Integrated Report 2023

Neoenergia

Neoenergia

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Letter from the President GRI 2-22

We achieved great things, overcame challenges and delivered consistent results in 2023. We maintained our sustainable growth strategy, with investments totaling R$ 8.9 billion, compared to R$ 9.9 billion in the previous year. Our EBITDA grew 7%, reaching R$ 12.4 billion, leveraged by the entry into operation of new businesses, tariff revisions of three of our distributors and market growth. Also noteworthy was our disciplined spending control, which kept operating expenses growing at about 2% throughout the period below inflation and absorbing the increase in the business's portfolio.

Our structured asset valuation and rotation strategy anchored our actions, enabling us to complete important transactions throughout the year. They included the beginning of a strategic partnership with GIC, Singapore's sovereign wealth fund. The fund now holds a 50% stake in eight of our transmission operating assets, allowing us to create value and reduce leverage.

In the Distribution Networks segment, we invested R$ 4.7 billion to improve the quality and expand services to our 16.4 million customers. Accordingly, we were quite pleased to celebrate that two of our distributors were recognized among the Best in Brazil in the Abradee 2023 Awards competition. Neoenergia Cosern took first place, and Neoenergia Elektro was named the national runner-up. In Transmission, we invested R$ 3.5 billion and delivered about 1,200 kilometers of lines and three substations.

In Renewables, we concluded another investment cycle with the launch of the Neoenergia Renewable Complex in Paraíba. It is the first associated generation facility in Brazil, combining the Chafariz Wind Complex with the Luzia Solar Park It optimizes the use of transmission networks and adds 571 MW to our portfolio. We also completed the Oitis Wind Farm Complex, between Bahia and Piauí, adding another 567 MW to our renewable generation capacity.

As leaders in the energy transition in our country, we remain actively engaged in the decarbonization and advancement of clean energy sources. We have entered into a *joint venture* with Comerc for distributed generation projects and are advancing several other initiatives offering green industrial solutions, hydrogen and green fertilizer projects, as well as business models in electric mobility.

We are aware that building a resilient, sustainable and socially responsible company requires a solid agenda of commitments in the ESG dimensions, and to this end, we expanded our ESG goals from 16 to 30. Among the new goals, I would like to highlight the inclusion of commitments related to the installed capacity of reuse water, the biodiversity assessment and positive impact plan of our assets, the implementation of inclusion and diversity solutions for customer service, the prioritization of purchases from local suppliers, in addition to a green financing framework and raising green/ESG debt, among others. Our objectives include initiatives that help us comply with the ten principles of the UN Global Compact on human rights, labor, the environment and anti-corruption.

In this context, our main value — and permanent challenge — remains to ensure the safety of our workforce and the communities where we operate. We also reinforced our investment in raising awareness about the importance of safe and efficient energy use through the Safe Community Program. It reached 250,000 people in 2023.

We remain dedicated to increasing the representation of women in our workforce, a significant challenge in the sector. By the end of 2023, we had achieved 30.4% female representation in leadership roles and 8.4% female representation among our electrician staff. These outcomes are a testament to the success

"The year 2023 saw significant progress and achievements for Neoenergia, with sustainable growth of our business and rising valuation of our assets. This has strengthened our commitment to providing clean, affordable and quality energy to our customers. In alignment with our view that these guidelines are essential and strategic for building a resilient and responsible company in a constantly evolving economic, social, and environmental context, we expanded our ESG goals from 16 to 30.

of our Electrician School Program, which not only addresses gender inequality but also equips the sector with highly skilled professionals.

In addition, in 2023 we celebrated five years of operation of the Neoenergia Institute: it has carried out 18 projects and programs in nine states and the Federal District. With investments of more than R$ 19 million, including incentivized resources, we increased our contribution by about 30%, impacting approximately 350,000 people.

Furthermore, we reiterate our dedication to the tenets of governance, which are essential for the longevity and prosperity of our organization. Our commitment to these principles has enabled us to obtain external certification of our *Compliance* system and to be recognized for the fifth consecutive year with the Pro-Ethics seal.

Our sustainable performance enables us to maintain our position in important indexes, such as the Corporate Sustainability Index (ISE) and the IDiversa of B3 – Brasil, Bolsa, Balcão. This facilitates our access to green and competitive financing lines, including the R$ 800 million super *green loan* we raised with the International Finance Corporation (IFC) for our distributor Neoenergia Elektro to introduce improvements, expand and digitalize its network.

We understand that our main mission is to promote the best experience for all our customers through human, quality, agile and resolute service. Our continued focus on the customer allows us to make ongoing investments in efficiency, agility, and technology. In addition to fostering a culture of corporate innovation, we have implemented a number of initiatives, among which I would like to highlight the pioneering R&D Godel Conecta project. This platform allows distributed generation customers to verify the optimal connection point, optimizing the design and connection to Neoenergia's networks. The action has been acknowledged by customers and the regulatory body as an essential component in maintaining the integrity of the process.

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

Eduardo Capelastegui
Chief Executive Officer of Neoenergia


Chafariz wind farm (PB)

1.

Neoenergia today

Chafariz wind farm complex (PB)

The energy of the future

GRI 2-1, 2-6

We are Neoenergia S.A., an energy solutions company operating in three strategic segments of the electricity sector: Grids (distribution and transmission), Renewables (wind, hydraulic and solar generation) and Liberalized (energy trading, energy products and solutions, and thermal generation).

Our controlling shareholder is the Spanish group Iberdrola, which holds 53.5% of the share capital. We are a publicly traded private company, with shares traded on B3 – Brasil, Bolsa, Balcão, in Brazil, and Latibex, in Spain.

We are present in 18 states and the Federal District. Our distributors serve 16.4 million consumer units in five states and the Federal District. In Transmission, we ended 2023 with ten transmitters in operation, totaling 2,438 kilometers of lines, and eight more under construction.

In Generation, our installed capacity in operation is 4,394 MW, with a significant share of renewables (hydro, wind and solar). We operate five hydroelectric plants with direct and indirect participation, 44 wind farms and two photovoltaic parks. We also have a combined cycle gas-fired thermoelectric power generator: Termopernambuco.

The Liberalized businesses bring together NC Energia, which sells energy and provides personalized energy management services to end customers; and Neoenergia Serviços, which offers energy products and solutions to customers, including distributed generation projects, electric mobility, engineering works, mass products, and more. In 2023 we formed a new company, Neoenergia Soluções Verdes, which offers industrial green solutions and green hydrogen products.

DISTRIBUTION

5 Distributors

- Concession area: 999 municipalities, 842 thousand km²
- Customers: 16.4 million
- Population: 37.7 million

TRANSMISSION

- 18 Transmitters
- 10 in operation: 2,438 km of lines and 13 substations
- 8 under construction: 5,026 km and 10 substations

RENEWABLES

Hydroelectric generation

- 5 plants in operation: 2,159 MW

Wind Power Generation

- 44 parks in operation: 1.554 MW

Solar generation

- 2 parks in operation: 149 MWp

LIBERALIZED

Thermal generation

1 plant:

- 533 MW

Energy trading

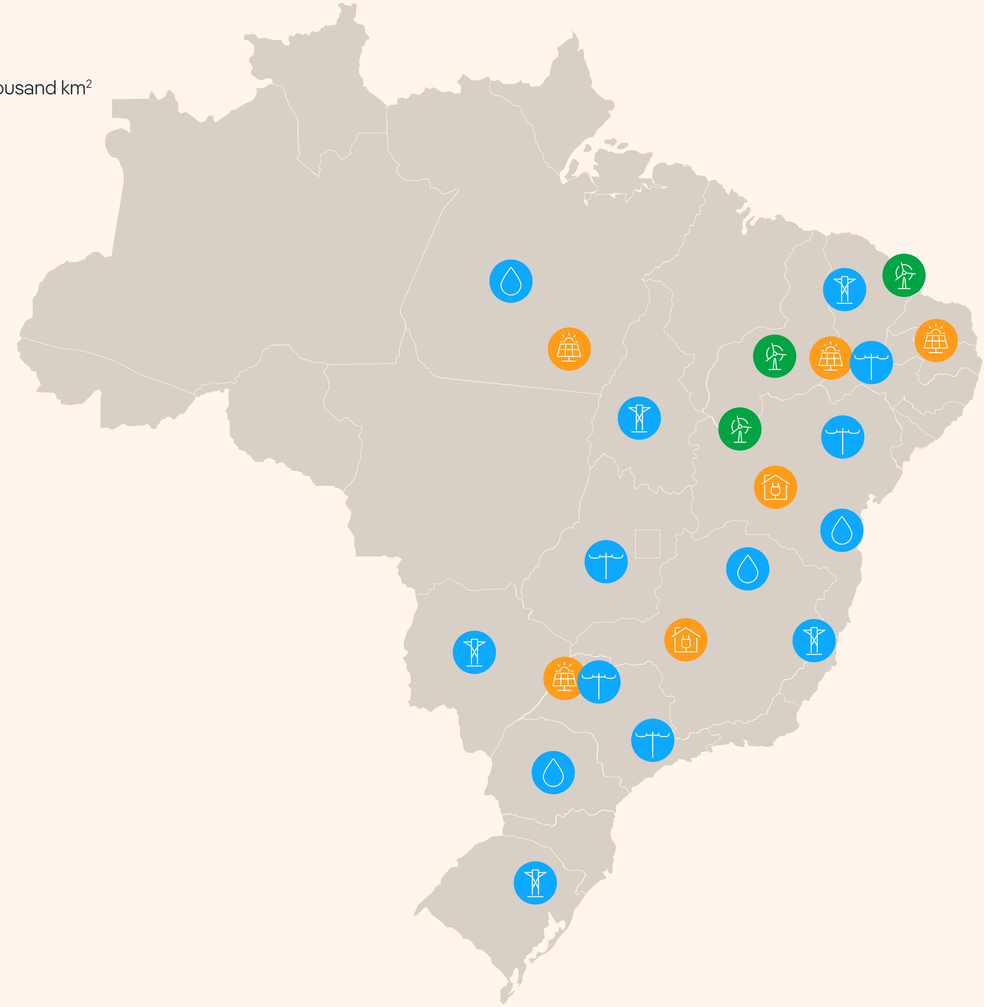
- 5.5 TWh of energy sold

Services

- 690 thousand customers
- Smart solutions
- Mass market insurance

Green Industrial Solutions

- Decarbonization projects
- Green hydrogen



Our capitals

Our capitals represent a source of value creation and support the development of our activities through the proper management of these resources.

The social dividend as an increase in the value of the capital

Our strategy transforms these capitals in ways that create value for all our stakeholders. The social dividend generated translates into an increase in the value of our capitals; in turn, it feeds back into the value creation cycle, thus effectively interrelating business operations and our capitals.

