions 8, 9, 10 and 16.
- Ibama License 38/2021: conditions 3, 4, 6, 7, 11 and 12.
- Ibama License 61/2021: conditions 9, 10, 11, 12, 15, 17 and 25.
- Ibama License 96/2021: conditions 8, 9, 10, 11, 12, 13, 18 and 19.
- Ibama License 99/2021: conditions 9, 11, 12, 13, 15 and 18.
- Ibama License 228/2021: conditions 9, 11, 12, 13, 14 and 15.

The following are some of the programs carried out during the licensing process (LP, LI and LO):

- Particulate matter emissions: PAC and PGA;
- Change in noise levels: PAC and PGA;
- Increase in solid waste generation: PEA, PAC and PRAD;
- Induction or acceleration of erosive processes: PAC;
- Vegetation Suppression Program; Program for the Identification, Monitoring and Control of Erosive Processes; PRAD;
- Interference with vegetation: Vegetation Suppression Program; PAC; Forest Replacement Program; PEA; PEAT; PRAD;
- Habitat alteration or loss: Vegetation Suppression Program; PAC; Forest Replacement Program; PEA; PEAT; PRAD;
- Interference with wild fauna: PAC; Vegetation Suppression Program; Bird Monitoring Program; Fauna Redirection, Management and Rescue Program; PEA
- Pressure on essential services infrastructure: PAC; PGA; PCS; PEAT;
- Interference with land use and occupation: PCS; Management Program for Interference with Mining Activities; Vegetation Suppression Program.

Land regularization favoring amicable agreements over judicial settlements (%):

Assets	Total properties	Negotiated or legalized properties	Properties to be negotiated or adjudicated	% Negotiated or adjudicated properties	% Amicably	% Adjudicated
TL 230KV Nova Porto Primavera – Rio Brilhante, C2, CS	96	96	-	100,00%	77.08%	22.92%
TL 230KV Nova Porto Primavera – Ivinhema 2 C2, CS	54	54	-	100.00%	57.41%	42.59%
TL 230 KV Rio Brilhante – Campo Grande 2 C1, CS	77	77	-	100.00%	46.75%	53.25%
TL 230 KV Campo Grande 2 – Imbirussu C2, CS	62	62	-	100.00%	43.55%	56.45%
TL 230 KV Rio Brilhante – Dourados 2 C1, CS	132	130	2	98.48%	71.54%	28.46%
TL 230 KV Dourados 2 – Dourados C2, CS	81	81	-	100.00%	82.72%	17.28%
TL 230 kV Dourados 1 – Dourados 2 (entrance)	50	50	-	100.00%	94.00%	6.00%
TL 230 kV Dourados 2 – Ivinhema 2 (exit)	55	55	-	100.00%	94.55%	5.45%
SS 230/138 kV Dourados 2 and sections	3	3	-	100.00%	100.00%	0.00%
SS Nova Porto Primavera (expansion)	1	-	1	0.00%	0.00%	0.00%
SS Rio Brilhante (expansion)	1	1	-	100.00%	0.00%	100.00%
Total	612	609	3	99.51%	70.44%	29.56%

Santa Luzia (EKTT02)

Indicator of transmission service provision to green users: renewable users (77.3%), non-renewable users (22.7%). Environmental licensing and compliance with environmental conditions status:

Stretch	Assets	Prior License	Installation License	Process Status
1	LT 500 kV Santa Luzia II – Campina Grande III SE 500 kV Santa Luzia II	Aug/19	Mar/20	Finalized
2	LT 500 kV Santa Luzia II – Milagres II	Aug /19	Mar/20	Finalized

With regard to environmental conditions, Neoenergia Santa Luzia is in compliance with the general and specific conditions of its operating licenses.

With the exception of the conditions that are being complied with listed below, by license:

- Ibama License 1616/2021: conditions 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.9 and 2.13.
- Sudema License 1st RLO 2.597/2023: conditions 8; 10; 11; 12; 13; 15; 16 and 17.

Below are some of the programs carried out during the licensing process (LP, LI e LO):

- Particulate matter emissions: PAC and PGA;
- Change in noise levels: PAC and PGA;
- Increase in solid waste generation: PEA, PAC and PRAD;

- Induction or acceleration of erosive processes: PAC; Vegetation Suppression Program; Program for the Identification, Monitoring and Control of Erosive Processes; PRAD;
- Interference with vegetation: Vegetation Suppression Program; PAC; Forest Replacement Program; PEA; PEAT; PRAD;
- Habitat alteration or loss: Vegetation Suppression Program; PAC; Forest Replacement Program; PEA; PEAT; PRAD;
- Interference with wildlife: PAC; Vegetation Suppression Program; Bird Monitoring Program; Fauna Redirection, Management and Rescue Program; PEA;
- Pressure on essential services infrastructure: PAC; PGA; PCS; PEAT;
- Interference with land use and occupation: PCS; Management Program for Interference with Mining Activities; Vegetation Suppression Program.

Land regularization favoring amicable agreements over judicial settlements (%):

Assets	Total properties	Negotiated or legalized properties	Properties to be negotiated or adjudicated	% Negotiated or adjudicated properties	% Amicably	% Adjudicated
TL 500 kV Santa Luzia II – Campina Grande III SS 500 kV Santa Luzia II	226	226	-	100.00%	72.12%	27.88%
TL 500 kV Santa Luzia II – Milagres II	623	622	1	99.84%	85.37%	14.63%
SS 500 kV Santa Luzia II	2	2	-	100.00%	0	100.00%
Total	**851**	**850**	**1**	**99.88%**	**81.65%**	**18.35%**

Vale do Itajaí (EKTT11)

Indicator for providing transmission services to green users: project still in the implementation phase.

Status of environmental licensing and compliance with environmental conditions:

Stretch	Assets	Prior License	installation License	Process status
1	SS 525/230/138 kV Joinville Sul and sections SS 525/230/138 kV Itajaí 2 and sections TL 525 kV Areia – Joinville Sul TL 525 kV Joinville Sul – Itajaí 2 TL 525 kV Itajaí 2 – Biguaçu TLs 230 kV Itajaí – Itajaí 2 – C1 and C2	Mar/21	Jun/22	Finalized
2	SS 525/230 kV Gaspar 2 and sections in 525 kV	Aug/20	Aug /21	Finalized
3	SS 230/138 kV Jaraguá do Sul and sections	Nov/20	ago/21	Finalized
4	SS 230/138 kV Indaial TLs 230 kV Rio do Sul – Indaial – C1 and C2 TLs 230 kV Indaial – Gaspar 2 – C1 and C2	Aug/20	Aug /21	Finalized
5	Local distributor access to SSs Joinville Sul and Itajaí 2	Nov/20	Aug/21	Finalized

With regard to environmental conditions, Neoenergia Vale do Itajaí is in compliance with the general and specific conditions of its installation licenses.

Below are some of the programs carried out during the licensing process (PL and IL):

- Emission of particulate matter: PBA – PCA – (In progress);
- Change in noise levels: PBA – PCA (In progress);
- Increase in solid waste generation: PBA – PGR – (In progress);

- Induction or acceleration of erosive processes: PBA – Vegetation Suppression Program – Identification Program – Monitoring and Control of Erosive Processes – PRAD; (In progress);
- Interference in vegetation: Vegetation Suppression Program – PBA – Forest Replacement Program – PEA – PEAT – PRAD; (In progress);
- Habitat alteration or loss: Vegetation Suppression Program – PBA – Forest Replacement Program – PEA – PEAT – PRAD (In progress);
- Interference with wildlife: PBA – Vegetation Suppression Program;
- Bird Monitoring Program -Redirection Program – Fauna Management and Rescue – Endangered Mammals Conservation Program – PEA (In progress);
- Interference with land use and occupation: PCS – Mining Interference Management Program – Vegetation Suppression Program – Archaeological Heritage Management Program. (In progress).

Land regularization favoring amicable agreements over judicial settlements (%):

Assets	Total properties	Negotiated or legalized properties	Properties to be negotiated or adjudicated	% Negotiated or adjudicated properties	% Amicably	% Adjudicated
LT 525 kV Areia – Joinville Sul	1.071	1.010	61	94,30%	82,08%	17,92%
LT 525 kV Joinville Sul – Itajaí 2	325	303	22	93,23%	51,49%	48,51%
LT 525 kV Itajaí 2 – Biguaçu	321	319	2	99,38%	31,03%	68,97%
LT's 230 kV Rio do Sul – Indaial – C1 e C2	299	299	0	100,00%	67,89%	32,11%
LT's 230 kV Indaial – Gaspar 2 – C1 e C2	303	301	2	99,34%	51,16%	48,84%
LT 230 kV Itajaí – Itajaí 2 – C1	53	52	1	98,11%	48,08%	51,92%
LT 230 kV Itajaí – Itajaí 2 – C2	49	49	0	100,00%	46,94%	53,06%
Trecho de LT em 525 kV entre a SE Joinville Sul e a LT Curitiba – Blumenau C1	179	140	39	78,21%	47,14%	52,86%
Trechos de LT em 525 kV entre a SE Joinville Sul e a LT Curitiba Leste – Blumenau C1	185	154	31	83,24%	50,00%	50,00%
Trechos de LT em 525 kV entre a SE Gaspar 2 e a LT Curitiba – Blumenau C1	121	119	2	98,35%	57,14%	42,86%
Trecho de LT em 525 kV entre a SE Gaspar 2 e a LT Blumenau – Biguaçu C1	63	63	0	100,00%	44,44%	55,56%
Trechos de LT em 230 kV entre a SE Joinville Sul e a LT Blumenau – Joinville C1	5	4	1	80,00%	75,00%	25,00%
Trechos de LT em 230 kV entre a SE Joinville Sul e a LT Blumenau – Joinville Norte C1	5	4	1	80,00%	75,00%	25,00%
Trechos de LT em 230 kV entre a SE Joinville Sul e a LT Joinville – Joinville Norte C1	66	56	10	84,85%	33,93%	66,07%
Trechos de LT em 230 kV entre a SE Jaraguá do Sul e a LT Blumenau – Joinville Norte C1	134	110	24	82,09%	35,45%	64,55%
Trechos de LT em 230 kV entre a SE Jaraguá do Sul e a LT Blumenau – Joinville C1	137	112	25	81,75%	33,93%	66,07%
Trecho de LT em 138 kV entre a SE Itajaí 2 e a LT Camboriú Morro do Boi – Itajaí	17	12	5	70,59%	58,33%	41,67%

Trecho de LT em 138 kV entre a SE Itajaí 2 e a LT Itajaí Fazenda – Itajaí	17	12	5	70,59%	66,67%	33,33%
SE 525/230/138 kV Joinville Sul	8	3	5	37,50%	100,00%	—%
SE 230/138 kV Jaraguá do Sul	8	8	—	100,00%	62,50%	37,50%
SE 525/230/138 kV Itajaí 2	3	3	—	100,00%	—%	100,00%
SE 525/230 kV Gaspar 2	7	7	—	100,00%	—%	100,00%
SE 230/138 kV Indaial	2	2	—	100,00%	—%	100,00%
SE Rio do Sul	4	4	—	100,00%	100,00%	—%
Total	**3.386**	**3.150**	**236**	**88,81%**	**48,15%**	**51,85%**

6. About this report

GRI 2-3

We have been disclosing our environmental, social, economic and governance performance every year since 2004 as a way of demonstrating our commitment to transparency and a sustainable growth model. Since 2010, our report has been developed based on the standards of the Global Reporting Initiative (GRI), in addition to following the Manual for Developing Socio-Environmental and Economic-Financial Reports of the National Electric Energy Agency (Aneel).

We also considered the standards of the Sustainability Accounting Standards Board (SASB) for the electricity sector and the recommendations contained in S&P Global's Corporate Sustainability Assessment (CSA) for the Dow Jones Sustainability Index (DJSI). As of 2021, we have added the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD). The document also meets our commitments to the Global Compact and the Sustainable Development Goals (SDGs) of the United Nations (UN). The previous edition, for 2022, was published in February 2023.

GRI 2-14

This document was published in Portuguese on February 8, 2024 and its content covers the period from January 1 to December 31, 2023. It includes the results in the financial and non-financial dimensions (which cover ESG aspects), as well as the risks and opportunities mapped and considered to be of interest to shareholders and other stakeholders. The report was submitted to the Board of Directors for approval at its meeting on February 7, 2024.

GRI 2-5

The financial data was developed in accordance with the International Financial Reporting Standards (IFRS). The Non-Financial Information was consolidated using our own indicator management systems based on international methodologies (GRI, IIRC and SASB), corporate procedures, environmental and quality standards and certifications. The report underwent limited assurance by an independent auditor and was verified by an internal audit, certified by Internal Controls and verified by the Executive Board, the Sustainability Committee, the Audit Committee and the Board of Directors. The Sustainability Committee analyzed the report within the scope of its powers and verified that the Non-Financial Information is in line with our Sustainable Development strategy.

In order to provide maximum access to other available information, direct links have been included throughout this report, both from the corporate website (www.neoenergia.com) and from other pages of the group, as well as official documents published in PDF format. To open these links, simply click directly with the left mouse button on the texts which you will find identified in underlined format.

Notes:

- The figures included in this English-language version of the report follow the usual notation used internationally, with thousand figures separated by a comma (,) and decimals by a period (.);
- Small variations in the 2022 and 2021 data may appear in relation to those published in the 2022 report, due to rounding of the figures. Footnotes indicate whether there has been a revision and/or recalculation. As the percentages of participation in some companies differ from 100%, rounding may cause the sums not to coincide with the total presented.

6.1 Scope of the information

6.1.1 Introduction to the scope of information

We followed the GRI recommendations to define the scope of this report, taking into account the units over which we have shareholder and operational control, as well as those over which we have significant influence and whose activities are relevant to Neoenergia from an economic, environmental and social point of view.

For the purposes of this report, the organization is called:

- "Neoenergia": the "company," for Neoenergia S.A.;
- "Neoenergia Group" or the "group": Neoenergia (as holding company) and all subsidiary companies over which Neoenergia has control or controls jointly with other shareholder(s);
- "Subsidiaries": a group of companies in which we have a stake, but no control. In these subsidiaries, Neoenergia promotes the policies approved by the group, through the governance bodies of these companies, and even includes in this report information on those that are considered relevant in terms of sustainability.

GRI 2-2

The information published in this report relates to the companies we control and manage: five distributors, five hydroelectric plants, 44 wind farms, one thermoelectric generator, ten transmission companies and three marketing and services companies. We have not consolidated the socio-environmental indicators of one hydroelectric plant (Belo Monte, in which we hold a 10% stake), nor of ten transmission companies under construction. These companies are detailed in the Indicators section.

The economic and financial information is based on data from Neoenergia S.A.'s Management Report and Consolidated Financial Statements for 2023.

6.1.1.1 Limits to the information in this report

Time scope

GRI 2-3

The Report is published annually and covers the 12 months of 2023, starting on January 1st and ending on December 31st.

Organizational scope

This report considers the following references, which condition its structure, scope and content:

- The financial information is consistent with Neoenergia's Consolidated Financial Statements, developed in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).
- Sustainability information, or ESG, is prepared using a reporting standard. We chose to use the GRI Standards, considering its depth, wide recognition and universality, and our experience in applying it for over a decade. The indicators also respond to the accounting metrics of the Sustainability Accounting Standards Board (SASB).

6.1.1.2 Significant changes in the organization and supply chain

GRI 2-6

Changes in activities and/or operations

Some of our subsidiaries implemented operations that changed the makeup of their assets during 2023. The highlights were:

- Completion of the Oitis Wind Complex between the states of Piauí and Bahia with the delivery of the last three farms, totaling 567 MW of installed capacity;
- Launch of the Neoenergia Renewable Complex in Paraíba, part of the power generation of the Neoenergia Chafariz Wind Complex and the Neoenergia Luzia Solar Park, with a total capacity of 600 MW;
- In the transmission segment, we energized the Rio Formoso line (210 km) and connected two substations with a combined installed capacity of 400 MVA.

Changes in share capital structure

Two arrangements characterized the changes in our structure:

- In September 2023, we announced the conclusion of an Asset Swap agreement between Neoenergia and Eletrobras, which resulted in the consolidation of 100% of the Dardanelos Hydroelectric Power Plant and the divestment of the Teles Pires and Baguari Hydroelectric Power Plants;
- Also in September 2023, we closed an operation to sell 50% of our stake in eight transmission assets in operation (Jalapão, Santa Luzia, Dourados, Atibaia, Biguaçu, Sobral, Narandiba and Rio Formoso) to GIC, a global institutional investor. The agreement had been announced in April 2023, and represented a cash inflow of R$ 1.1 billion.

Changes in the supply chain

During the year, there were no significant changes in the company's supply chain.

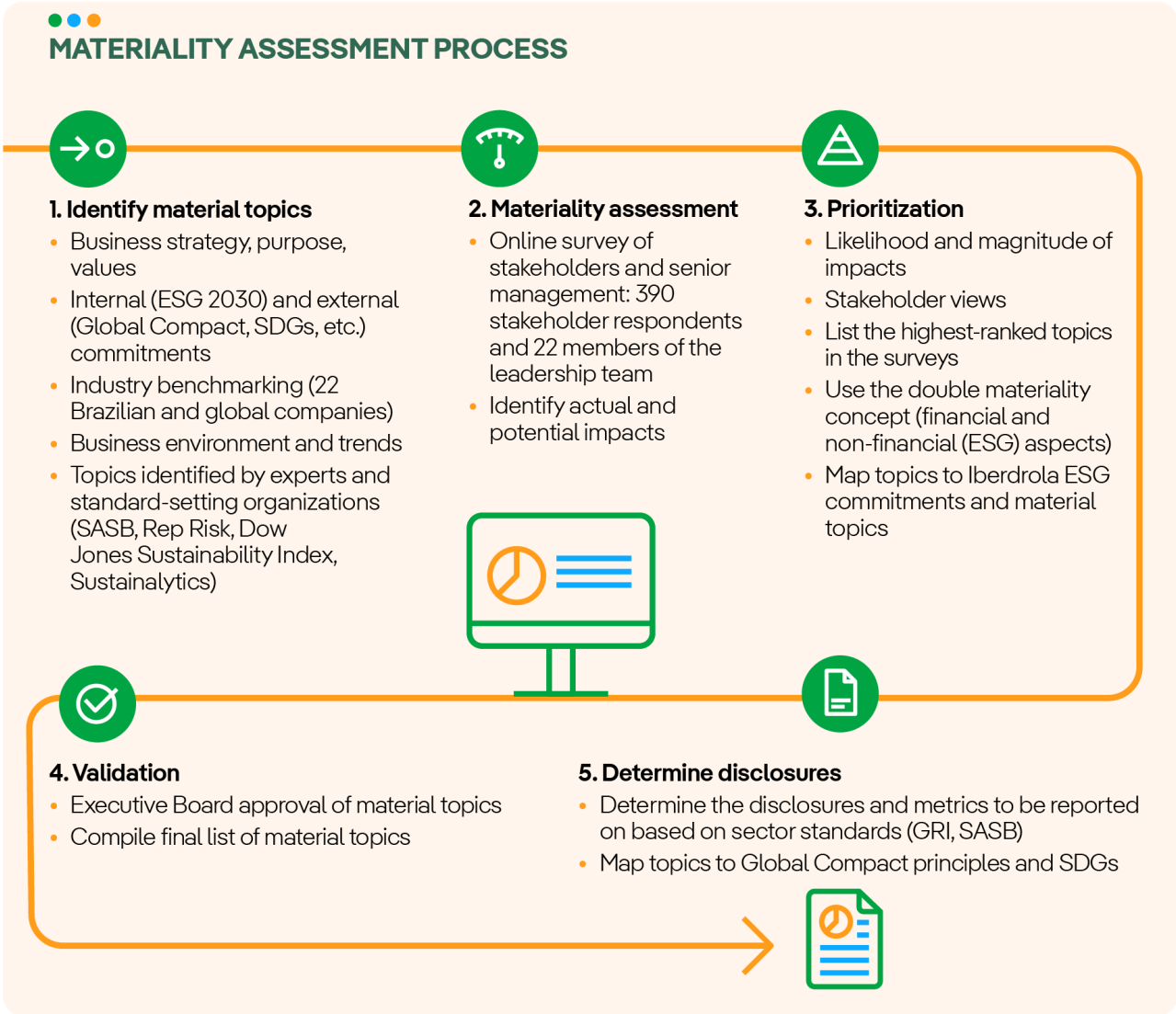
6.2 Defining the content of the report. Materiality analysis

GRI 3-1

This report addresses priority topics identified in a materiality process carried out in 2022. Conducted by an external consultancy, Editora Contadino, the work used as a reference the guidelines of the 2021 Standards of the Global Reporting Initiative (GRI), as well as the AA1000 standard (Accountability 1000) and the recommendations contained in S&P Global's Corporate Sustainability Assessment (CSA) for the Dow Jones Sustainability Index (DJSI). The concept of dual materiality (assessment of financial and non-financial impacts) was considered.

The first stage of the materiality study was sector benchmarking (22 Brazilian and international companies), a survey of aspects prioritized by experts from leading sustainability organizations, business strategy, internal and external commitments we have made, as well as topics considered relevant by the company's controlling shareholder, Iberdrola.

Next, we consulted representatives of interest groups (employees, customers, suppliers, members of communities and non-governmental organizations, shareholders, the financial market, public and regulatory bodies, the media, as well as environmental bodies), who answered an online questionnaire with 22 initial topics. We received 390 responses identifying the most relevant issues. The company's directors, a total of 22 (board members and managers), also scored these issues based on the company's ESG strategy and Commitments, as well as their understanding of the impacts each of them has on the company, the economy, the environment and society.