KEY PERFORMANCE INDICATORS 2023

Financial capital	**R$ 8.9 billion** in investments
	R$ 12.4 billion in EBITDA
Financial capital	**160 MW** added in wind generation
	105 km in new transmission lines
	16,586 km in new distribution and sub-transmission lines
Financial capital	**R$ 160.3 million** of investment in RDI
	10 new patents filed
Financial capital	**15,693** own employees
	29,787 outsourced workers
	100.48 average training hours per employee
Financial capital	**88%** of installed generation capacity is from renewable sources
	243,650 trees planted as part of the Trees Program
Social and relationship capital	**R$ 27.5 million** invested in communities
	347.2 thousand people benefited by the projects of the Neoenergia Institute
	3.7 million customers benefited through the social tariff
	8,827 new power connections through the Light for All Program

Transmission tower

Purpose and values

GRI 2-12, 2-23 | SDG 16.3 | PG 10

Continue to build, every day, collaboratively, a healthier and more accessible electric energy model

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

- The commitment to the well-being of people and the preservation of the planet.
- The commitment to a real and global energy transition based on decarbonization and, in particular, the electrification of the energy sector and the economy as a whole. This contributes to combating climate change and provides new opportunities for economic, social and environmental development.
- A bet on the development of clean energies.
- The determination to contribute to an energy model that is strongly based on electricity.
- With a focus on inclusion, equality, fairness, and social development, the goal is to create a new energy model that everyone can access. This will be achieved through a just transition.
- The commitment to continue developing this model in collaboration with the relevant agents.

To achieve this objective, our corporate values are based on three key concepts: sustainable energy, integration strengh and driving force.

OUR VALUES

Sustainable energy

Because we are continuously seeking to be a model of inspiration, creating economic, social, and environmental value for all stakeholders, and thinking about the future. This value expresses the commitment to:

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

Integrating strenght

Given our collective strength and responsibility, we collaborate to achieve a shared purpose that benefits all. This value expresses the commitment to:

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

Driving force

Because we make small and big changes, we are efficient and demanding, always seeking continuous improvement. This value expresses the commitment to:

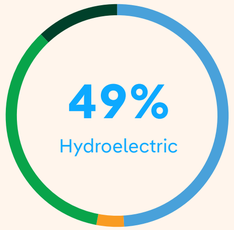
- **Innovation**
- **Simplicity**
- **Agility**
- **Anticipation**

Main activities GRI 2-6

1. Focus on clean energy

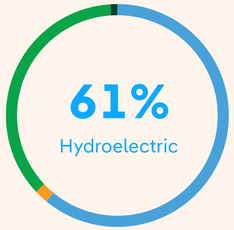
- Electric energy generation from renewable sources (hydroelectric,wind, and photovoltaical), as well as other sources of energy.
- New technologies, such as green hydrogen (generated from clean energy source installations).
- Construction, operation and maintenance of all generation facilities.

INSTALLED GENERATION CAPACITY GRI EU1 | ODS 7.2



- **49%** Hydroelectric
- **4%** Solar and others
- **35%** Wind
- **12%** Thermoelectric (combined cycles)

ENERGY GENERATION BY SOURCE GRI EU2 | ODS 7.2, 14.3



- **61%** Hydroelectric
- **2%** Solar and others
- **36%** Wind
- **1%** Thermoelectric (combined cycles)

2. Bet on smart grids

- Transmission and distribution of electricity.
- Construction, operation and maintenance of lines, substations, operation centers and other infrastructures, to bring electricity from production centers to the final consumer and integrate distributed generation into the grid.

77.5%
Digitization of high and medium voltage networks of distributors

Airlines GRI EU4

2,438 km of transmission lines

722,360 km of distribution and subtransmission

Underground lines GRI EU4

3,004 km of distribution

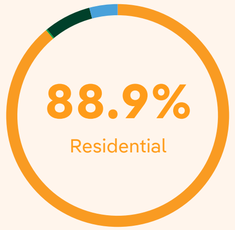
812 substations

793,860 transformers

3. Solutions and services for our customers

- Energy trading.
- Products and services for customers, with intelligent and innovative *(smart) solutions in the following areas:*
  - **Residential:** services such as energy storage, self-consumption, electric mobility, solar, etc.
  - **Industrial:** comprehensive management of facilities and energy supplies, such as green hydrogen, industrial heat, etc.
- Green industrial green solutions, green fertilizer, business models in electric mobility, decarbonization applications solutions, green fertilizer, business models in electric mobility, decarbonization applications.

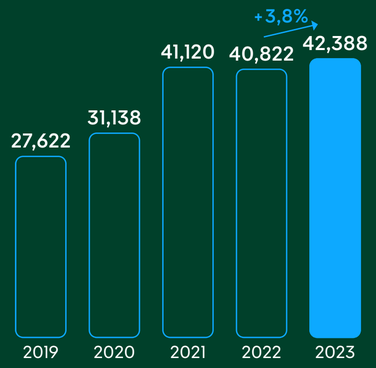
CUSTOMERS BY CONSUMP CLASS (THOUSAND) GRI EU3



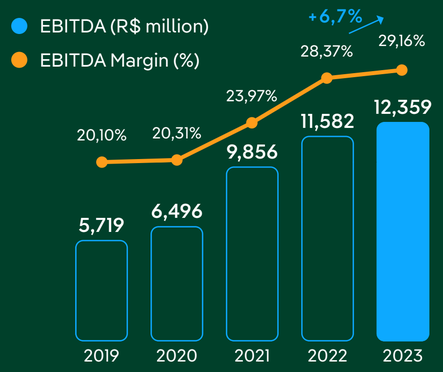
- **88.9%** Residential (14533)
- **0.2%** Industrial (38)
- **6.8%** Comercial (1111)
- **4.1%** Other: rural, institutional and own consumption (670)

Evolution of the company

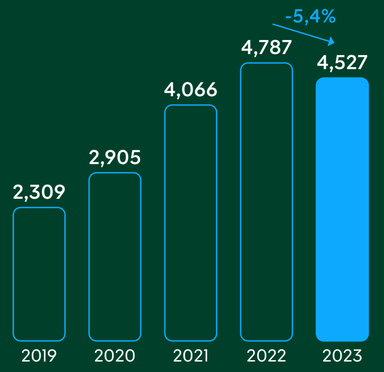
NET OPERATING REVENUE
(R$ million)



EBITDA AND MARGIN

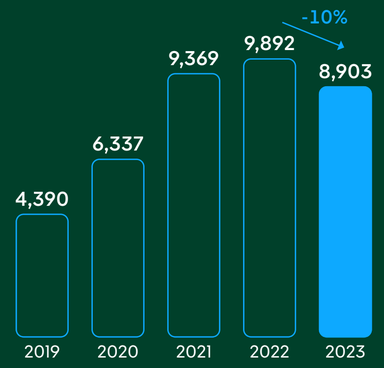


NET PROFIT
(R$ million) [1]

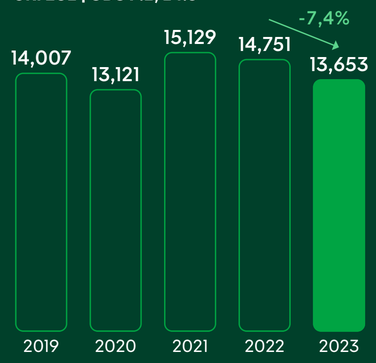


[1] Profit attributable to controlling and minority shareholders.

CAPEX INVESTMENTS
(R$ million)

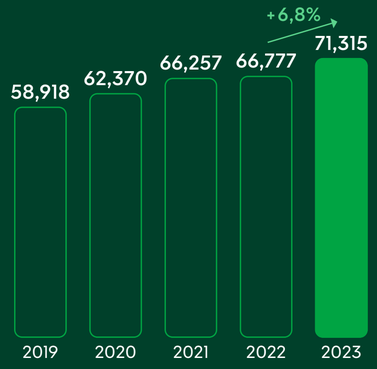


ENERGY GENERATED
(GWh)
GRI EU2 | ODS 7.2, 14.3



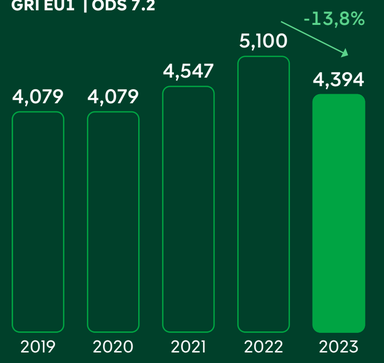
Lower generation reflects swap of hydraulic assets with Eletrobras.

DISTRIBUTED ENERGY
(GWh) [1]



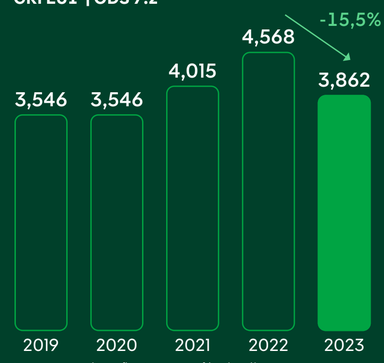
[1] In 2023, considers SIN + Isolated System + DG.

INSTALLED GENERATION CAPACITY (MW)
GRI EU1 | ODS 7.2



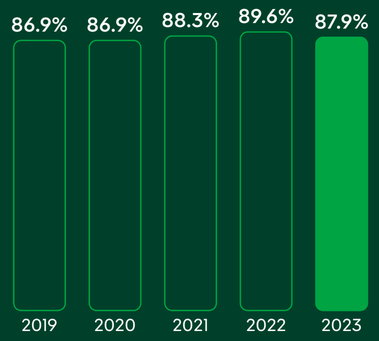
Lower capacity reflects swap of hydraulic assets with Eletrobras.

RENEWABLE INSTALLED CAPACITY (MW)
GRI EU1 | ODS 7.2



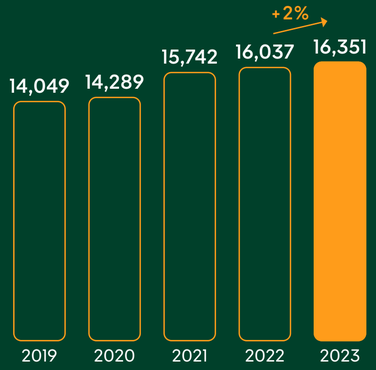
Lower capacity reflects swap of hydraulic assets with Eletrobras.

INSTALLED GENERATION CAPACITY EMISSION-FREE



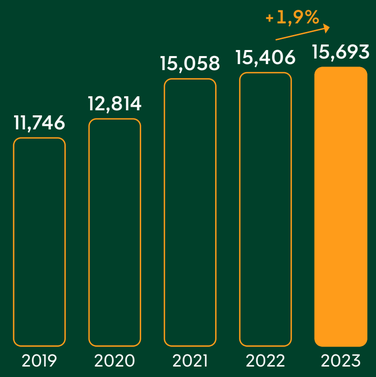
NUMBER OF CONSUMERS

(thousand)[1]



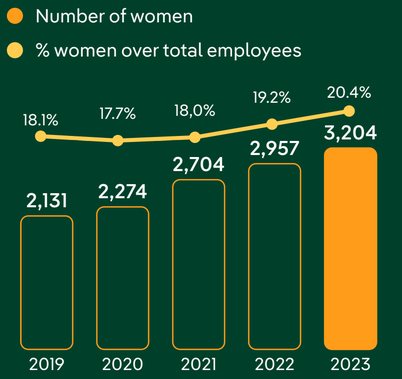
[1] Considers Neoenergia Brasília from March 2021.

OWN EMPLOYEES[1]

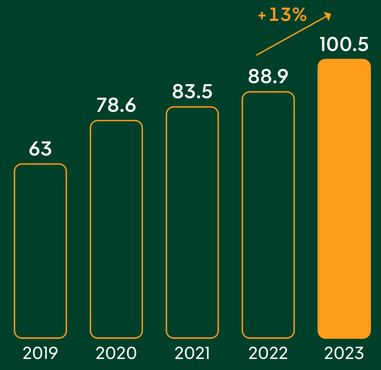


[1] Considers Neoenergia Brasília from March 2021.

GREATER PRESENCE OF WOMEN

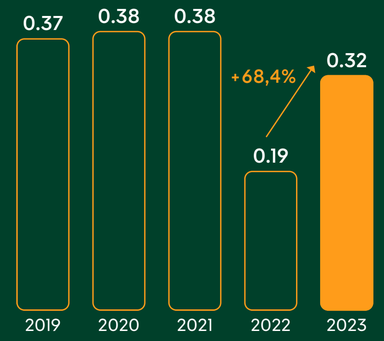


AVERAGE TRAINING HOURS PER EMPLOYEE



ACCIDENT FREQUENCY RATE[1]

Own personnel



[1] (Accidents with time off/hours worked) X 1,000,000.

EMISSIONS INTENSITY

(gCO_2/kWh generated)[1]

GRI 305-4 | ODS 13.1, 14.3, 15.2

[1] The reduction in emissions compared to 2021 occurred because Termopernambuco did not generate energy in 2022 and generated for only a few days in 2023. **GRI 2-4**

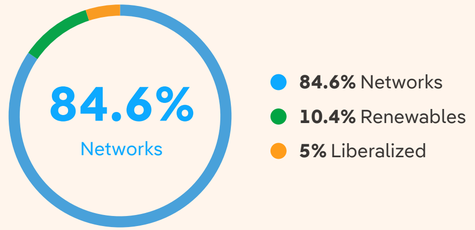
Reference indicators GRI 2-1

Financial performance (R$ million)	2019	2020	2021	2022	2023
Net operating revenue	27,622	31,138	41,120	40,822	42,388
Gross margin	9,163	10,226	14,146	16,201	15,742
Consolidated EBITDA	5,719	6,496	9,856	11,582	12,359
EBTIDA Networks	5,025	5,787	8,892	9,906	9,148
EBITDA Renewables	634	595	521	948	2,880
EBITDA Liberalized	268	347	665	1,011	609
Depreciation and amortization	1,446	1,618	1,984	2,243	2,560
Operating income	4,273	4,878	7,872	9,339	9,799
Financial result	- 1,341	1,030	-2,283	- 3,800	- 4,843
Earnings before taxes on profit	2,932	3,848	5,589	5,539	4,956
Consolidated net income	2,309	2,905	4,066	4,787	4,527
Assigned to controlling shareholders	2,229	2,809	3,925	4,718	4,461
Attributed to minority shareholders	80	96	141	69	66
Total assets	54,215	66,297	85,800	92,318	99,112
Shareholders' equity	19,259	21,509	24,238	26,937	30,076
Capex Investments	4,390	6,337	9,369	9,892	8,903
Cash and cash equivalents	4,041	5,060	5,545	6,802	7,448
Net debt	17,134	18,527	30,749	36,471	39,146
Taxes paid	11,945	11,983	15,785	16,189	16,783
Value added to be distributed	20,891	24,275	28,192	33,320	33,126

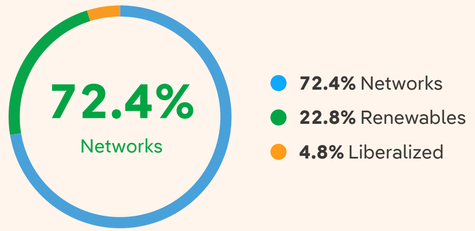
Financial indexes	2019	2020	2021	2022	2023
EBITDA Margin (EBITDA/net revenue) (%)	20.1%	20.3%	24.0%	28.4	29.2%
Net margin (Net income/net revenue) (%)	8.1%	9.1%	9.9%	11.7%	10.7%
Return on equity (ROE) (%)	112.0 %	13.5%	16.8%	17.8%	15.1%
Net financial debt/EBITDA (times)	3.00	2.85	3.12	3.15	3.17
Operating Cash Flow/Net Debt (%)	19.9%	19.1%	0.6%	12.7%	4.2%

Capital markets – B3	2019	2020	2021	2022	2023
Number of shares	1,213,797,248	1,213,797,248	1,213,797,248	1,213,797,248	1,213,797,248
Share value (R$)	24.88	17.62	16.20	15.45	21.34
Market value (R$ million)	30,199	21,387	19,664	18,753	25,902
Net income per share (R$)	1.84	2.39	3.35	3.89	3.68

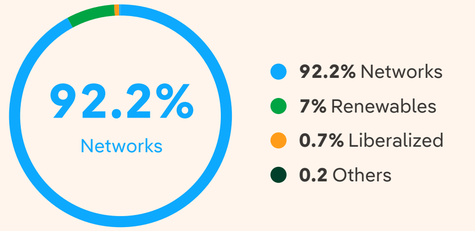
GROSS MARGIN BY BUSINESS



EBITDA BY BUSINESS



INVESTMENTS BY BUSINESS



Operating performance	2019	2020	2021	2022	2023
Installed power generation capacity (MW) **GRI EU1**	4,079	4,079	4,547	5,100	4,394
Total net energy production (GWh) **GRI EU2**	14,007	13,121	15,129	14,751	13,653
Distributed electrical energy (GWh)[1] **GRI 2-6**	58,918	57,026	66,257	66,777	71,315
Transmission lines – 230 kV + 500 kV (km)	679	1,045	2,333	2,333	2,438
Distribution lines (< 69 kV) and sub-transmission lines (69 kV + 138 kV) – (km)	639,738	655,931	691,818	711,111	725,364

Environmental performance	2019	2020	2021	2022	2023
Installed renewable energy capacity (MW)[2]	3,546	3,546	4,015	4,568	3,862
Installed renewable energy capacity (%)	86.8%	86.9%	88.3%	89.6%	87.9%
Emission intensity (gCO_2/kWh generated)[3] **GRI 305-4**	73	53	61	1.3	3.6
Fuel consumption (GJ)	25,847,952	18,294,705	23,987,769	1,141,835	1,639,978
Environmental investments (R$ million)	947	518	4,934	2,691	980
Energy produced under certified environmental management systems	100%	100%	100%	100%	100%
Water use (m^3/GWh generated)	23,664	18,198	16,105	2,709	3.409
Direct GHG emissions (Scope 1) (tCO_2e)[3] **GRI 305-1**	1,024,241	750,128	985,834	84,570	104,024
Indirect GHG emissions (Scope 2) (tCO_2e)[3] **GRI 305-2**	538,802	490,242	641,731	331,650	208,392
SO_2 (t/GWh) emissions **GRI 305-7**	0.0030	0.0016	0.0031	0.0001	0
NOx emissions (t/GWh) **GRI 305-7**	0.0615	0.0578	0.0607	0.0000	7

Societal performance	2019	2020	2021	2022	2023
Number of customers – distribution (no.)	14,049	14,289	15,742	16,037	16,351
Number of own personnel (no.)	11,746	12,814	15,058	15,406	15,693
Contracts of undefined type (%)	99.9%	99.9%	99.9%	99.9%	100%
Number of outsourced workers (no.)	25,704	24,743	27,993	31,855	29,787
Workers with collective agreements (%) **GRI 2-30**	99.9%	99.9%	100%	100%	100%
Employee turnover (%)	9.9%	8.7%	7.62%	9.26%	8.61%
Diversity – Men/Women (%)	82/18	82/18	82/18	81/19	81/19
Diversity – Women in leadership positions (%)	19.4%	27.6%	26.2%	28%	31.1%
Rate of accidents at work with own personnel	0.52	0.86	0.44	0.26	0.23
Frequency rate of accidents with own personnel	0.37	0.38	0.38	0.19	0.32
Training hours (hours)	739,524	1,023,922	1,307,921	1,369,546	1,564,365
Average hours of training per employee	63	79.9	83.5	88.9	100.5
Investment in society (R$ thousand)	9,204	74,723	19,361	26,451	27,476
Investment in rural electrification – Light for All Program, without federal government subsidy (R$ thousand)	177,673	247,853	326,039	478,345	366,873
Rural electrification program – Luz para Todos (no. of connections)	26,034	17,644	16,966	18,256	8,827
Investments in Research, Development and Innovation (RDI) (R$ thousand)	100,047	145,411	174,030	164,328	160,276
Amount spent with suppliers (R$ million)	22,673	25,587	33,612	31,515	32,605
Purchases from local suppliers (%) **GRI 204-1**	98.6%	99.5%	99.3%	99.6%	99.5%

[1] Distributed energy in 2023 considers the National Interconnected System (SIN) + Isolated system + distributed generation. In the previous years, captive and free markets.
[2] Lower capacity reflects exchange of hydraulic assets with Eletrobras.
[3] Revised 2022 data according to the Greenhouse Gas Inventory (GHG) available on the corporate website. Data from 2023 published on a preliminary basis, as the inventory audit will only be completed in June 2024.

DEBT BY TYPE OF FINANCING

- **42%** Domestic capital market
- **22%** National development banks
- **20%** International commercial banks
- **16%** International development banks

DEBT BY INDEX

- **51%** CDI and Selic
- **45%** IPCA
- **4%** TJLP

Main Milestones 2023

2023

JAN

We launched the "Neoenergia pays your bill" campaign, which drew R$ 500 in credits for one year for residential and rural consumers who do not delay paying their energy bills.

We announced that Brazil's women's champion sub-23 cyclist, **Tota Magalhães, was its new Neoenergia brand ambassador**.

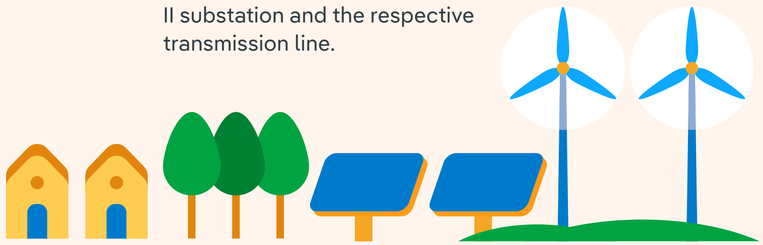
FEB

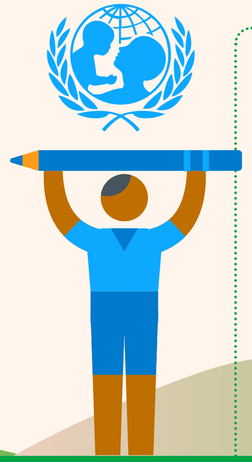
Neoenergia Elektro donated refrigerators to families affected by the heavy rains that hit the North Coast of São Paulo.

We installed a pioneering microgrid in Xique-xique, Bahia, with **a solar plant and distribution network**, bringing energy to an isolated community.

MAR

We inaugurated the Neoenergia Renewable Complex, in Paraíba, the first associated renewable energy generation facility in Brazil. **It integrates wind and solar energy generation and connects to the National Interconnected System (SIN)** at the Neoenergia Santa Luzia II substation and the respective transmission line.