6.3 Contents of the annual non-financial report

Contents of the annual non-financial report

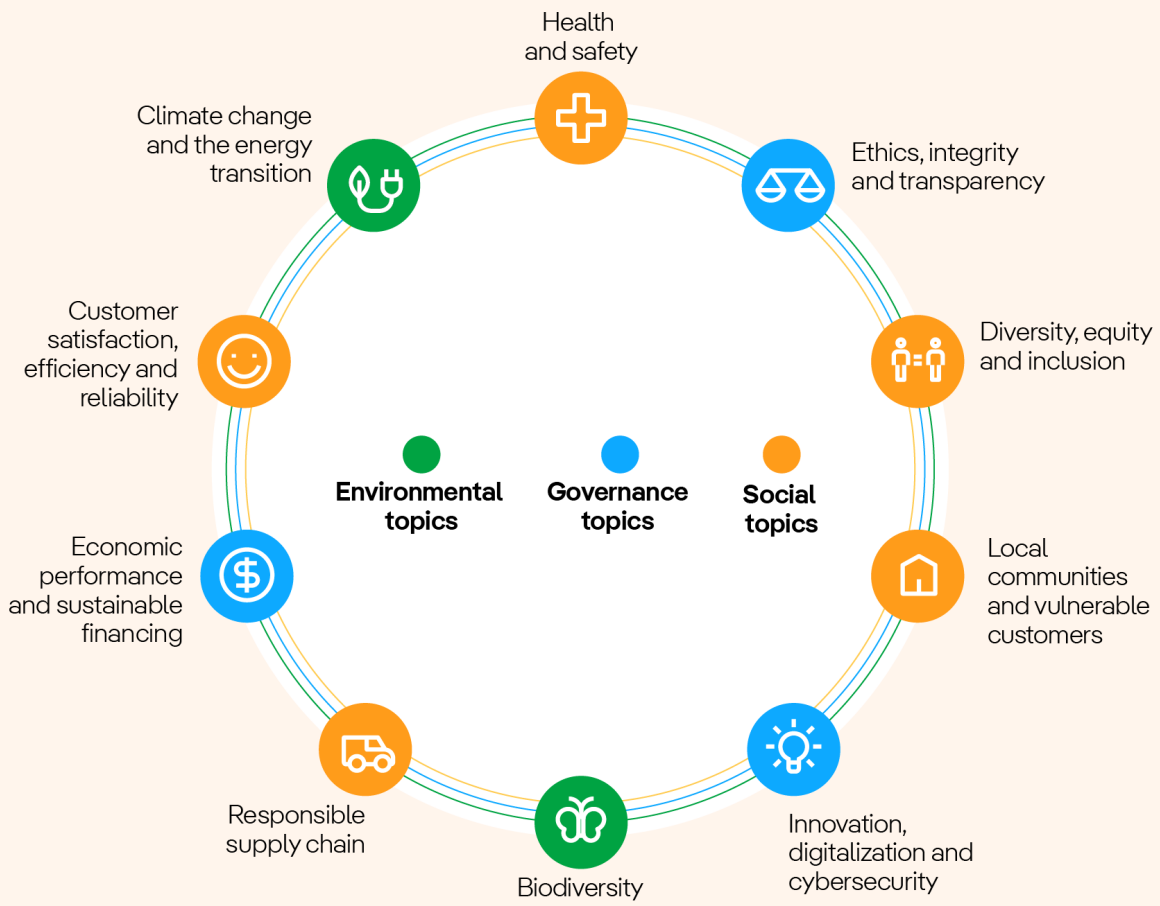
GRI 3-2

The definition of material topics was based on the priorities decided by the company's directors. Perceptions of stakeholders were considered, but the recommendations of GRI Standards 2021 to no longer represent these topics in a matrix that encompassed two independent concepts – stakeholders and business vision – were followed. Greater emphasis was placed on assessing the main current and potential impacts of each topic, as well as including our business strategy, Values and the ESG 2025 and 2030 Commitments that we have made and which are aligned with the 2030 Agenda of the Sustainable Development Goals (SDGs).

The Innovation, Sustainability and Climate Change Superintendency of the Regulation, Institutional and Sustainability Department evaluated the initial prioritization. Some topics were grouped together on the understanding that they represented similar or complementary concepts and impacts, bringing the total to 16 material topics. The final version of parent company Iberdrola's 2022 materiality study was also assessed.

The result classified ten topics as priorities, with another six considered to be relevant and requiring monitoring, but with less emphasis on management aspects.

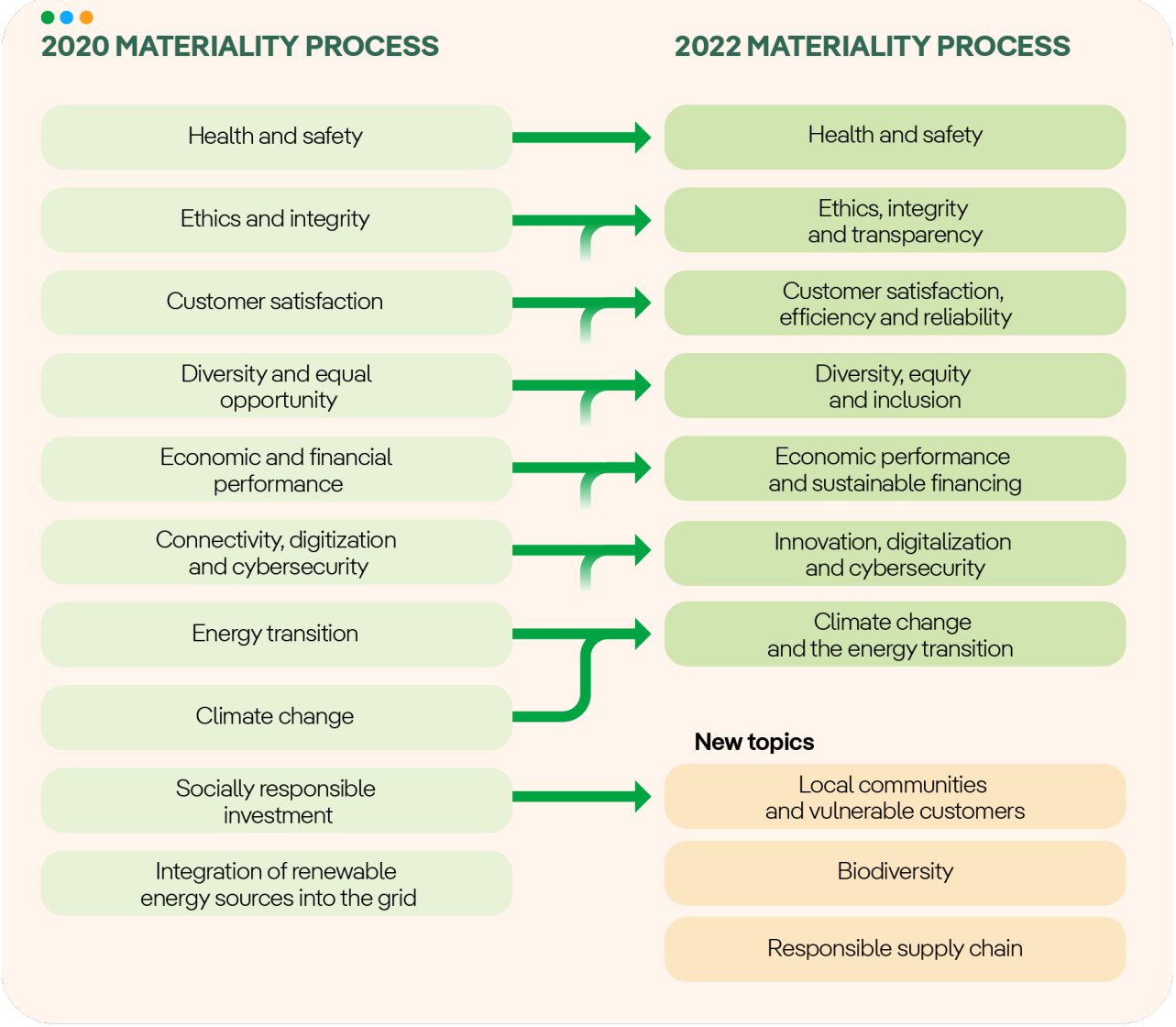
PRIORITY TOPICS



TOPICS TO BE MONITORED

- Risk and crisis management
- People management and development
- Integration of renewable energy sources into the grid
- Circular economy
- Water
- Natural capital management

Compared to the previous materiality matrix, defined in 2020, nine topics were maintained, some with terminology adjustments (e.g. Ethics and Integrity, now Ethics, Integrity and Transparency); one was deleted (Integration of renewable energies into the electricity system), and three new ones included (Local Communities and Vulnerable Customers, which absorbed the 2020 topic Socially Responsible Investment; Biodiversity; and Responsible Supply Chain), as detailed below:



IMPACTS OF PRIORITY TOPICS

GRI 3-2, 3-3

Impacts	Commitments ESG 2030
Environmental topics	
Climate change and energy transition	
The consumption of energy from fossil sources has environmental and human health impacts. Globally, regulations are being expanded to promote the transition to a low-carbon economy, linked to the generation of clean and renewable energy. We are prioritizing growth in renewable energies (hydro, wind and solar), with positive environmental impacts (less GHG emissions) and socio-economic impacts (job and income generation, tax collection, etc.). The energy transition is also about tackling climate change, which has economic, environmental and human impacts on the three main risks for the next decade identified in the Global Risks Report released by the World Economic Forum at the beginning of 2023. Aware of the importance of facing this challenge adequately, we have assessed the risks and opportunities arising from climate change (physical, operational and financial) and analyzed how to integrate them into our day-to-day operations. For the electricity sector, the risk of mitigation can lead to changes in the business model, and the risk of adaptation (physical) can impact facilities and operations.	Greenhouse gas emissions (scope 1): reduce from 61 gCO2 /kWh of energy generated in 2021 to 20 gCO2 /kWh. Fleet electrification: increase from 5% of light vehicles in 2021 to 50%. Fleet of sustainable vehicles (flex, hybrid or electric): reach 100%, we currently are at 99%.

Impacts	ESG 2030 Commitments
Environmental topics	
Biodiversity	
Aware of the impacts that our generation, distribution and transmission infrastructures have on the environment (visual, landscape, etc.), we invest in finding innovative solutions that minimize these issues. Similarly, society's concern about the consequences of the loss of biodiversity on the planet has led companies to manage their impacts and adopt actions that contribute to reducing their ecological footprints. One of the most common activities is the development of biodiversity policies and strategies that make it possible to quantify not only the impact of business on biodiversity, but also the impact that biodiversity loss could have on that business. Biodiversity loss is rated as the fourth greatest threat to the future of the planet, according to the Global Risks Report, released by the World Economic Forum at the beginning of 2023.	Biodiversity: 100% of assets with biodiversity assessment and positive impact plan.
Social topics	
Health and safety	
Safety is one of our values and forms part of our ESG 2030 Commitments. Preventing accidents with the electricity grid is a constant concern for our employees, partners and the community. The electricity sector presents a high risk of accidents at work, and accidental contact with the electricity grid can result in fatalities for the populace. In this sense, structured prevention programs and the construction of a culture of caring for life are applied in internal processes, in relations with service providers and in educational campaigns on safe use of the electricity grid aimed at communities.	Workplace Accidents: achieve a rate of <0.39 accidents with and without time off for own employees (0.44 in 2021). Certification: have 60% of own employees working at ISO 45001 certified sites (38% in 2021).
Diversity, equality and inclusion	
A diverse, ethical and inclusive environment involves respect for human rights and equal opportunities for all people. This has positive economic and social impacts, the effect of greater engagement and plurality in building results. Aspects such as the pay gap and the presence of women in management positions appear in numerous discussions, attracting the attention of companies to adopt measures to help balance diversity in the workplace. In view of this scenario, the development of hiring mechanisms based on individual capabilities as well as the review of remuneration and promotion policies are some of the aspects that are recurrently addressed.	Reach 35% of women in relevant positions. Have 40% of women in leadership positions. Achieve 35% women training in electrician schools. Place 12% of women in electrician jobs. Have 40% black people in leadership positions.
Local communities and vulnerable customers	
We are committed to actively bolstering the development of the communities in which we operate and to managing the socio-economic and environmental impacts of our operations. The initiative focuses on serving vulnerable customers, understanding that access to electricity is the basis for developing communities and improving people's quality of life. The socio-economic environment in which our companies operate and the relationships they have with local communities are increasingly becoming a key element. In this sense, we believe that establishing appropriate communication mechanisms and meeting the demands of these interest groups are fundamental to improving engagement and strengthening the relationship between the parties.	Expand corporate volunteering to 4,700 participants (2,000 in 2021). Beneficiaries of Instituto Neoenergia's actions: increase from 109,000 (2021) to 412,000.
Responsible supply chain	
Supply chains can have a series of direct and indirect environmental, economic and social impacts, including on human rights, with a potential negative effect on our results and reputation. That's why we extend our environmental, social and governance commitments to suppliers, including contractual clauses and mechanisms for monitoring these aspects. Monitoring and evaluation allow us to align the supply chain with our corporate sustainable development strategy.	Have over 85% of relevant suppliers classified as sustainable. Keep purchases from local suppliers above 90% of total purchases.