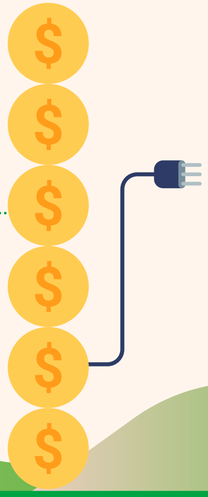




MAY

We signed a partnership with the United Nations Children's Fund (UNICEF) to **support education and environmental actions** in public schools in Bahia, Pernambuco, Rio Grande do Norte and the Federal District.

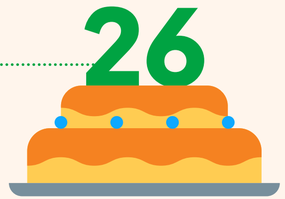
We contracted a credit of **R$ 703.4 million** with the Japan International Cooperation Agency (JICA) and Banco MUFG (Mitsubishi UFJ Financial Group) to expand the distribution of energy in the Neoenergia Pernambuco area.



JUL

Neoenergia Cosern wins the Abradee Award as the best distributor in Brazil and the Northeast; Neoenergia Elektro is the best in the Southeast.

We celebrated **26 years of operation in Brazil**.



AUG

We won the **Transparency trophy for the third consecutive year**, in recognition of the quality of our financial statements.

We became part of **IDiversa**, B3's first diversity index focused on race and gender.

We announced the **expansion of our ESG Commitments**, from 16 to 30 goals that strengthen us as a company engaged in sustainable development.

We announced a green financing agreement with Banco MUFG, in the amount of **R$ 150 million**, for the expansion of Neoenergia Brasília's network.

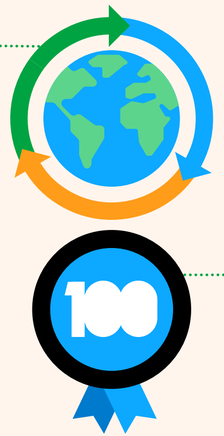
We entered into an agreement with the Federal University of Itajubá (MG) for the development of **green hydrogen**.

SEP

We were present at the music festival **The Town, launching the #PelaDecarbonização (For Decarbonization) movement**. We provided solar-powered streetlights and electric carts that were used by the event's organization.

As supporters of the **Brazilian Women's National Football Team**, our brand was present at the World Cup, held in Australia and New Zealand.

We launched in Bahia our first **distributed generation solar power plant project, with a capacity of 3 MW**.



OCT

We joined the **#BrasilSemMisogenia** campaign, an initiative of the Women's Ministry.

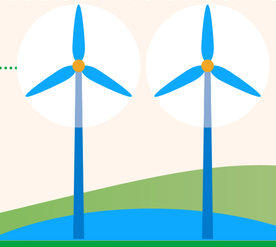
Our engagement with open innovation was recognized in the *ranking* of companies that invest the most in startups in Brazil, being among the **50 best in the 100 Open Corps 2023**.

We adhere to **Desenrola Brasil**, a program launched by the federal government, which offers up to 90% discount to customers with debits on electricity bills.

We entered into a **partnership with the Comerc Energy Group** to develop distributed energy generation projects.

We concluded a hydroelectric **asset exchange** agreement with Eletrobras in which we took over 100% of the Dardanelos plant and no longer have a stake in the Teles Pires and Baguari plants.

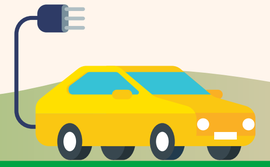
We signed a memorandum for offshore**wind generation** projects with the government of the state of Rio Grande do Norte.



NOV

We won the **Amcham Eco 2023 Award**, for an electric mobility project.

Instituto Neoenergia celebrated five years in operation and inaugurated a lighting project for the Senhora Santana church in Rio de Contas (BA).



DEC

For the fifth consecutive time, we were recognized with the Pro-Ethics Seal, awarded by the Office of the Comptroller General of the Union (CGU).

Instituto Neoenergia adheres to **the Brazilian Philanthropy Commitment on Climate Change**, established at COP 28 in Dubai.

We sold 50% of eight transmission assets to Singapore's GIC fund, involving **1,865 kilometers of lines**.

We signed the Global Compact's **Race is a Priority and Women Lead**, commitments to increase the number of women and black people in leadership positions by more than 30% by 2025. We already exceeded this target for women in 2023, reaching 31.1%.

Compared results

Between 2019 and 2023, we increased our EBITDA by 116.1%, net income by 96.1% and our assets by 82.8%, a performance that shows the sustainable evolution of the business. The compound annual growth rate (CAGR) reached 18.33% per year in net income and 12.2% in shareholder earnings (dividends and interest on shareholders' equity paid per share).

ECONOMIC-FINANCIAL VARIABLES GRI 2-1

	2019	2023	Variation	CAGR[1]
Assets (R$ million)	54,215	99,112	82.8%	16.3%
Net income (R$ million)	27,622	42,388	53.5%	11.3%
EBITDA (R$ million)	5,719	12,359	116.1%	21.2%
Net profit (R$ million)	2,309	4,527	96.1%	18.3%
Dividends and Interest on Equity (R$/share)[2]	0.46	0.73	58.7%	12.2%
Net debt/EBITDA (times)	3.00	3.17	0.17 p.p.	-
Added value distributed to shareholders (R$ million)	4,519	4,527	0.2%	0%

[1] CAGR: Compound Annual Growth Rate.
[2] Considers Interest on Equity (IoE) and minimum mandatory dividends.

EBITDA was

R$ 12,359 million

Luzia solar park (PB)

Recognition

Abradee Award – Neoenergia Cosern was chosen by the Brazilian Association of Electricity Distributors (Abradee) as the best distributor in Brazil, in the Northeast and in the Operational Management category, in addition to 2nd place in Management Quality. Neoenergia Elektro was first in the Southeast, Quality of Management and Performance Evolution categories and won 2nd place in the National category.

Aneel Ranking – The National Electric Energy Agency (Aneel) recognized Neoenergia Cosern as the distributor with the best supply performance in the Northeast and the second best in Brazil among all companies with more than 400,000 customers. The classification was based on the Global Continuity Performance (DGC), an index that measures the performance of distributors in relation to the limits defined by Aneel itself.

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

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 Monitor (Merco). In addition, we are among the 100 largest companies in all sectors. We received this recognition for the economic and financial results and the ESG goals for 2025 and 2030.

Ranking Exame Corporate and Leadership Reputation – We were in included in the *ranking* of the 100 companies with the best reputation as selected by Portal Exame, which listened to more than 370 directors of large companies (with revenues exceeding R$ 200 million).

Eco Award – We were the winner of the Eco 2023 Award, granted by Amcham Brasil, representation in the country of the United States Chamber of Commerce. It is the first time we have received this title, which recognizes 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 electro-hydraulic basket for maintenance services in electric distribution networks, with the possibility of recharging in the network itself).

Valor Inovação Brasil Award – We placed fourth in the electricity sector and 61st in the overall *ranking* of this innovation award, published by the Valor Econômico newspaper. The award, held in partnership with Strategy&, PwC's strategic consultancy, lists the most innovative companies in the country and publishes the *ranking* of the 150 companies that stood out most in the year.

100 Open Corps – We won third place in the electric and renewable energy segment, and were among the top 50 in the eighth edition of 100 Open Corps 2023. The *ranking* highlights corporations that have the greatest interaction with the *startup*ecosystem, recognizing them as leaders in open innovation.

Smart Customer – We received the 2023 recognition in the Digital Communication category, with a success case history: “Humanizing Digital Transformation: How data communication and analysis strengthen the Customer Experience.”

Prêmio Cliente S.A. – The case "Humanizing Digital Transformation: How communication and data analysis strengthen the Customer Experience" was recognized in this award aimed at the customer management area.

Latam Aloic Award – We received international recognition and the gold trophy of the category Best Citizen Sector Operation Strategy awarded by the Alianza Latinoamericana de Organizaciones para la Interacción con Clientes (Aloic). The vote was for our case history "End-to-end management: Personalization and Assisting the Neoenergia customer," which portrays the proactive process of helping dissatisfied clients.

Era do Diálogo – We received the ‘Era of Dialogue’ Award from Consumidor Moderno magazine for harmony in the consumer-customer relationship. In this 2023 edition, the theme of the award was “Resolution in the age of data.”

SNPTEE – Godel Conecta, the product of a Research, Development and Innovation (RDI) project, won first place at the XXVII National Seminar on Electricity Production and Transmission (SNPTEE), an event considered the largest in Latin America and the second largest in the world. The award-winning technology makes it possible to simulate the availability of the electricity network for distributed generation connection.

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

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

Aberje Award – We received the Aberje 2023 award for the Volunteer Program, aimed at the in-house public. In the Event category, we received the award for the Celebration of the 25th anniversary of the Neoenergia Group.

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

Presence in ESG indexes and *rankings*

Corporate Sustainability Index (ISE) – For the fifth consecutive year, our shares are part of the B3 – Brasil, Bolsa, Balcão Corporate Sustainability Index (ISE) portfolio. The 19th ISE B3 portfolio is in force in 2024, joining 36 sectors. We were in the ninth position in the *ranking* of the 78 companies that answered the index questionnaire and were selected to be partof the portfolio.

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 index. The evaluation considers the participation of women, black and indigenous people in the company.

FTSE4Good Index Series – For the fourth consecutive year, we have been included on one of the most important international sustainability indexes, measured by the *Financial Times Stock Exchange* (FTSE) Russell, a division of the London Stock Exchange. It is composed of publicly traded companies committed to ESG criteria, based on selection criteria that consider more than 300 public indicators.

The Sustainability Yearbook – We remained on the international *list* of the best-performing companies in the electricity sector for the fourth consecutive year. The yearbook, prepared by S&P Global ESG, highlights institutions with best practices in environmental, social and governance (ESG) aspects.

CDP – We obtained an A- score in the CDP Climate notebook and B in the Water Security notebook, which placed us in a leading position compared to our peers. It reflects our business strategy focused on accelerating the energy transition towards climate neutrality. We have officially participated in the CDP since 2021.

Pro-Ethics – We received the Pro-Ethics Company Seal (from the Office of the Comptroller General – CGU), in the 2022-2023 edition, for the fifth consecutive time. In this edition, the distributors recognized were: Neoenergia Coelba, Neoenergia Cosern and Neoenergia Pernambuco.


Solar panels in Fernando de Noronha

2.
Business model and strategy

Neoenergia Renewable Complex (PB)

Operating context

The first half of 2023 was marked by a turbulent international economic scenario, with high inflation in major economies. This led central banks to further raise interest rates as a measure to contain inflation. In Brazil, the period was characterized by a restrictive credit market, high interest rates, but with positive surprises in GDP from agribusiness.

From the second half of 2023, little by little, the main economies began to signal the end of fiscal tightening and, in Brazil, the Central Bank began consecutive cuts of 0.5 p.p. in the Selic Rate, which ended 2023 at 11.75% after having reached 13.75%.

Inflation measured by the Broad National Consumer Price Index (IPCA) accumulated in 2023 a variation of 4.62%. Thus, it was within the inflation target and below that recorded in 2022, of 5.79%, according to the Brazilian Institute of Geography and Statistics (IBGE), also lower than market expectations, which had predicted an increase of 5.31%.

Gross Domestic Product (GDP) grew 2.9% in 2023, according to the IBGE, exceeding the market projections at the beginning of the year of an increase of only 0.8%.

The Ibovespa index demonstrated a 22.28% growth rate, reflecting an improvement in the macroeconomic scenario from the second half of the year. This was driven by expectations of a decline in interest rates in the United States and greater optimism regarding the Brazilian fiscal scenario.

As for energy consumption, according to the National Electric System Operator (ONS), there was an increase of 5.1% compared to 2022, influenced by high temperatures and low rainfall in the second half of the year in various regions of the country.

Rio do Fogo (RN) wind farm

Regulatory environment

In 2023, three of our five distributors had a tariff review approved by the National Electric Energy Agency (ANEEL): Neoenergia Coelba, Neoenergia Cosern and Neoenergia Elektro. The review of Neoenergia Pernambuco will take place in 2025 and Neoenergia Brasília in 2026. In 2023, both distributors implemented only the annual tariff adjustment.

Consumption Group	Neoenergia Coelba	Neoenergia Pernambuco	Neoenergia Cosern	Neoenergia Elektro	Neoenergia Brasília
Date of adjustment	**April/23**	**May/23**	**April/23**	**August/23**	**October/23**
HV – High Voltage (> 2.3 kV)	6.91%	10.41%	3.65%	3.15%	7.78%
BT – Low Voltage (< 2.3 kV)	8.66%	8.51%	4.45%	9.53%	9.95%
Average tariff effect	8.18%	9.02%	4.26%	7.17%	9.32%
Next tariff review	April/28	April/25	April/28	August/27	October/26

3 distributors underwent a

Tariff Review

Key regulatory discussions in 2023

Regulatory Capital Compensation Fee (WACC) – The Regulatory Capital Compensation Fees (WACC) were updated by Aneel on March 28. The WACC (real, after taxes) applied to distributors was 7.42% (7.15% in 2022); for transmitters and quota plants it was 7.26% (6.93% in the previous year).

Regulation of the Brazilian Carbon Market – Throughout 2023, discussions continued within the legislative framework on the regulation of the Brazilian Carbon Market and some initiatives were materialized, such as Bill 412/2022. The text is in an advanced stage of processing. The Bill establishes the creation of the Brazilian Emissions Trading System (SBCE). The expectation is that the Law will be published in 2024.

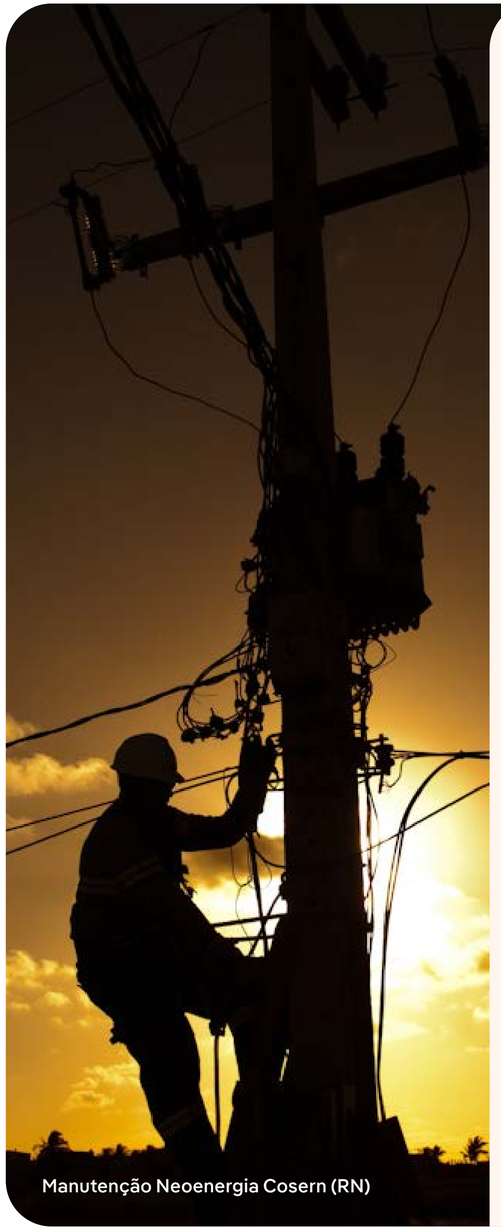
Distribution

Renewal of the concession of the distributors – On June 22, the Ministry of Mines Energy (MME) opened Public Consultation 152/2023, which deals with the initial proposal of the federal government for the renewal process of the concessions of the distributors whose maturities come due between 2025 and 2031. The period includes the renewal of four of our five distributors (Neoenergia Coelba, Neoenergia Pernambuco, Neoenergia Cosern and Neoenergia Elektro). After the contributions received by the public consultation, the Ministry released Technical Note 19/2023, with a favorable position regarding the opinions of the distributors. In January 2024, the Federal Court of Accounts (TCU) issued a decision: it allows the MME to proceed with the renewal processes, suggesting a case-by-case analysis. The next step is the preparation of the decree that will govern the conditions for extending the concessions.

Legal Framework for Distributed Generation – On February 7, 2023, Aneel Normative Resolution No. 1.059 was published. It regulates Law 14.300/2022, considered the legal framework for Distributed Micro and Minigeration. The rules address a number of topics, including how much it costs to utilize the distribution network and when the distributor must finish connecting the systems.

Overcontracting of Distributors (2018) – On November 16, Aneel Order No. 4.395 was published, containing the values of involuntary exposure and overcontracting of distribution agents for 2018. For our five distributors, the amount approved was "zero." However, Aneel's criteria could not be confirmed due to the lack of disclosure of the spreadsheet containing the agency's adopted rules. Both ABRADEE and the distributors filed an appeal requesting the calculation memory, since the methodology adopted may change the involuntary surplus to be recognized for subsequent years.

Market Liberalization – On September 28, Ordinance No. 50/GM/MME was published, establishing that as of January 1, 2024, Group A consumers could opt for the purchase of energy from any concessionaire, licensee or authorized SIN electricity company. Also, for those with an individual load of less than 500kW, the obligation of representation by a retail agent before the CCEE was established.



Manutenção Neoenergia Cosern (RN)

Transmission

Permitted Annual Revenues (RAP) – On July 4, 2023, Aneel published Homologatory Resolution No. 3.216, which established the Permitted Annual Revenues for the 2023-2024 cycle. On December 12, Order No. 4.675/2023 was published, which presents the evaluations of the administrative appeals filed against the Resolution. The RAP value was adjusted by 5.56% in relation to the previous cycle. The main reasons for the increase are the readjustment index provided for in the concession agreements and the effects of the revisions on the concessionaires' revenues.

Generation

Regulation of *offshore* generation – On December 7, 2023, the Federal Senate published Bill No. 5.932/2023, intended to foster the development of electricity generation through offshore (maritime) plants. The Law is expected to be published in 2024.

Hydrogen regulation – In 2023, several bills were presented to establish the legal framework for hydrogen in Brazil. Two bills were most advanced: one of them originated in the Chamber of Deputies (PL 2.308/2023) and the other in the Senate (PL 5.816/2023). Both were approved in their respective houses of origin and are being processed in parallel. The hydrogen legal framework is expected to be published in 2024. The MME released the Triennial Work Plan of the National Hydrogen Program (2023–2025) in August 2023. This program's activities are intended to direct the government measures that must be taken in order to advance the nation's transition to a hydrogen economy over the next several years.

Business model

We refined our strategy and business model in alignment with the company's vision that the electricity sector should play a pivotal role in combating climate change, thus creating opportunities for economic, social and environmental development. The decarbonization of the economy represents an excllent opportunity to generate income, create jobs and work to conserve the planet and improve people's health. We believe the transition to a carbon-neutral economy by 2050 is technologically possible, economically feasible and socially necessary.

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

Our business model permits:

- The expectations of our *stakeholders*;
- Investing in regulated and long-term businesses that provide known and recurring cash flows;
- Accelerating growth in renewable activities, mainly *onshore* wind, photovoltaics and green hydrogen production, to meet the decarbonization goals we have set;
- Diversifying geographically, with a presence in increasingly more states;
- Guiding us towards a safe and growing dividend in line with the increase in the company's results;
- Maintaining a solid financial position, capable of meeting our investment objectives.

Value capturing

Financial capital
Economic resources we have, through cash generation, or that we raise in the capital markets

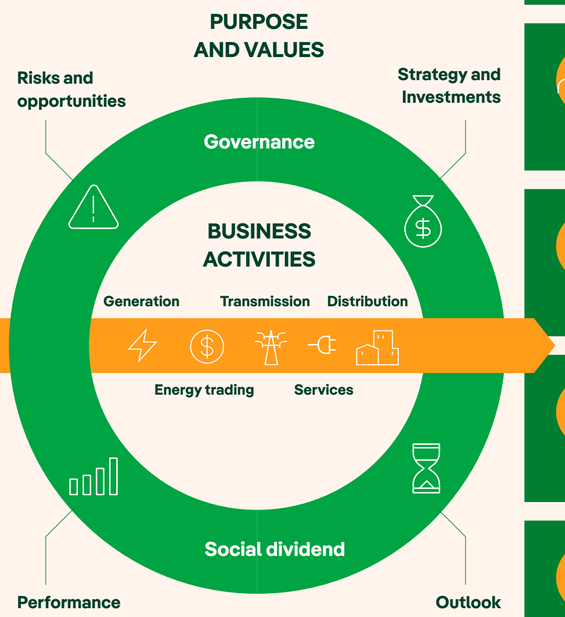
Manufactured capital
Assets that are tangible or used to carry out our activities and provide energy competitively, in a safe and reliable environment

Intellectual capital
Intangible assets based on the knowledge and expertise of people and an open innovation model

Human capital
Knowledge, skills, experience and motivation of our employees

Social and relationship capital
Ability to share, relate and collaborate with our stakeholders, promoting the development and well-being of communities

Natural capital
Sustainable use of natural resources potentially affected by our activities



Distribution of value added

Financial capital
Balanced growth, financial strength, sustainable dividend
EBITDA of R$ 12.4 billion

Manufactured capital
Secure and competitive energy supply, with businesses focused on Networks and Renewables
Investments of R$ 8,9 billion

Intellectual capital
Promotion of Research and Development and Innovation
Investment of R$ 160.3 million em R&D+I

Human capital
Committed and skilled workforce, in a diverse, inclusive and balanced environment
About 46,000 direct and indirect jobs

Social and relationship capital
Strengthening trust and bonding with communities
R$ 33.1 billion in added value

Natural capital
Fighting climate change and protecting biodiversity
Commitment to reduce specific CO_2 emissions by 84% in 2030, compared to 2017, from 128 g to 20 g CO_e/kWh generated

Outlook 2023-2025

GRI 3-3 – MATERIAL TOPIC: ECONOMIC PERFORMANCE AND SUSTAINABLE FINANCING

Our business strategy is geared towards accelerating a just energy transition towards climate neutrality by delivering a clean, reliable and smart business model. We perceive 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.

We understand that the innovation of all businesses will drive new generation technologies, as well as automation and remote control of transmission and distribution networks. Furthermore, it will open business opportunities in the production of green hydrogen, energy storage and commercialization of batteries, expansion of unregulated services, distributed generation and growth of smart mobility.

We have defined five pillars that support our strategy of growing profitably, both organically and by identifying opportunities for new investments that ensure value creation. With a robust business model in place, we are well-positioned to navigate the potential fluctuations in the macroeconomic and sectoral landscapes.