Impacts	ESG 2030 Commitments
Social topics	
Client satisfaction, efficiency and reliability	
Maintaining a close relationship with our clients and their high level of satisfaction through increasingly simple, effective and digital processes continues to be our focus, centered on providing a quality service at a fair price. Our companies serve consumers who expect more than just quality; they want to have an active voice within the companies, they expect to have a delightful experience and easily find solutions to their questions and problems. Economic and reputational impacts are managed through investments in improved services, network automation, digitalization, efficiency and reliability that contribute to a reduction in fines resulting from supply interruptions and a decrease in customer complaints.	Reach 90% of digitalized networks. Reduce the Equivalent Duration of Interruptions per consumer unit from 10.23 hours in 2021 to 8.44 hours. Digital clients: increase from 91.8% of digital transactions to 95.1% Inclusion and diversity solutions for customer service: from 10 solutions implemented in 2021 to 22 in 2025.
Governance topics	
Ethics, integrity and transparency	
Corruption is a serious concern in society, which is why anti-corruption rules and standards are being designed to reduce this danger. The route to excellence involves maintaining high ethical, compliance, and transparency standards. Ethics is one of our values, and zero tolerance for corruption is part of our corporate conduct standards to minimize economic, environmental, and social consequences translated into penalties and poor reputation, as well as damage to the environment and people.	Link 33% of variable remuneration to ESG performance. Maintain best corporate governance practices. Maintain independent external certification or validation of the compliance system.
Economic and financial issues	
Economic performance and sustainable financing	
The global volatility of the economy, with cycles of high interest rates and inflation, requires companies to maintain constant control and develop management systems that include measures to anticipate and mitigate economic impacts. The issue also involves attracting sustainable financing, linked to socio-environmental performance clauses and socially responsible investments.	Annual review and update of the green financing framework. Achieve at least 75% of new financial contracts signed between 2026 and 2030 with a green rating.
Innovation, digitalization and cybersecurity	
Innovation, research and development are essential if the electricity sector is to achieve its goal of ensuring clean and affordable energy. This involves aspects such as electric mobility, generation and consumption microgrids, energy storage, etc. It is also essential to expand connectivity and digitalization, creating opportunities for new business models, better customer service and efficiency gains. The cybersecurity aspect is also growing in importance around the increased digitalization of processes. A series of security risks require companies to take actions and develop strategies to prevent cyber-attacks on their equipment and systems.	Carry out 13,100 hours of cybersecurity education and training annually. Conduct 316 annual assessments or external cybersecurity checks.

6.4 GRI Content Index

Statement of use	Neoenergia has reported in accordance with the GRI Standards for the period of January 1 to December 31, 2023.
GRI 1 used	GRI 1 – Foundation 2021
Applicable GRI Sector Standard(s)	Electric Utilities (EU) G4

GRI Standard	Disclosure	Location	Omissions	GRI sector	Global Compact	SDG
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	8. 17, 18,166, 235	-	-	-	-
	2-2 Entities included in the organization's sustainability reporting	202	-	-	-	-
	2-3 Reporting period, frequency and contact point	201, 202	-	-	-	-
	2-4 Restatements of information	46, 47, 48, 49, 227, 228	-	-	-	-
	2-5 External assurance	201	-	-	-	-
GRI Sector	EU1 Installed capacity, broken down by primary energy source and by regulatory regime	8, 16	-	EU1	-	7.2
	EU2 Net energy output broken down by primary energy source and by regulatory regime	16	-	EU2	-	7.2, 14.3
	EU3 Number of residential, industrial, institutional and commercial customer accounts	17	-	EU3	-	-
	EU4 Length of above and underground transmission and distribution lines by regulatory regime	17	-	EU4	-	-
	EU5 Allocation of CO_2e emissions allowances or equivalent, broken down by carbon trading framework	None sold	-	EU5	-	13.1, 14.3, 15.2
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	8, 17, 135, 202	-	-	-	-
	2-7 Employees	91, 221, 222, 223	-	-	-	8.5, 10-3
	2-8 Workers who are not employees	91	-	-	-	8.5
	2-9 Governance structure and composition	164, 165	-	-	-	5.5, 16.7
	2-10 Nomination and selection of the highest governance body	166	-	-	-	5.5, 16.7
	2-11 Chair of the highest governance body	164	-	-	-	16.6
	2-12 Role of the highest governance body in overseeing the management of impacts	7, 167, 178	-	-	-	16.7
	2-13 Delegation of responsibility for managing impacts	167	-	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	201	-	-	-	-
	2-15 Conflicts of interest	166, 181	-	-	-	16.6
	2-16 Communication of critical concerns	167	-	-	-	-
	2-17 Collective knowledge of the highest governance body	34,167	-	-	-	-
	2-18 Evaluation of the performance of the highest governance body	167	-	-	-	-
	2-19 Remuneration policies	168	-	-	-	-
	2-20 Process to determine remuneration	168	-	-	-	-

	2-21 Annual total compensation ratio	168	-	-	-	-
	2-22 Statement on sustainable development strategy	3	-		-	-
	2-23 Policy commitments	7, 29, 31, 63, 169, 178, 184	-		10	16.3
	2-24 Embedding policy commitments	169, 174	-		-	-
	2-25 Processes to remediate negative impacts	146, 170, 174	-		-	-
	2-26 Mechanisms for seeking advice and raising concerns	176, 179	-		-	16.3
	2-27 Compliance with laws and regulations	74, 75,188,221, 224, 225, 228	-		-	16.3
	2-28 Membership associations	182	-		-	-
	2-29 Approach to stakeholder engagement	85, 86, 87, 130	-		-	-
	2-30 Collective bargaining agreements	96	-		3	8.8
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	203	-		-	-
	3-2 List of material topics	204, 206	-		-	-
Economic performance – Material topics: Economic performance and sustainable financing | Climate change and energy transition						
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 31, 45, 58, 186, 189, 191, 206, 208	-		-	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	190, 227	-		-	8.1, 8.2, 9.1, 9.4, 9.5
	201-2 Financial implications and other risks and opportunities due to climate change	38, 39	-		7	13.1
	201-3 Defined benefit plan obligations and other retirement plans	97	-		-	-
	201-4 Financial assistance received from government	188	-		-	-
Indirect economic impacts – Material topic: Local communities and vulnerable customers						
GRI 3: Material Topics 2021	3-3 Management of material topics	146, 149, 207	-		-	-
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	81, 145, 146, 147, 151, 153, 155, 156	-		-	5.4, 9.1, 9.4, 11.2
	203-2 Significant indirect economic impacts	151, 153	-		-	1.2, 1.4, 3.8, 8.2, 8.3, 8.5
Procurement practices – Material topic: Responsible supply chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 135, 136, 138, 207	-		-	-
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	136	-		-	8.3
Anti-corruption – Material topic: Ethics, integrity and transparency						
GRI 3: Material Topics 2021	3-3 Management of material topics	176, 178, 182, 208	-		-	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	140, 179, 228	-		10	16.5
	205-2 Communication and training about anti-corruption policies and procedures	181, 182	-		10	16.5
	205-3 Confirmed incidents of corruption and actions taken	180, 228	-		10	16.5
Anti-competitive behavior – Material topic: Ethics, integrity and transparency						
GRI 3: Material Topics 2021	3-3 Management of material topics	176, 178, 182, 208	-		-	-
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	178	-		-	16.3

Tax – Material topic: Economic performance and sustainable financing						
GRI 3: Material Topics 2021	3-3 Management of material topics	186, 208	-		-	-
GRI 207: Tax 2019	207-1 Approach to tax	186	-		-	1.1, 1.3, 10.4, 17.1, 17.3
	207-2 Tax governance, control, and risk management	186	-		-	-
	207-3 Stakeholder engagement and management of concerns related to tax	186	-		-	-
	207-4 Relato país-a-país	187	-		-	-
GRI sector: Availability and Reliability – Material topic: Customer satisfaction, efficiency and reliability						
Availability and Reliability	EX-EU6 Management approach to ensure short and long-term electricity availability and reliability	43	-	ex-EU6	-	7.1
	EU10 Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	44	-	EU10	-	7.1
GRI sector: Demand-Side Management – Material topic: Customer satisfaction, efficiency and reliability						
Management approach	EX-EU7 Demand-side management programs including residential, commercial, institutional and industrial programs	143	-	ex-EU7	-	7.3, 8.4, 12.2, 13.1
GRI sector: Research and Development – Material topic: Innovation, digitalization and cybersecurity						
GRI sector: Demand-Side Management	EX-EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	115	-	ex-EU8	-	7.2, 7a, 7b, 9.4, 9.5, 17.7
GRI sector: Plant Decommissioning						
GRI sector: Research and Development	EX-EU9 Provisions for decommissioning of nuclear power sites	Not applicable. We do not operate nuclear generation facilities	-	ex-EU9	-	12.4
GRI sector: System Efficiency – Material topic: Customer satisfaction, efficiency and reliability						
System Efficiency	EU11 average generation efficiency of thermal plants by energy source and by regulatory regime	60	-	EU11	-	7.3, 8.4, 12.2, 13.1, 14.3
	EU12 transmission and distribution losses as a percentage of total energy	59, 60	-	EU12	-	-
Energy – Material topic: Climate change and energy transition						
GRI 3: Material Topics 2021	3-3 Management of material topics	58, 206	-		-	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	59	-		7, 8	7.2, 7.3, 8.4, 12.2, 13.1
	302-2 Energy consumption outside of the organization	61	-		8	7.2, 7.3, 8.4, 12.2, 13.1
	302-4 Reduction of energy consumption	61	-		8, 9	7.3, 8.4, 12.2, 13.1
	302-5 Reductions in energy requirements of products and services	61, 143	-		8, 9	7.3, 8.4, 12.2, 13.1
Biodiversity – Material topic: Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	62, 207	-	-	-	-
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	67	-	-	8	6.6, 14.2, 15.1, 15.5
	304-2 Significant impacts of activities, products and services on biodiversity	65	-	-	8	6.6, 14.2, 15.1, 15.5
	304-3 Habitats protected or restored	68	-	-	8	6.6, 14.2, 15.1, 15.5