OUR 5 GROWTH PILLARS

1 Organic growth in Distribution

- Exposure to the Northeast, a high-growth region, and to mature regions (São Paulo and Brasília).
- Increase of 300 thousand customers per year.
- Inflation-adjusted regulated contracts.
- Efficient operation, with operational indicators in constant evolution.

2 Investment in Transmission

- Since 2019, seven lots delivered, with Permitted Annual Revenue (RAP) of R$ 411 million, and eight lots under construction, which will add RAP of R$ 1,354 million.
- The Capex savings and the speeding up of the schedule in view of Aneel's forecast for the lots already delivered confirm attractive return rates.
- Selloff of 50% of eight assets to GIC reflects the potential of the business.
- Expansion pipeline via investments in existing projects, without the need for auctions.
- Competitive advantages: own labor, operational history, centralized purchases/gains in scale.

3 Growth in Renewables

- Wind farms with an installed capacity of 1.55 GW.
- 5.1 GW of greenfield pipeline (solar and wind), 100% registered with Aneel.
- 80% of the resources sold by 2024 through medium and long-term contracts.
- Green hydrogen and *offshore* wind projects.

4 Focus on efficiency of operating expenses

- Efficient anagement of operating expenses (Opex), which rise 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, with increased efficiency and reduction of third party costs.
- Optimization of operational processes, with greater synergy between the areas.

5 Financial discipline

- Adequate capital structure and access to various sources of financing, ensuring the execution of the investment plan. Net debt/EBITDA ratio at 3.17 times.
- Opportunities to recycle assets.

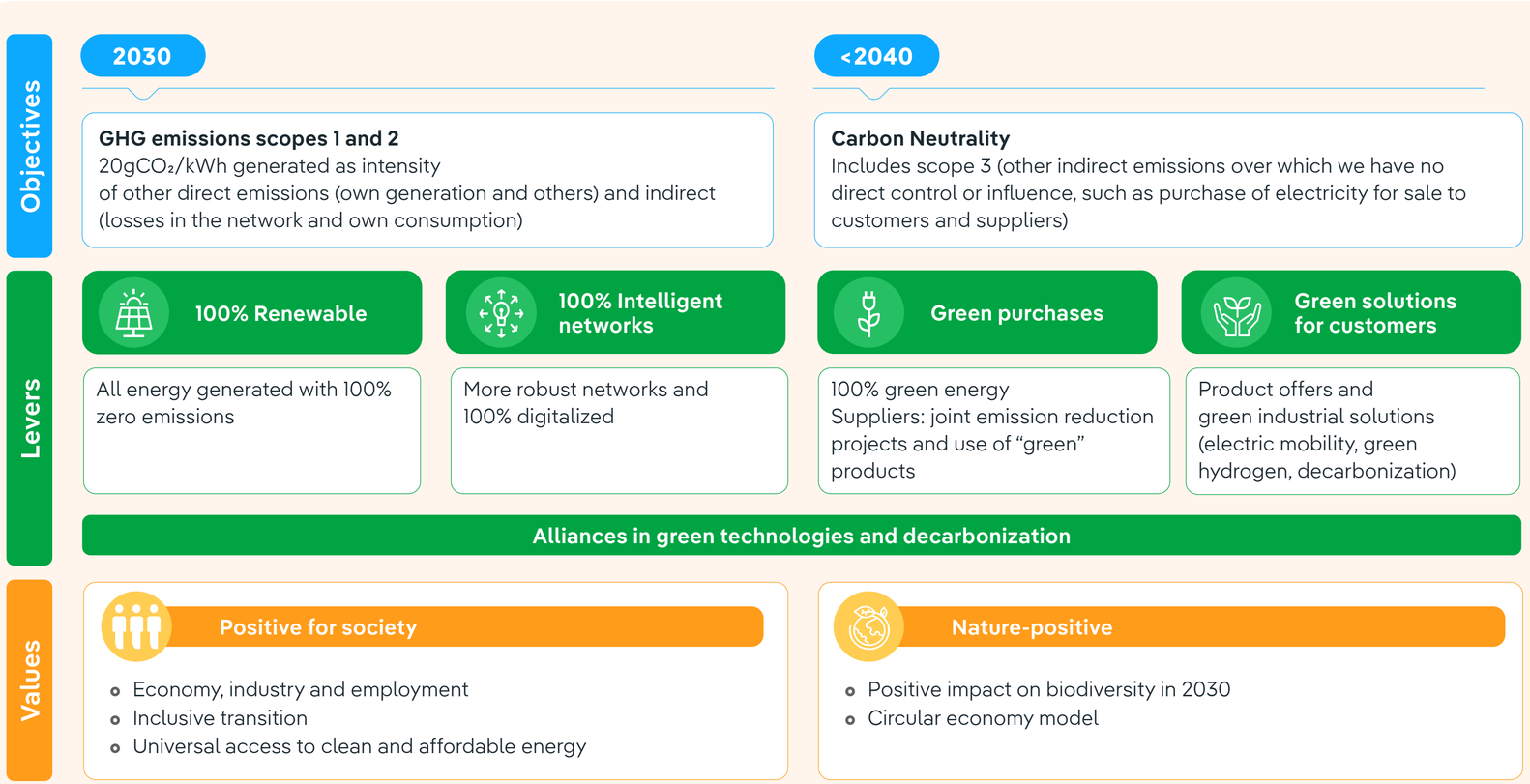
Energy transition and Climate Action Plan

In executing our strategy, we seek to match our growth in renewables and grids to achieve carbon neutrality before 2040.

We follow the Climate Action Plan of our parent company, Iberdrola. It defines the levers, actions and associated metrics that contribute to the decarbonization of the entire economy and responds to the vision of an energy model in harmony with nature and people. The goals are to bolster our resilience and consolidate leadership in renewable energy, smart and efficient grids, while also deploying decarbonization solutions to the customer.

The Plan brings key elements, such as:

- Invest in innovation initiatives aimed at decarbonizing the energy mix;
- Establish alliances and active participation in the alliances and active participation in the main milestones of the climate age's main milestones;
- Support the main initiatives seeking greater climate ambitions;
- Raise awareness on this topic with external and internal actions in collaboration with reference institutions.



Asset swaps GRI 2-6

The profitable growth of our business is reflected in two key developments completed in 2023: asset recycling and strategic partnerships. These initiatives have optimized results for our shareholders.

The former was an asset exchange signed with Eletrobras and completed in September 2023. We received 49% of the common shares of the Dardanelos (MT) plant, now having 100% of the share capital of the business, and a 0.04% interest in Neoenergia Coelba, Neoenergia Cosern and Afluente T. Eletrobras, in turn, took 51% of the shares of the Teles Pires and Baguari I hydroelectric plants. As a result, we fully assumed a high quality asset and strong cash generation.

Another initiative involved the sale of 50% of eight transmitters in operation to GIC, Singapore's sovereign wealth fund, for R$ 1.2 billion. The agreement provides for joint participation in future auctions of transmission lines and the sale to the fund of other transmission assets that go on line. We have concluded that the operation has validated our operational excellence and has recognized the prudent capital allocation we have made over the past few years.

Network Businesses GRI 2-6

We invest to improve the reliability, security and resilience of our transmission and distribution networks, thus achieving one of the main objectives of our activity: to offer customers excellent quality service. To this end, we work to maximize operating efficiencies through operational excellence and the digitalization of our assets. We are moving towards a cleaner model thanks to the increasing deployment of smart grids, which provide information for more advanced, remote and secure management. This favors the more efficient integration of electricity (centralized and distributed).

MAIN NUMBERS

	2021	2022	2023
Net income (R$ million)	39,678	39,218	40,802
Gross margin (R$ million)	10,516	12,310	12,150
EBITDA (R$ million)	12,095	13,649	13,372
Investments - R$ million	6,176	8,091	8,210
Distributed electrical energy (GWh) [1]	67,322	68,626	71,315

[1] Captive market + free + distributed generation.

Distributed energy was

71,315 GWh

Transmission tower

Abradee 2023 Award Trophies: Neoenergia Cosern and Neoenergia Elektro

Distribution

Our five electricity distributors operate in the states of Bahia, Pernambuco, Rio Grande do Norte, São Paulo, Mato Grosso do Sul and the Federal District. They ended 2023 with 16.4 million active customers, 2% above the previous year, adding another 314,000 consumer units. Together, they distributed 71,315 GWh of energy, a volume 3.9% above 2022. In the residential class, this increase was 5%, especially influenced by higher temperatures and lower rainfall, in addition to the growth of the customer base. In the rural class, growth was 4.2%. There was a decrease of 3.4% in commercial class consumption and 16.5% in the industrial class – a result that pivots into an increase of 0.9% when free consumption is incorporated into the performance of industry ial companies.

In 2023, we registered a significant growth in the number of users who are also electricity producers as a result of the change in rules for distributed generation. This was an outcome of the charging of tariffs for the use of the network in the year. Hence, there was distributed generation use accelerated throughout the country. In our areas of expertise, we went from 114,235 users in 2021 to 728,061 in 2023, or 537.3% more. From 2022 to 2023, the increase was 61.9%.

DISTRIBUTOR PROFILES

Distributor	Concession area	Length (thousand km²)	No. of customers (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

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

Neoenergia Renewable Complex (PB)

Transmission

In the year, we completed the construction of new transmission lines in the Lagoa dos Patos, Vale do Itajaí and Morro do Chapéu projects. With these additions, we now have a total of 18 projects in our portfolio, involving almost 9,000 kilometers of transmission lines and 17 substations. Of these, 10 are already in full operation, with approximately 2,438 kilometers of lines and 13 substations.

During the year, we sold 50% of eight assets to the Warrington Investment GIC fund, from Singapore, covering the Neoenergia Jalapão, Neoenergia Santa Luzia, Neoenergia Dourados, Neoenergia Atibaia, Neoenergia Biguaçu, Neoenergia Sobral, SE Narandiba and Neoenergia Rio Formoso transmitters.

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 start-ups planned by Aneel between March 2024 and September 2027.

TRANSMISSION ASSETS

Transmitters	Location	Extension (km)	Substations (no.)	Startup
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
Santa Luzia	CE / PB	345.0	1	Nov/21
Jalapão	BA/ TO/ PI/ MA	728.0	-	Jan/22
Rio Formoso	BA	210.0	2	Jan/23

[1] Narandiba is formed by 3 substations: SS Narandiba, SS Extremoz II and SS Brumado II.

Renewables Business GRI 2-6

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

In September 2023, we concluded an asset exchange agreement with Eletrobras, which resulted in the consolidation of 100% of the Dardanelos hydroelectric plant and the divestment of Teles Pires and Baguari.

In March 2023, we launched the first associated renewable energy generation complex in Brazil. Located in the backlands of Paraíba, it is characterized by the synergy between the assets of the wind and solar farms with the transmission line and the substation. Because the sources complement each other, this feature maximizes the utilization of the transmission network. The complex has the capacity to supply 1.3 million homes per year.

Pernambuco, which has 4.8 MW of installed capacity and serves the isolated energy system of the Fernando de Noronha Archipelago.

RENEWABLE ASSETS

	Location	Neoenergia stake (%)[1]	Installed capacity (MW)	Neoenergia capacity (MW)[1]
Hydroelectric power plants				
Itapebi	Rio Jequitinhonha (BA)	100	462.0	462.0
Corumbá III	Rio Corumbá (GO)	70	96.5	67.6
Águas da Pedra (HPP 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.