	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	68	-	-	8	6.6, 14.2, 15.1, 15.5
GRI sector	EU13 biodiversity of offset habitats compared to the biodiversity of the affected areas	68	-	EU13	8	6.6, 9.5, 14.2, 15.1, 15.4, 15.5
Emissions – Material topics: Climate change and energy transition						
GRI 3: Material Topics 2021	3-3 Management of material topics	29, 31, 45, 58, 206	-	-	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	46, 47, 220	-	-	7, 8	3.9, 12.4, 13.1,14.3, 15.2
	305-2 Energy indirect (Scope 2) GHG emissions	46, 47	-	-	7, 8	3.9, 12.4, 13.1,14.3, 15.2
	305-3 Other indirect (Scope 3) GHG emissions	46, 48	-	-	7, 8	3.9, 12.4, 13.1,14.3, 15.2
	305-4 GHG emissions intensity	49	-	-	7, 8	13.1, 14.3, 15.2
	305-5 Reduction of GHG emissions	49	-	-	7, 8	3.9, 12.4
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	47	-	-	7, 8	3.9, 12.4, 13.1,14.3, 15.2
Supplier environmental assessment – Material topic: Responsible supply chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	135, 136, 138, 207	-	-	-	-
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	136	-	-	8	-
	308-2 Negative environmental impacts in the supply chain and actions taken	139, 224	-	-	8	-
Occupational health and safety – Material topic: Health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	107, 132, 133, 207	-	-	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	108	-	-	-	8.8
	403-2 Hazard identification, risk assessment, and incident investigation	109	-	-	-	8.8
	403-3 Occupational health services	110	-	-	-	8.8
	403-4 Worker participation, consultation, and communication on occupational health and safety	110	-	-	-	8.8, 16.7
	403-5 Worker training on occupational health and safety	111	-	-	-	8.8
	403-6 Promotion of worker health	111	-	-	-	3.3, 3.5, 3.7, 3.8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	110	-	-	-	8.8
	403-8 Workers covered by an occupational health and safety management system	108,109	-	-	-	8.8
	403-9 Work-related injuries	113, 114	-	-	-	3.6, 3.9, 8.8, 16.1
	403-10 Work-related ill health	114	-	-	-	3.3, 3.4, 3.9, 8.8, 16.1
GRI sector	EX-EU16 Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	107	-	ex-EU16	-	8.8
	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	223	-	EU18	-	8.8
Training and education – Material topic: Diversity, equality and inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	90, 207	-	-	-	-

GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	105	-	-	6	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
	404-2 Programs for upgrading employee skills and transition assistance programs	103	-	-	6	8.2, 8.5
	404-3 Percentage of employees receiving regular performance and career development reviews	107	-	-	6	5.1, 8,5, 10.3
Diversity and equal opportunity – Material topic: Diversity, equality and inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	90,98, 207	-	-		-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	91, 92, 101, 165	-	-	6	5.1, 5.5, 8,5
	405-2 Ratio of basic salary and remuneration of women to men	103	-	-	6	5.1, 8.5, 10.3
Non-discrimination – Material topic: Diversity, equality and inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	79, 207			-	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	80	-	-	6	5.1, 8.8
Child labor – Material topic: Responsible supply chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 135, 136, 138, 207	-	-	-	-
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	79, 139	-	-	5	5.2, 8.7, 16.2
Forced or compulsory labor – Material topic: Responsible supply chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 135, 138, 207	-	-	-	-
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	79, 139	-	-	4	5.2, 8.7
Local communities – Material topic: Local communities and vulnerable customers						
GRI 3: Material Topics 2021	3-3 Management of material topics	146, 149, 207	-	-	-	-
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	149, 153, 155, 156	-	-	1	-
	413-2 Operations with significant actual and potential negative impacts on local communities	149	-	-	1	1.4, 2.3
GRI Sector	EX-EU19 Stakeholder participation in the decision making process related to energy planning and infrastructure development	67, 152	-	ex-EU19	-	1.4, 2.3, 9.1, 9a, 16.7
	EX-EU20 Approach to managing the impacts of displacement	152	-	ex-EU20	-	1.4, 2.3, 11.4
	EU22 Number of people physically or economically displaced and compensation, broken down by type of project	152	-	EU22	-	1.4, 2.3
Disaster/emergency planning and response – Material topic: Customer satisfaction, efficiency and reliability						
GRI sector: Disaster/emergency planning and response	EX-EU21 Contingency planning measures, disaster/emergency management plan and training programs, and recovery/ restoration plans	174	-	ex-EU21		1.5, 11.5
Supplier social assessment – Material topic: Responsible supply chain						
GRI 3: Material Topics 2021	3-3 Management of material topics	78, 135, 136, 138, 207	-	-	-	-
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	136	-	-	2	5.2, 8.8, 16.1
	414-2 Negative social impacts in the supply chain and actions taken	139	-	-	2	5.2, 8.8, 16.1

Public policy – Material topic: Ethics, integrity and transparency						
GRI 3: Material Topics 2021	3-3 Management of material topics	176, 178, 182, 208	-	-	-	-
GRI 415: Public policy 2016	415-1 Political contributions	184	-	-	10	16.5
Customer health and safety – Material topic: Health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	107, 132, 133, 207	-	-	-	-
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	136	-	-	-	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	139	-	-	-	16.3
GRI sector	EU25 Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	226	-	EU25	-	-
Marketing and labeling – Material topic: Customer satisfaction, efficiency and reliability						
GRI 3: Material Topics 2021	3-3 Management of material topics	131. 175, 208	-	-	-	-
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	131	-	-	-	12.8
	417-2 Incidents of non-compliance concerning product and service information and labeling	226	-	-	-	16.3
	417-3 Incidents of non-compliance concerning marketing communications	131	-	-	-	16.3
Customer privacy – Material topics: Customer satisfaction, efficiency and reliability | Innovation, digitalization and cybersecurity						
GRI 3: Material Topics 2021	3-3 Management of material topics	175, 208	-	-	-	-
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	175	-	-	-	16.1, 16.3
GRI sector: Access – Material topics: Local communities and vulnerable customers | Customer satisfaction, efficiency and reliability						
GRI sector: Access	EX-EU23 Programs, including those in partnership with government, to improve or maintain access to electricity and customer support services	141	-	ex-EU23	-	1.4, 7.1
	EX-EU24 Practices to address language, cultural, low literacy and disability related barriers to accessing and safely using electricity and customer support services	133	-	ex-EU24	-	1.4, 7.1
	EU26 Percentage of population unserved in licensed distribution or service areas	141	-	EU26	-	1.4, 7.1
	EU27 Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	226	-	EU27	-	1.4, 7.1
	EU28 Power outage frequency	129	-	EU28	-	1.4, 7.1
	EU29 Average power outage duration	129	-	EU29	-	1.4, 7.1
	EU30 average plant availability factor by energy source and by regulatory regime	44	-	EU30	-	1.4, 7.1

GRI Standard	Disclosure	Location	GRI sector	Global Compact	SDG
Additional GRI disclosures – Topics not included in the materiality matrix, but which Neoenergia has elected to report on as a requirement for certain sustainability index					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	103, 228	-	6	1.2, 5.1, 8.5
	202-2 Proportion of senior management hired from the local community	91	-	6	8.5
GRI 301: Materials 2016	301-1 Materials used by weight or volume	51	-		8.4, 12.2
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	55	-	-	6.3, 6.4, 6A, 6B, 12.4
	303-2 Management of water discharge-related impacts	55	-	-	6.3
	303-3 Water withdrawal	57, 220	-	-	6.4
	303-4 Water discharge	57	-	-	6.3
	303-5 Water consumption	56, 57	-	-	6.4
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	51	-	-	3.9, 6.3, 6.6, 11.6, 12.4, 12.5
	306-2 Management of significant waste-related impacts	51	-	-	3.9, 6.3, 8.4, 11.6, 12.4, 12.5
	306-3 Waste generated	53	-	-	3.9, 6.6, 11.6, 12.4, 12.5, 15.1
	306-4 Waste diverted from disposal	54	-	-	3.9, 11.6, 12.4, 12.5
	306-5 Waste directed to disposal	54, 55	-	-	3.9, 11.6, 12.4, 12.5
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	94, 95, 222	-	6	5.1, 8.5, 8.6, 10.3
	401-3 Parental leave	102	-	6	5.1, 5.4, 8.5
GRI sector	Ex-EU14 Programs and processes to ensure the availability of a skilled workforce	103	Ex-EU14	-	4.4, 8.5
	EU15 Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	94	EU15	-	8.5
GRI 402: Labor/Management relations 2016	402-1 Minimum notice periods regarding operational changes	96	-	3	8.8
GRI 407: 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	79, 96, 139	-	3	8.8
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	84	-	1	16.1
GRI 411: Rights of Indigenous 2016	411-1 Incidents of violations involving rights of indigenous peoples	80	-	1	2.3

Independent limited assurance

GRI 2-5

Neoenergia audits its annual information, both financial information and management reports (individual and consolidated with its subsidiaries). Non-financial information were subject to limited assurance by an independent auditor, Deloitte Touche Tohmatsu Auditores Independentes Ltda. Limited assurance report issued by independent auditor is included at the end of this document.

Sector standards for companies in the electrical sector

This index incorporates the topics and content required by this supplement, published by GRI in 2014, in the G4 version of the guidelines. The EU symbol indicates the basic general and topical contents of the GRI Standards in which sector-specific information is requested.

6.5 SASB Summary

Sustainability Accounting Standards Board (SASB)

Sustainability Disclosure Topics & Metrics

Topic	Code	Accounting metric	Page
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions (tCO_2e)	46, 47
	IF-EU-110a.1	(2) Percentage covered under emissions-limiting regulation	0%
	IF-EU-110a.1	(3) Percentage covered under emissions-reporting regulations	0%
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	47
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	45, 58
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS)	NA
	IF-EU-110a.4	(2) Percentage fulfillment of RPS target by market	NA
Air Quality	Air emissions of the following pollutants in or near areas of dense population		
	IF-EU-120a.1	(1) NO_x, excluding N2O (t e %)	49
	IF-EU-120a.1	(2) SOx (t e %)	49
	IF-EU-120a.1	(3) Particulate matter – PM10 (t e %)	NA
	IF-EU-120a.1	(4) Lead (Pb (t e %)	NA
	IF-EU-120a.1	(5) Mercury (Hg) (t e %)	NA
Water Management	IF-EU-140a.1	(1) Total water withdrawn (thousand cubic meters – m3)	56, 57
	IF-EU-140a.1	(2) Total water consumed (thousand cubic meters – m3) , percentage of each in regions with High or Extremely High Baseline Water Stress (%)	56, 57
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	56
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	Non-material indicator, given that the level of risk in extraction and consumption in general is very low. Furthermore, the information are published in the CDP Water report
Coal Ash Management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated (ton), percentage recycled (%)	We do not operate coal power plants
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	
Energy Affordability	IF-EU-240a.1	Average retail electric rate for (1) residential customers	227
	IF-EU-240a.1	Average retail electric rate for (2) commercial customers	227
	IF-EU-240a.1	Average retail electric rate for (3) industrial customers	227
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh (R$) of electricity delivered per month (R$)	227
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (2) 1.000 kWh of electricity delivered per month (R$)	227
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	226
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	37, 142
Workforce Health & Safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR) %	112, 113, 114
	IF-EU-320a.1	(2) Fatality rate, %	113
	IF-EU-320a.1	(3) Near miss frequency rate (NMFR) %	114

End-Use Efficiency & Demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Tariff structures are not applicable in Brazil
	IF-EU-420a.2	Percentage of electric load served by smart grid technology (%/MWh)	44
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	61
Nuclear Safety & Emergency Management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	We do not operate nuclear power plants
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	None
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI) – in Brazil, DEC, in hours	129
	IF-EU-550a.2	(2) System Average Interruption Frequency Index (SAIFI) _ in Brazil, FEC, in times	129
	IF-EU-550a.2	(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	NA

NA: Not available.