MAIN NUMBERS

	2021	2022	2023
Net income (R$ million)	1,154	1,747	2,054
Gross margin (R$ million)	1,166	1,416	1,648
EBITDA (R$ million)	521	948	2,880
Investments - R$ million	3,106	1,736	620
Installed Capacity (MW)[1.2]	4,547	5,100	4,394
Electricity generated (GWh)[2]	15,129	14,751	13,653

[1] Does not consider Neoenergia's Tubarão Plant

[2] Reduction reflects the exchange of assets with Eletrobras, incorporating 100% of the Dardanelos HPP in exchange for participation in the Teles Pires and Baguari plants.

Energy generated in 2023 totaled

13,653 GWh

Liberalized Business GRI 2-6

We have been preparing to act strongly in a liberalized market, where customers will be able to choose their electricity supplier. Currently, only customers with consumption above 500 kW, which is equivalent to an account of about R$ 140 thousand, can make this choice. This liberalization was to progress in January 2024, when business consumers who are in group A, high voltage, would be able to migrate to the free energy market.

NC Energia is responsible for selling the part of our generation portfolio earmarked for the free market. 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% over 2022.

More than electricity traders, we want to be seen as solution providers for our customers. We render personalized energy management services to end customers and sell Renewable Energy Certificates (I-REC), which guarantee the traceability of energy, proving that it is from a renewable source.

Services

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

We expanded our performance in electric mobility by offering battery chargers and *Smart Charging* solutions for companies that want to electrify their fleets and condominiums, reaching 259 points installed in 2023. With *Smart Solutions,* we help customers optimize their energy consumption by installing distributed generation systems through photovoltaic solar panels.

In the mass insurance segment, we offer health care products, discounts in the fields of education and leisure and popular credit, among others, to a portion of the population that would not normally have access to these services.

We also work on electrical infrastructure projects, including substations and high, medium and low voltage lines, as well as installations of billing measurement systems for free customers.

Green Hydrogen and Industrial Solutions

The Liberalized area is also responsible for the green hydrogen projects and industrial green solutions that we are developing, designed to contribute to the decarbonization of the economy.

We signed memoranda of understanding with the governments of the states of Pernambuco, Ceará, Rio Grande do Norte and Rio Grande do Sul. Furthermore, we entered into an agreement with Prumo, the entity responsible for the Port of Açu in the state of Rio de Janeiro, for the purpose of conducting studies on the potential for green hydrogen production at the site as well as for *offshore wind projects*.

We made significant strides regarding Green Industrial Solutions in 2023. Projects were designed and prospecting carried out for opportunities to enhance sustainability in industries of all sizes that utilize thermal processes (heat and cold) in their production chains with the burning of fossil fuels. The company's objective is to reduce GHG emissions and costs.

We are developing new decarbonization applications in partnership with national and international suppliers. Furthermore, we have expanded our portfolio to include decarbonization options utilizing proven renewable energy sources, such as biomethane and biomass.

Thermal generation

The Liberalized area also manages thermal operations through the Termopernambuco plant, a combined gas and steam cycle facility rated at 533 MW. It is installed in the Port of Suape in the state of Pernambuco. In 2023, the plant operated for a few days at the end of the year and generated 85 GWh of energy; in the previous year, there was no generation.

Termopernambuco is a thermal plant included in the PPT (Priority Thermal Program). It has signed PPAs (Power Purchase Agreements) with Neoenergia Coelba (65MW) and Neoenergia Pernambuco (390MW), lasting until 2024, which guarantee the plant's revenues. The company was the successful bidder in the inaugural capacity reserve auction held at the end of 2021. As of 2026, it will assume the role of complementing renewable sources in the National Interconnected System (SIN). The contract is valid for 15 years.

MAIN NUMBERS

	2021	2022	2023
Net income (R$ million)	2,776	3,314	3,122
Gross margin (R$ million)	883	1,182	782
EBITDA (R$ million)	665	1,011	609
Investments - R$ million	84	62	59
Traded energy (TWh)	4,5	4,7	5.5

ESG+F goals

Our Governance and Sustainability System revolves around ESG+F criteria (*Environmental, Social, Governance+Financial,* i.e. environmental, social, governance and financial aspects). The agenda is part of our business strategy and is aligned with commitments to the Global Compact Principles and the Sustainable Development Goals (SDGs), both initiatives of the United Nations (UN).

The execution of the ESG+F strategy revolves around three pillars:

- Environmental performance, combating climate change and preservation and recovery of biodiversity, through environmental policies;
- Social commitment, manifested in our social policies;
- Corporate governance standards and policies, under the best market practices.

In 2022, the Board of Directors approved 16 ESG+F commitments to be achieved in 2025 and 2030. For 2023, we expanded these commitments with 14 more targets, ending the year with 30. These goals address both material issues related to the company's sustainable management and our commitment to the SDG program.

Among the new goals were biodiversity assessment, installed reuse water capacity, cybersecurity, quality of energy supply, beneficiaries of the Neoenergia Institute, inclusion and diversity solutions for customers, among others. In addition, we revised some of the 2030 goals to make them more challenging. These include the proportion of women in relevant positions (from 32% to 35%), in leadership positions (from 35% to 40%), and black people (blacks and browns) in the executive board, superintendent, management and supervisory positions (from 25% to 40%).

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

ESG GOALS

Environmental

				Goals		
	2021	2022	2023	2025	2030	SDG RELATED
Emissions[1]						
Emissions of gCO_2/kWh in generation (scope 1)	61	1.3	3.6	36	20	7 13
Network digitization						
% High-Voltage and Medium-Voltage networks digitized	72%	75%	77.5%	83%	90%	1
Fleet electrification						
% of own light vehicles electrified in the Neoenergia fleet	5%	8%	9.7%	13%	50%	7 9 13
Sustainable light vehicle fleet[2]						
% of the total fleet of light vehicles (flex, hybrid or electric)	NA	NA	99.6%	99%	100%	7 9 13
Installed reuse water capacity						
Millions of liters	NA	NA	7.3	7.5	10	6 14
Biodiversity assessment[3]						
% assets with biodiversity assessment and positive impact plan	NA	NA	0%	20%	100%	13 15

Social

	2021	2022	2023	Goals 2025	Goals 2030	SDG RELATED
Women in relevant positions[4]						
% of women in Board and Superintendent positions	23%	28%	31.1%	31%	35%	5 10
Women in leadership positions *						
% of women in leadership positions in the Board, Superintendent and Management positions	26%	29%	30.4 %	33%	40%	5 10
Trained women electricians[5]						
% of women trained in electrician schools	15%	37%	40.3%	30%	35%	5 10
Women in electrician positions						
12% of women in electrician positions	4%	6%	8.4%	9%	12%	5 10
Racial diversity *						
% of blacks and browns in the positions of Board, Superintendence, Management and Supervision	Census	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
Safety (ISO 45001)[7] *						
% of own workers assigned to ISO 45001 certified *sites*	38	48	50.8%	50%	60%	3 6
Safety[8]						
Number of occupational accidents with and without leave (own team)	0.44	0.26	0.23	≤0.43	<0.39	3 6
Training[9]						
Average hours for training employees and professionals in the communities where we operate	76	89	94	67	70	4 5 8
Digital clients						
% 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

	2021	2022	2023	Goals 2025	Goals 2030	SDG RELATED
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 Outages per consumer unit	NA	NA	9.68	9.29	8.44	1 7 9
Purchases from local suppliers[11]						
% of invoiced volume of purchases with local suppliers	NA	NA	99.5%	>90%	>90%	-
Purchases 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 process of engagement with Stakeholders						
Enhance stakeholder engagement through diverse mechanisms and channels	NA	NA	✓	✓	✓	7 11 13
Cybersecurity assessments[13]						
Number of annual assessments or external checks	NA	NA	374	316	316	8 9 17
Cybersecurity training[14]						
Number of annual hours of cybersecurity and information protection training No. of annual hours	NA	NA	12,272	11,500	13,100	4 8 9

Governance

	Goals					
	2021	2022	2023	2025	2030	SDG RELATED
Variable ESG remuneration						
% 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						
Gain/maintain (annually)	NA	NA	✓	✓	✓	16

Sustainable finance

	Goals					
	2021	2022	2023	2025	2030	SDG RELATED
***Green* financing framework**						
Annual review and update (if applicable)	✓	✓	✓	✓	✓	5 6 7 13 16
ESG funding						
% new financial contracts in 2023/2025 and 2026/2030 trienniums with ESG/green rating (with European taxonomy)	NA	NA	49%	>60%	>75%	5 6 7 13 16

* Targets set in 2022 and revised in 2023.

NA – Not applicable. Goal created and approved by the Board of Directors in 2023.

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

[2] **Sustainable light vehicle fleet:** Although the commitment for 2025 was already met in 2023, the difficulty persists due to the regular requirement for vehicle replacement. This goal 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 represented the first product to meet this target. Based on the defined methodology, we were able to start the asset measurement process 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 the commitment to gender equality, presented very positive results. This goal remains challenging and under evaluation since the metrics achieved are still subject to variation.

[5] **Trained women electricians:** In 2023, we expanded our focus on training and internalizing women in the Electrician Schools run by our distributors. This action, which strengthens the commitment to gender equlity, presented very positive results. However, the goal remains challenging and under evaluation, given that the metrics achieved are subject to variation.

[6] **Corporate volunteering:** In order to enhance our social commitment, in 2023 we designed a large awareness campaign to promote the Corporate Volunteering Program. The initiative presented positive results. However, the goal remains challenging and continues to be evaluated since the metrics achieved are subject to variation.

[7] **Safety (ISO 45001):** In 2022, we anticipated this certification for Neoenergia Brasília and O&M Transmissão. This determined the earlier fulfilment of the goal intended for 2025. In 2024, the metrics for this target will be re-evaluated to ensure that we elevate our performance and commitment to occupational health and safety management.

[8] **Safety:** In 2023, the rising involvement of leaders in accident prevention, along with integrated activities, ensured the evolution of our safety results among our own employees. However, this goal remains challenging and under review, since the metrics achieved are still subject to variation.

[9] **Training:** When combined with the mandated training brought about by the high level of internalizations in 2023, the firms' voluntary efforts, which are becoming more and more involved in creating value and knowledge, exceeded the 2025 target. As a result, the metrics for this goal will be re-evaluated to ensure we are improving our performance and commitment to the issue.

[10] **Neoenergia Institute Beneficiaries:** in order to maintain our social commitment, we increased the number of projects supported in 2023, which resulted in exceeding the targets set for 2025 and 2030. As a result, the metrics for this goal are being re-evaluated to ensure we are improving our performance.

[11] **Purchases from local suppliers:** We are committed to maintaining and expanding our local supply chain. However, even if it is circumstantially met, the target remains challenging and under evaluation, given that certain products and services are not always available locally.

[12] **Purchases from sustainable suppliers:** In 2023, we met the metrics established for 2025 and 2030. However, the objective remains challenging and under evaluation, since such results are subject to variation.

[13] **Cybersecurity Assessments:** In 2023, we expanded our defense processes against cyber threats through increased digital sweeps, which let us exceed the target set for 2025. However, this goal remains challenging and its metrics will be reassessed to ensure greater company safety and commitment to the topic.