Activity Metrics

Code	Activity metric	Page
IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	17
IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	9
IF-EU-000.C	Length of transmission and distribution lines (km)	17
IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	16
IF-EU-000.E	Total wholesale electricity purchased (MWh)	We operate in multiple markets, where it engages in activities such as power generation, trading in regulated markets, trading in liberalized markets and electricity purchase and sale transactions in spot and forward markets. For this reason, this disclosure is not considered to describe any significant aspect related to the evolution of the business.

6.6 UN Global Compact contents index

The table below shows the connection between the GRI disclosures of this report and the 10 Global Compact Principles, as well as management approach disclosures for each GRI aspect. Using the table's index, each stakeholder can assess the level of Neoenergia's advancement with respect to each of these principles:

UN Global Compact contents index

Topic	Principles of the Global Compact	GRI Indicators more relevant	SDG
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	410-1, 412-2, 413-1, 413-2	16.1. 1.4, 2.3
	Principle 2: Businesses make sure that they are not complicit in human rights abuses	414-2	5.2, 8.8, 16.1
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2-30, 407-1, 402-1	8.8
	Principle 4: Businesses should support the elimination of all forms of forced and compulsory	409-1	5.2, 8.7
	Principle 5: Businesses should support the effective abolition of child labor	408-1	5.2, 8.7, 16.2
	Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation	2-7, 2-8, 202-1, 401-1, 401-3, 404-1, 404-3, 405-2,406-1	1.2, 3.2, 5.1, 5.4, 8.2, 8.5, 8.6, 8.8, 10.3,
Environment	Principle 7: Businesses should undertake initiatives to promote greater environmental responsibility	201-2, 301-1, 302-1, 303-1, 305-1 a 305-3, 305-7	3.9, 8.4, 12.2, 12.4, 12.5, 13.1, 14.3, 15.2
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	301-1 a 307-1, 308-2	3.9, 6.3, 6.4, 6.6, 7.2, 7.3, 8.4, 9.5, 12.2, 12.4, 12.5, 13.1, 14.2. 14.3, 15.1, 15.2, 15.5,
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	302-4, 302-5, 305-5	3.9, 7.3, 8.4, 12.2, 12.4, 13.1,14.3, 15.2
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	2-23, 2-24, 205-2, 205-3, 415-1	16.3, 16.5

6.7 Contact point for matters related to this report

GRI 2-3

General questions about this report can be clarified by contacting Neoenergia's Innovation, Sustainability, Climate Change and Corporate Social Responsibility Superintendency at e-mail sustentabilidade@neoenergia.com

7. Annexes

7.1 Complementary information

ABNT NBR CERTIFICATIONS

Certification	Company	Scope	Validity
ISO 37001:2016	Neoenergia Termopernambuco NC Energia	Anti-Bribery Management System	02/01/2026 01/31/2026 03/02/2025
ISO 10002:2018	Neoenergia Coelba Neoenergia Pernambuco Neoenergia Elektro Neoenergia Cosern Neoenergia Brasília	Complaint management	12/17/2025
ISO 14001:2015	Neoenergia Elektro	Rendering of construction, maintenance and operation services for the electricity network; Distribution of electricity	12/03/2025
ISO 14001:2015	Neoenergia Pernambuco	Administrative activities at the distributor's headquarters; support for the Tubarão thermoelectric plant.	12/02/2025
ISO 9001:2015	Neoenergia Coelba Neoenergia Pernambuco Neoenergia Elektro Neoenergia Cosern Neoenergia Brasília	Management of data collection and calculation of commercial standards; Collection and calculation of individual and collective electrical system data; Collection and generation of data for calculating telephone service quality indicators; Management of Ombudsman complaints; Management of the opening of complaint notes; Treatment of customer complaints; Calibration of electricity meters; Measurement process, data collection, calculation of indicators and compensation related to voltage in the permanent regime.	Neoenergia Brasília: 11/16/2025 Neoenergia Coelba: 12/01/2025 Neoenergia Pernambuco e Neoenergia Elektro: 12/03/2025 Neoenergia Cosern: 01/21/2026
ISO 45001:2018	Neoenergia Coelba	Light Corrective and Preventive Maintenance activities on the power distribution network in the Agreste region of Bahia	12/21/2024
ISO 45001:2018	Neoenergia Cosern	Light Corrective and Preventive Maintenance activities on the power distribution network in the metropolitan region of Natal (RN)	10/28/2025
ISO 45001:2018	Neoenergia Pernambuco	Administrative activities in the distributor's headquarters building and Light Corrective and Preventive Maintenance activities in the energy distribution network in the area of the municipality of Arcoverde (PE)	05/17/2024
ISO 45001:2018	Neoenergia Elektro	Light Corrective and Preventive Maintenance activities on the power distribution network	03/11/2024
ISO 45001:2018	Neoenergia Brasília	Light, Corrective and Preventive Maintenance activities on the Federal District's distribution network	01/11/2026
ISO 9001:2015	Neoenergia Transmissão	Rendering of remote operation and maintenance engineering management services for substations and transmission lines.	03/20/2026
ISO 45001:2018	Neoenergia Transmissão	Administrative activities at the Transmission Operation Center (COT) in the EKOM/Campinas electricity networks and regional maintenance at the Fernão Dias/Atibaia/SP substation.	01/26/2026

ISO 9001:2015	Termopernambuco	Generating electricity from natural gas	05/16/2024
ISO 14001:2015 ISO 45001:2018	Termopernambuco	Generating electricity from natural gas	05/20/2024
ISO 9001:2015	Neoenergia Renováveis S.A.	Operation of renewable energy installations in Brazil (Wind and Solar)	05/30/2024
ISO 14001:2015	Neoenergia Renováveis S.A.	Operation and maintenance of onshore wind farms in Brazil	12/16/2025
ISO 45001: 2018	Neoenergia Renováveis S.A.	Operation and maintenance of onshore wind farms in Brazil	03/11/2024
ISO 45001: 2018	Neoenergia Operação e Manutenção	Operation and Maintenance of Electricity Generation Projects	06/21/2025
ISO 55001	All HPP of Neoenergia Group	Operation and maintenance, including asset management of power generation projects	04/21/2026
ISO 9001:2015 ISO 14001:2015 ISO 45001:2018	HPP Teles Pires HPP Itapebi HPP Corumbá HPP Dardanelos HPP Baixo Iguaçu	Plant operation and maintenance	02/02/2024 06/21/2025 06/21/2025 06/21/2025 06/21/2025

Environmental dimension

WATER COLLECTION – THERMAL GENERATION (hm³)[1]

GRI 303-3 | SDG 6.4

	Collection					Disposal
	Total collection	Water collection in workshops	Water collection in the auxiliary services process	Water collection for cooling	Cooling water evaporation	Water disposal
2023	46,542	167	23	46,351	0	46,351

[1] Water collection in combined cycle thermal generation plants.

NO_x, SO_2 AND OTHER SIGNIFICANT ATMOSPHERIC EMISSIONS

GRI 305-7 | SDG 3.9, 12.4,14.3, 15.2

	2023	2022	2021
NO_X emissions (t) at power stations[1]	7	2	194
Sulphur dioxide (SO_2) emissions (t) from generation and cogeneration plants	0	0	10
Particulate emissions (t) from generation and cogeneration plants	0	0	0

[1] The reduction in NO_X and SO_2 emissions is justified by the fact that Termopernambuco did not generate any energy in 2022 and generated only a few days during 2023.

GREENHOUSE GAS EMISSIONS IN PRODUCTION FACILITIES (SCOPE 1) – tCO_2e

GRI 305-1 | SDG 3.9, 12.4, 13.1,14.3, 15.2

	2023	2022	2021
Thermal power plant[1]	49,484	19,337	921,137

[1] The reduction in emissions is justified by the fact that Termopernambuco will not have generated any energy in 2022 and will have generated only a few days during 2023.

NUMBER OF ENVIRONMENTAL VIOLATIONS OVER US$ 10 THOUSAND

GRI 2-27 | SDG 16.3

	2023	2022	2021
Number of environmental violations over US$ 10,000 (no.)[1]	0	1	3
Number of fines/penalties over US$ 10,000 in the year (no.)	0	2,510,500	7,417,073
Accumulated environmental liability at the end of the year (R$)	0	2,510,500	7,417,073

[1] We recorded a single assessment, in May 2022, in the amount of R$ 2,510,500.00. The case is currently being processed by the agency, awaiting the scheduling of a conciliation hearing, for the subsequent presentation of a defense, if necessary.

Social dimension

EMPLOYEES BY TYPE OF JOB, GENDER AND AGE AT THE END OF THE YEAR (NO.)

GRI 2-7 | SDG 8.5, 10-3

	Full time			Part-time		
	2023	2022	2021	2023	2022	2021
Men (total)	**12,147**	**12,053**	**11,481**	**342**	**396**	**873**
Up to 30 years old	2,679	2,841	2,996	65	82	159
Between 31 and 50 years old	8,758	8,492	7,769	250	283	666
Over 51	710	720	716	27	31	48
Women (total)	**2,991**	**2,777**	**2,501**	**213**	**180**	**203**
Up to 30 years old	929	908	804	68	53	62
Between 31 and 50 years old	1,931	1,761	1,587	127	103	119
Over 51	131	108	110	18	24	22
Total	**15,138**	**14,830**	**13,982**	**555**	**576**	**1,076**
Up to 30 years old	3,608	3,749	3,800	133	135	221
Between 31 and 50 years old	10,689	10,253	9,356	377	386	785
Over 51	841	828	826	45	55	70

EMPLOYEES BY TYPE OF CONTRACT, GENDER AND PROFESSIONAL CATEGORY (NO.)

GRI 2-7 | SDG 8.5, 10-3

	Indefinite contract			Temporary contract		
	2023	2022	2021	2023	2022	2021
Men (total)	**12,489**	**12,447**	**12,343**	**0**	**2**	**11**
Leadership	296	289	286	0	0	0
Qualified technicians	2,062	2,027	1,868	0	0	1
Professionals and support staff	10,131	10,131	10,189	0	2	10
Women (total)	**3,204**	**2,957**	**2,702**	**0**	**0**	**2**
Leaders	129	117	102	0	0	0
Qualified technicians	1,468	1,454	1,301	0	0	0
Professionals and support staff	1,607	1,386	1,299	0	0	2
Total	**15,693**	**15,404**	**15,045**	**0**	**2**	**13**
Leaders	425	406	388	0	0	0
Qualified technicians	3,530	3,481	3,169	0	0	1
Professionals and support staff	11,738	11,517	11,488	0	2	12

EMPLOYEES BY TYPE OF CONTRACT, GENDER AND AGE GROUP (N°)

GRI 2-7 | SDG 8.5, 10-3

	Indefinite contract			Temporary contract		
	2023	2022	2021	2023	2022	2021
Men (total)	**12,489**	**12,447**	**12,343**	**0**	**2**	**11**
Up to 30 years old	2,744	2,922	3,149	0	1	6
Between 31 and 50 years	9,008	8,774	8,430	0	1	5
Over 51	737	751	764	0	0	0
Women (total)	**3,204**	**2,957**	**2,702**	**0**	**0**	**2**
Up to 30 years old	997	961	864	0	0	2
Between 31 and 50 years	2,058	1,864	1,706	0	0	0
Over 51	149	132	132	0	0	0
Total	**15,693**	**15,404**	**15,045**	**0**	**2**	**13**
Up to 30 years old	3,741	3,883	4,013	0	1	8
Between 31 and 50 years	11,066	10,638	10,136	0	1	5
Over 51	886	883	896	0	0	0

EMPLOYEES BY TYPE OF JOB, GENDER AND FUNCTIONAL CATEGORY (No.)

GRI 2-7 | SDG 8.5, 10-3

	Full time			Part-time		
	2023	2022	2021	2023	2022	2021
Men (total)	**12,147**	**12,053**	**11,481**	**342**	**396**	**873**
Leaders	296	289	286	0	0	0
Qualified technicians	2,046	2,024	1,856	16	3	13
Professionals and support staff	9,805	9,740	9,339	326	393	860
Women (total)	**2,991**	**2,777**	**2,501**	**213**	**180**	**203**
Leaders	128	117	102	1	0	0
Qualified technicians	1,446	1,448	1,297	22	6	4
Professionals and support staff	1,417	1,212	1,102	190	174	199
Total general	**15,138**	**14,830**	**13,982**	**555**	**576**	**1.076**
Leaders	424	406	388	1	0	0
Qualified technicians	3,492	3,472	3,153	38	9	17
Professionals and support staff	11,222	10,952	10,441	516	567	1,059

[1] Part-time: less than 200 hours.

EMPLOYEES WHO LEFT THE COMPANY BY GENDER AND AGE GROUP11

GRI 401-1 | SDG 5.1, 8.5, 8.6, 10.3

	Men			Women		
	2023	2022	2021	2023	2022	2021
By age bracket (No.)	**930**	**996**	**983**	**274**	**245**	**197**
Up to 30 years old	192	279	225	81	70	59
Between 31 and 50 years old	623	586	522	172	147	109
Over 51	115	131	236	21	28	29
By age bracket (%)	**7%**	**8%**	**8%**	**9%**	**8%**	**7%**
Up to 30 years old	7,0%	9,5%	7,1%	8,1%	7,3 %	6,8%
Between 31 and 50 years old	6,9%	6,7%	6,2%	8,4%	7,9 %	6,4%
Over 51	15,6%	17,4%	30,9%	14,1%	21,2 %	22,0%

[1] Percentage calculated on the permanent staff at the end of the year for each of the categories.

AVERAGE LENGTH OF SERVICE IN THE WORKFORCE (No.)

	2023	2022	2021
Men	7.5	7.2	6.9
Women	6.7	6.8	7.0
Average age of the workforce	37.4	37.0	36.2

TRAINEES BY REGION (No.)

GRI 2-7 | SDG 8.5, 10-3

	2023	2022	2021
North	0	0	NA
Center-West	50	60	NA
Northeast	322	311	NA
Southeast	158	153	NA
South	0	0	NA

NA: Not available.

TURNOVER BY CATEGORY AND RACE (%)[1]

GRI 2-7 | SDG 8.5, 10-3

	2023	2022	2021
White	8.9	9.3	NA
Yellow	8.7	7.8	NA
Black	7.3	7.7	NA
Brown	6.9	7.3	NA
Indigenous	0.0	2.9	NA
Top Management[2]	8.4	6.2	NA
Junior Management[3]	9.2	7.6	NA
Senior Management[4]	7.2	8.4	NA

[1] Different data from the consolidated ESG targets.
[2] Top Management: Directors and Superintendents (GG1 + GG2).
[3] Senior Management: Managers (GG3).
[4] Junior Management: Supervisors and Managers.
NA: Not available.

HEALTH AND SAFETY TRAINING (%)

GRI EU18 | SDG 8.8

	2023	2022	2021
Participation in health and safety training – Employees (no.)	15,209	1,803	ND
Participation in health and safety training – Employees (%)	96.9%	89.6%	ND
Participation in health and safety training – Outsourced (no.)	13,507	10,506	ND
Participation in health and safety training – Outsourced (%)	45.3%	33.0%	ND
Health and safety training – Number of courses	3,373	2,876	ND
Health and safety training – total training hours – Employees	275,468	268,946	ND
Health and safety training – total training hours – Outsourced	933,908	580,290	ND

NA: Not available.

SUPPLIERS WITH AN ENVIRONMENTAL MANAGEMENT SYSTEM

GRI 308-2

	2023	2022	2021
Volume invoiced to suppliers with a certified environmental management system (R$ thousand)	332,259	245,212	146,099
Suppliers with a certified environmental management system (%)	83.1	73.2	66.8
Number of relevant suppliers located in water-stressed areas (no.)	0	0	0
Volume of purchases from relevant suppliers located in water-stressed areas (R$)[1]	0	0	0

[1] Data collected in euros and using the conversion of R$ 5.403 for 2023.

HUMAN RIGHTS COMPLAINTS

GRI 406, 407, 408, 409, 410, 411, 412

	2023	2022	2021
Number of human rights complaints received in the year[1]	0	1	0

[1] In 2022, a labor lawsuit was filed by a former employee of a service provider against this company and Neoenergia Elektro for subsidiary liability. Among other issues, the former employee claimed recognition of alleged slave-like conditions due to the conditions of the accommodation where he stayed for two months, alleging that the accommodation did not have the necessary infrastructure. An agreement was reached between the parties, with full and general discharge of the employment relationship, and the legal relationship between the parties was extinguished and no claim of non-compliance could be made, due to the lack of analysis of the merits of the issue (case not judged). The case was sent to be closed, and Neoenergia Elektro no longer has a contractual relationship with this service provider.

FINES AND SOCIAL SANCTIONS

GRI 2-27 | SDG 16.3

	2023	2022	2021
Total number of significant cases of non-compliance with laws and regulations for which fines were imposed during the year[1]	7	1	NA
Number of fines for non-compliance with laws and regulations that occurred and were paid in the year[1]	3	3	NA
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year[1]	2	3	NA
Monetary value of fines for non-compliance with laws and regulations that occurred and were paid in the year[1] (R$ thousand)	514	620	NA
Monetary value of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year[1] (R$ thousand)	177	1,237	NA
Number of non-monetary, administrative or judicial sanctions for non-compliance with laws or regulations related to tender materials or other reasons, excluding those related to the environment and electricity distribution and supply activities[1]	0	0	NA

[1] Data for 2021 not available, as information was not compiled in this detail.

LABOR FINES AND SANCTIONS

2-27 | SDG 16.3

	2023	2022	2021
Number of fines incurred and paid during the year[1]	29	38	15
Amount paid of fines for non-compliance with laws that occurred and were paid during the year (R$ thousand)	174	361	93
Number of fines from previous years that were paid in the financial year[1]	22	9	ND
Monetary value of fines for non-compliance with laws that occurred in previous years and were paid during the year[1]	342	37	ND
Total amount of fines paid in the year (R$ thousand)	516	398	93
Number of cases submitted to arbitration	0	0	0
Number of labor fines	29	38	15
Number of complaints received in the year	2,062	1,929	1,007
Number of complaints resolved in the year	239	152	74
Number of complaints from previous years resolved during the year	2,118	1,470	1,168
Non-monetary sanctions	0	0	0

[1] No data available for 2021, as information was not compiled for this purpose.

FINES FOR OTHER REASONS – PRODUCT

GRI 2-27 | SDG 16.3

	2023	2022	2021
Total number of significant cases of non-compliance with laws and regulations for which fines were imposed during the year[1]	104	66	ND
Number of fines for non-compliance with laws and regulations that occurred and were paid in the year[1]	7	7	ND
Monetary value of fines for non-compliance with laws and regulations that occurred in the year and were paid (R$ thousand)[1]	50	25	ND
Monetary value of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year (R$ thousand)[1]	126	3,836	ND
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year[1]	27	18	ND
Total amount of fines paid in the year (R$ thousand)	176	3,860	182
Number of incidents of non-compliance with regulations related to electricity distribution and supply activities resulting in a non-monetary sanction[2]	0	0	3

[1] 2021 data not available as information was not compiled in this detail.

FINES AND PENALTIES FOR ELECTRICITY DISTRIBUTION AND SUPPLY

GRI 2-27 | SDG 16.3

	2023	2022	2021
Number of fines for non-compliance with laws and regulations that occurred and were paid in the year	0	0	0
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year	0	0	0
Monetary value of fines for non-compliance with laws and regulations that occurred and were paid in the year	0	0	0
Monetary value of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year	0	0	0

CLIENT HEALTH AND SAFETY (No.)

GRI 416-2, EU25 | SDG 16.3

	2023	2022	2021
Number of incidents of non-compliance with regulations related to the health and safety of customers resulting in a non-monetary sanction	0	0	0
Number of complaints received in the year related to electromagnetic fields	0	0	0
Annual number of legal cases (resolved and pending) related to incidents or accidents suffered by people outside the company on the company's premises	73	80	97

INFORMATION FOR CLIENTS

GRI 417-2 | SDG 16.3

	2023	2022	2021
Number of fines for non-compliance with laws and regulations that occurred and were paid in the year	0	0	0
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year	0	0	0
Monetary value of fines for non-compliance with laws and regulations that occurred and were paid in the year	0	0	0
Monetary value of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year	0	0	0
Number of incidents of non-compliance with regulations related to customer information resulting in a non-monetary sanction	0	0	0

PERIOD OF SUSPENSION OF POWER TO RESIDENTIAL CUSTOMERS FOR NON-PAYMENT (No.)

GRI EU27 | SDG 1.4, 7.1

	2023	2022	2021
Less than 48 hours	901,102	975,361	860,392
Between 48 hours and 1 week	133,830	141,847	148,968
Between 1 week and 1 month	197,979	201,814	206,197
Between 1 month and 1 year	169,038	172,546	196,706
More than 1 year	66	44	15
Pending and not classified	0	0	0
Total	**1,402,015**	**1 491 612**	**1 412 278**

POWER RECONNECTIONS FOR RESIDENTIAL CUSTOMERS AFTER PAYMENT OF OUTSTANDING BILLS (No.)

GRI EU27 | SDG 1.4, 7.1

	2023	2022	2021
Less than 24 hours after payment	1,209,947	1,290,892	1,101,405
Between 24 hours and one week after payment	210,316	183,871	181,233
One week after payment	72,749	77,568	88,746
Not classified	0	0	0
Total	**1,493,012**	**1,552,331**	**1,371,384**

Economic dimension

The main figures relating to turnover, the value of assets and liabilities and the composition of consolidated fixed assets can be found in the 2023 Financial Statements.

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (R$ MILLION)

GRI 201-1

	2023	2022	2021
Revenue (sales and other income)[2]	68,449	67,251	64,301
Operating costs[2]	35,323	33,931	36,109
Employee remuneration (without company social security costs)	1,895	1,797	1,606
Payments to capital suppliers[2]	11,180	11,800	7,849
Payments to Public Administrations	16,783	16,189	15,785
Investments for the benefit of the community (according to the B4SI model)1 – R$ thousand	27,476	26,451	19,361
Retained economic value	3,268	3,534	2,952

[1] B4SI model: Business for Societal Impact, which establishes an approach for measuring and benchmarking social impact.

[2] 2022 and 2021 data reclassified. GRI 2-4

CONSOLIDATED PROFIT BEFORE TAX (R$ MILLION)

	2023	2022	2021
Total	4,956	5,539	5,589

IT INFRASTRUCTURE INCIDENTS (N°)

SASB IF-EU-550a.1

	2023	2022	2021
IT infrastructure incidents	0	0	NA
Financial impact of IT infrastructure incidents	0	0	NA

NA: Not available

AVERAGE RETAIL ELECTRICITY RATE ON REGULATED MARKETS (R$/KWh)

SASB IF-EU-240a.1

	2023	2022	2021
Residential	0.67	0.60	0.54
Industrial	0.68	0.61	0.54
Commercial	0.74	0.65	0.58

AVERAGE MONTHLY ENERGY BILL FOR RESIDENTIAL CUSTOMERS (R$)

SASB IF-EU-240a.2

	2023	2022	2021
500 kW/h	111	500	500
1,000 kW/h	606	1,000	1,000

TOTAL ELECTRICITY SUPPLIED (MWh)

SASB IF-EU-000.B

	2023	2022	2021
Residential clients	23,888,496	22,749,235	22,713,958
Commercial clients	15,470,248	14,770,241	12,149,668
Industrial clients	20,546,601	21,905,757	17,752,399
Other retail customers	13,613,544	13,158,733	13,639,961
Wholesale customers	3,598,547	3,178,264	0
Total	**77,117.436**	**75,762,230**	**66,255,986**

Consolidated data from energy distribution and trading companies.

RATIO BETWEEN THE LOWEST WAGE AND THE LOCAL MINIMUM WAGE (%)

GRI 202-1 | SDG 1.2, 5.1, 8.5 | PG6

	2023	2022	2021
Entry level wage over the local minimum wage – Men	1.22	1.24	NA
Entry level wage over the local minimum wage – Women	1.22	1.24	NA

NA: Not available

BUYING FUEL IN COUNTRIES WITH CORRUPTION RISKS (R$ thousand)

GRI 205-1

	2023	2022	2021
Volume of fuels in countries identified as being at risk of corruption (R$ thousand)[1]	66	76	0

[1] In 2023 and 2022, the total spent on fuel purchases for stationary and mobile sources was reported. In 2021, the data only included stationary sources. GRI 2-4

LEGAL CASES FOR CORRUPTION (No.)

GRI 2-27 | SDG 16.5

	2023	2022	2021
Number of legal cases for corruption received in the year	0	0	0

CASES OF CORRUPTION WITH SUPPLIERS (No).

GRI 205-3 | SDG 16.5

	2023	2022	2021
Number of confirmed cases of corruption in which contracts with suppliers were terminated	0	0	0

7.2 Governance bodies

BOARD OF DIRECTORS

Chairman
José Ignacio Sánchez Galán

Holders
José Sainz Armada
Daniel Alcaín López
Mario José Ruiz-Tagle Larrain
Pedro Azagra Blazquez
Santiago Matias Martínez Garrido
Eduardo Capelastegui Saiz
Denisio Augusto Liberato Delfino
Márcio de Souza
Fernando Sabbi Melgarejo
Juan Manuel Eguiagaray Ucelay
Marina Freitas Gonçalves de Araújo Grossi
Cristiano Frederico Ruschmann
Juan Manuel Eguiagaray Ucelay

Substitutes
Jesús Martinez Perez
Alejandro Román Arroyo
Mônica Grau Domene
Tomas Enrique Guijarro Rojas
Miguel Gallardo Corrales
Justo Garzón Ortega
Estrella Martin Segurado
Wilsa Figuereido
Fabiano Romes Maciel
Ana Maria Gati

AUDIT COMMITTEE

President
Juan Manuel Eguiagaray Ucelay

Holders
Marina Freitas Gonçalves de Araújo Grossi
Cristiano Frederico Ruschmann
Daniel Alcaín López
Fernando Sabbi Melgarejo

Substitutes
Mônica Grau Domene
Denísio Augusto Liberato Delfino

FINANCIAL COMMITTEE

President
Jesús Martinez Perez

Holders
David José Mesonero Molina
Justo Garzón Ortega
Jose Carlos Vasconcelos
Cristiano Frederico Ruschmann

Substitutes
Juan Bosco Lopez Aranguren
Miguel Gallardo Corrales
Rosario Baquero Alonso
Fabiano Romes Maciel

RELATED PARTIES COMMITTEE

President
Juan Manuel Eguiagaray Ucelay

Holders
Cristiano Frederico Ruschmann
Ângela Aparecida Seixas

COMPENSATION AND SUCESSION COMMITTEE

President
José Sainz Armada

Holders
Estrella Martin Segurado
Santiago Matias Martínez Garrido
Márcio de Souza
Marina Freitas Gonçalves de Araújo Grossi

Substitutes
Fabricia Abreu
Armando Ugarriza Capdevilla
Rosario Baquero Alonso
Caroline Guarnieri de Paula do Nascimento

SUSTAINABILITY COMMITTEE

President
Marina Freitas Gonçalves de Araújo Grossi

Holders
Roberto Fernandez Albendea
Gonzalo Saenz de Miera Cárdenas
Regina Reyes Gallur
Denísio Augusto Liberato Delfino

Substitutes
Marina Amigo Romero
Marta Martínez Sánchez
Justo Garzón Ortega
Ana Maria Gati

SUPERVISORY BOARD

President
Francesco Gaudio

Holders
Eduardo Valdés Sanchez
João Guilherme Lamenza
José Caetano de Andrade Minchillo
Manuel Jeremias Leite Caldas

Substitutes
José Antonio Lamenza
Glaucia Janice Nietsche
Antonio Carlos Lopes
Paulo Cesar Simplicio da Silva
Eduardo Azevedo do Valle

EXECUTIVE BOARD

Eduardo Capelastegui Saiz – CEO
Solange Maria Pinto Ribeiro – Vice-President of Regulation, Institutional and Sustainability
Giancarlo Vassão de Souza – Executive Director – Operations
Leonardo Pimenta Gadelha – Executive Director – Financial and Investor Relations
Juliano Pansanato de Souza – Executive Director – Patrimonial Control and Planning
Lara Cristina Ribeiro Piau Marques – Diretora-Executiva Jurídica
Carlos Henrique Quadros Choqueta – Executive Director – Development
Fulvio da Silva Marcondes Machado – Executive Director – Networks
Laura Cristina da Fonseca Porto – Executive Director – Renewable
Hugo Renato Anacleto Nunes – Executive Director of Liberalized Business

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE NON-FINANCIAL INFORMATION INCLUDED IN THE ANNUAL SUSTAINABILITY REPORT 2023

To the Management, Board and Shareholders of

Neoenergia S.A.

Introduction

We have been engaged by Neoenergia S.A. ("Company" or "Neoenergia") to present our limited assurance report on the non-financial information included in the Company's Annual Sustainability Report, related to the year ended December 31, 2023 ("Annual Sustainability Report 2023").

Our limited assurance scope does not comprise prior-period information or any other information disclosed in conjunction with the Annual Sustainability Report 2023, including any embedded images, audio files or videos.

Management's responsibilities

The Company's Management is responsible for:

- Selecting and stablishing appropriate criteria to prepare the information included in the Annual Sustainability Report 2023.
- Preparing the information in accordance with the criteria and guidelines set out in the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).
- Designing, implementing and maintaining internal controls over the relevant information for the preparation of the information included in the Annual Sustainability Report 2023, that is free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information included in the Annual Sustainability Report 2023, based on our limited assurance engagement conducted in accordance with Technical Communication CTO 03/2022, issued by the Federal Accounting Council ("CFC"), and based on Brazilian standard NBC TO 3000 - *Trabalhos de Asseguração Diferente de Auditoria e Revisão*, also issued by the CFC, which is equivalent to the international standard ISAE 3000 - Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical and independence requirements and other related responsibilities, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the implementation of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In addition, those standards require that the work should be planned and performed to obtain limited assurance that the non-financial information included in the Annual Sustainability Report 2023, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with Brazilian Standard NBC TO 3000 (ISAE 3000) consists mainly of making inquiries of Management and other professionals of the Company involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that cause the auditor to believe that the information included in the Annual Sustainability Report 2023, taken as a whole, might present material misstatements.

The procedures selected were based on our understanding of the aspects related to the compilation, materiality and presentation of the information included in the Annual Sustainability Report 2023, and other circumstances of the engagement and our consideration of the areas and processes concerning the material information disclosed in the Annual Sustainability Report 2023, in which material misstatements might exist. The procedures comprised, among others:

a) Planning the work, considering the relevance, the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the Annual Sustainability Report 2023.

b) Understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries with the managers responsible for the preparation of the information.

c) Applying analytical procedures to quantitative information and making inquiries about the qualitative information and its correlation with the indicators disclosed in the information included in the Annual Sustainability Report 2023.

d) For cases in which non-financial data is correlated to financial indicators, comparing such indicator with the financial statements and/or accounting records.

The limited assurance engagement also included the compliance with the guidelines and criteria of the GRI and SASB, applied in the preparation of the information included in the Annual Sustainability Report 2023.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less extensive in a reasonable assurance work. Consequently, the level of assurance obtained in a limited assurance work is substantially lower than that obtained if a reasonable assurance work had been performed. If we had performed a reasonable assurance work, other matters and misstatements that might exist in the information included in the Annual Sustainability Report 2023 might have been identified. Accordingly, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate such data. Qualitative interpretations on materiality, relevance and accuracy of the data are subject to individual assumptions and judgments. In addition, we have not performed any work related to data disclosed for prior periods or future projections and goals.

The sustainability indicators have been prepared and presented pursuant to the criteria set out in GRI and SASB Standards and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations. However, these standards prescribe the presentation and disclosure of possible non-compliance with such regulations when sanctions or significant fines are applied. Our limited assurance report should be read and understood in this context, which is inherent in the criteria selected (GRI and SASB).

Conclusion

Based on the procedures performed, which are described herein, and on the evidence we have obtained, nothing has come to our attention that causes us to believe that the non-financial information, included in the Annual Sustainability Report 2023 of the Company for the year ended December 31, 2023 was not prepared, in all material respects, in accordance with the criteria and guidelines set out in the GRI and SASB.

The accompanying Annual Sustainability Report 2023 has been translated into English for the convenience of readers outside Brazil.

São Paulo, February 5, 2024

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Carlos Eduardo Zanotta Calçada
Engagement Partner

2024SP030818

7.3 Credits

General Coordination, GRI and SASB content
Innovation, Sustainability, Climate Change and Corporate Social Responsibility Superintendence

Analysis of disclosures and content production
Editora Contadino

Limited assurance
Deloitte Touche Tohmatsu Auditores Independentes Ltda.

Translate
Dash Ltda. Group

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