[14] **Cybersecurity training:** Voluntary initiatives promoted by businesses, added to mandatory training in 2023, resulted in surpassing the value established for 2025. As a result, the metrics for this goal will be re-evaluated to ensure we are improving our performance and commitment to the issue.

Our contribution through the SDGs

The initiatives we develop aim to contribute to building a more just, equitable and healthy society and to achieving the Sustainable Development Goals (SDGs). We are focusing our efforts on the SDGs where we believe we can make the most relevant contribution: the provision of 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.

Innovation

GRI 3-3 – MATERIAL TOPIC: INNOVATION, DIGITALIZATION AND CYBERSECURITY

Innovation is our key strategy to ensure sustainability, efficiency and competitiveness. It also helps us remain at the forefront of developing products, services, and business models that will enable the company to meet the challenges and seize the opportunities of transformation in the electricity sector. The innovation strategy aligns with our sustainable development strategy. It focuses on fostering renewable energy and seizing opportunities represented by the digitization and automation of business processes. Thus, we prioritize emerging technologies that contribute to the fulfillment of SDGs 9 (Industry, innovation and infrastructure) and 13 (Climate action).

We invested R$ 160.3 million in Research, Development and Innovation (RDI) projects during 2023. We organized the efforts around five major axes aligned with the fundamental vectors of the transformation of the energy sector, decarbonization and electrification of the economy.

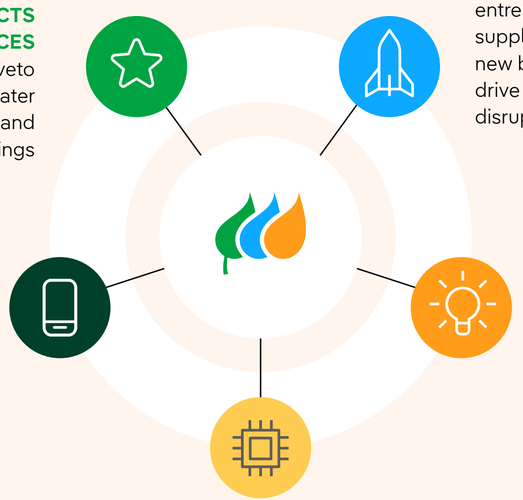
We held the first call of the Inovamos Program – Neoenergia Value Creation Journey, in which more than 600 ideas were submitted through our collaborative platform: Go In. The goal is to simplify, optimize and debureaucratize our in-house processes. All ideas were analyzed by evaluators, involving more than 800 leaders in the assessment stages. In the end, the 24 best projects were presented to the Executive Board on *Demo Day* and the 10 best were vested.

We also launched Pod Inovar, a podcast that promotes the debate on overviews, trends, curiosities of the innovation universe and the energy sector. The content includes internal and external experts and is available on our Youtube, LinkedIn and Spotify channels and social networks.

THE 5 RDI AXES

NEW PRODUCTS AND SERVICES competitively responsiveto customer needs, with greater personalization of content and offerings

INNOVATION with startups, entrepreneurs and suppliers aiming to develop new business models and drive incremental and disruptive innovations

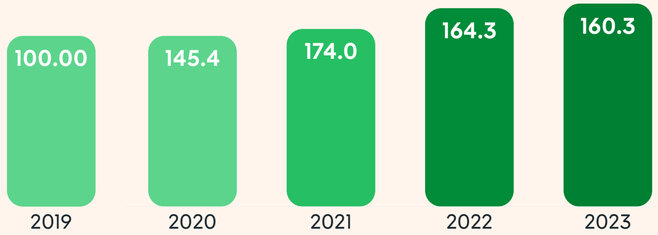


DIGITALIZATION AND AUTOMATION in all businesses and processes, using technologies – such as Internet of Things (IoT), virtual and augmented reality, big data, artificial intelligence, machine learning and easy-to-use tools such as Power BI and Power Apps

CULTURE OF INNOVATION and TALENT as the basis for the organization's transformation pillars

DISRUPTIVE TECHNOLOGIES that are increasingly efficient, sustainable and environmentally friendly, optimizing the operation of facilities and processes. Green hydrogen, innovative renewable energies, sustainable mobility , smart grids, storage and electrification of thermal systems that contribute to industrial transformation with a focus on sustainability

INVESTMENTS IN RDI (R$ MILLION)



Research and development

GRI ex-EU8 | SDG 7.2, 7a, 7b, 9.4, 9.5, 17.7

We have a research, development and innovation program in place, regulated by Aneel, whereby generators and transmitters allocate 1% of net operating revenue to R&D projects. For their part, the distributors invest 0.5% in R&D and 0.5% in energy efficiency. In R&D, projects are executed around four strategic topics: Intelligent Technologies, Safety, Operational Efficiency and Sustainability, which are aligned with the pursuit of practical and concrete results for the business.

In hydroelectric, wind and solar generation, our focus is on projects that involve the digitalization of processes and automation of human activities, with the application of new technologies aimed at predicting failures and inspecting the condition of equipment/facilities.

In distribution and transmission, we seek the development and implementation of new technologies and services. The objective is to transform the customer experience, providing efficient and personalized digital channels. We also seek to contribute to the expansion of smart grids, providing electricity efficiently, sustainably, economically and safely. Several asset automation and process digitalization projects are also included.

Innovation in deregulation focuses on improving the efficiency of operational assets and related processes that impact quality, safety and costs. This is in addition to using and providing more clean energy and clearly communicating its origin to customers and other stakeholders. Also noteworthy are the activities under the context of the liberalization of the Brazilian electricity sector and our investment in green hydrogen and new decarbonization solutions for customers.

Some of the projects under development are mentioned in our Annual Sustainability Report.

Electric truck used in Distribution activities

3.
Environment

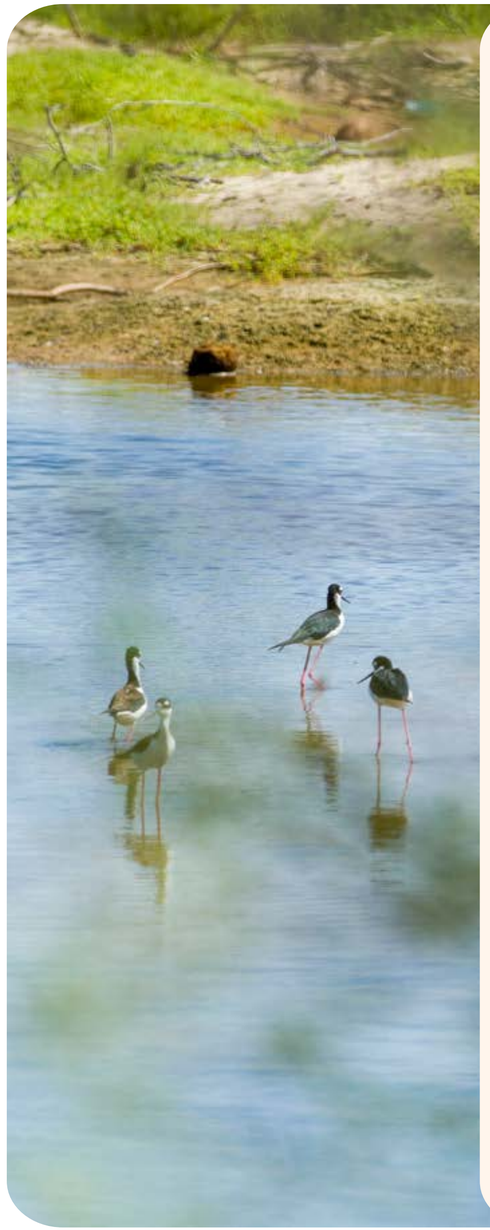
We have a strong commitment to the improvement of the environment. We integrate initiatives to reduce greenhouse gas (GHG) emissions, conserve, protect and enhance biodiversity, and use natural resources sustainably and efficiently in all activities and processes.

To this end, we work on three fronts that, together, act to reduce or eliminate our main impacts:

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 the decision-making process, minimizes negative effects and establishes recovery and impact compensation programs.



Decarbonization

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

We have incorporated the fight against climate change as a key element in the definition of our strategy. Our Climate Action Policy sets out actions in line with the Paris Agreement and the UN 2030 Agenda. Since 2021, we have considered the recommendations of the *Task Force on Climate-Related Financial Disclosures*(TCFD) as basic principles for our strategic planning, and decision-making processes, as well as in the analysis, management and reporting of non-financial indicators.

As a result of implementing these suggestions, we received an A- score on the CDP Clima 2023 questionnaire, which puts us in the top tier of businesses for environmental performance according to this platform's evaluations. The report, for its part, is a reflection of our day-to-day communication of climate risk and opportunity management.

Our GHG emissions inventory report has been published since 2019, always assured and recognized with the Gold Seal of the Brazilian GHG Protocol Program (the inventory can be accessed on the Sustainabilitypage of our website).

We continue to identify and consolidate new growth opportunities 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 facility in Brazil: the Neoenergia Renewable Complex. It is an unprecedented integration of the wind and solar energy production of the Neoenergia Chafariz and Neoenergia Luzia complexes, respectively.

Another priority that contributes to this goal is the automation and digitalization of networks, which allow remote communication between equipment and maintenance teams. It is aligned with the commitment to reach 90% of digitized high and medium voltage networks by 2030. At the close of 2023, this proportion was 77.5%.

Internal Carbon Pricing (ICP)

We use an Internal Carbon Pricing (ICP) point that helps us identify opportunities to reduce emissions, seeking new potential decarbonization routes. This project was developed in 2021 in partnership with the Center for Sustainability Studies (FGVces) of the Getúlio Vargas Foundation.

The first Marginal Abatement Curve (MAC Curve) generated an internal carbon price that included 12 potential emission reduction projects. They include, for example, measures for fleet electrification and the development of two electric trucks.

In 2023, the ICP served as a relevant input to design our decarbonization strategy, aiming to submit science-based targets to the *Science Based Targets Initiative (SBTi)* by 2025 and obtain approval for this initiative.

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

RISKS

Mandatory carbon pricing risk

We follow the movement towards the creation of the mandatory Brazilian GHG Emissions Trading System (SBCE) in Brazil, which could be used to price Termopernambuco's emissions. Our Internal Carbon Pricing (ICP) Project estimated the impact on the profitability of the thermoelectric plant, exploring different market designs (offset/offset %, emissions threshold, free allocation, revenue recycling, carbon price).

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 the operation. In Brazil, market regulation is oriented to mitigate 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 experienced its worst water crisis in 91 years, these two instruments, combined with energy purchase and sale operations and hydrological insurance, minimized the impact of the crisis on our results. Also impacted were the geographic distribution of power plants in several river basins and the heterogeneity of our businesses – distribution, transmission, wind and solar generation.

Acute physical risk of flooding and extreme winds

Extreme weather events, such as heavy rains, flooding and extreme winds, can increase the frequency or duration of power outages, as well as oblige distributors' maintenance and operation teams to carry out inspections of certain network assets more frequently than they currently do. Climate risk vulnerability assessments with action plans for adaptation minimize the risk of excessive increases in operating and maintenance costs that create an imbalance between business revenues and expenses.

OPPORTUNITIES

Low-carbon products and services

It will enable the expansion and consolidation of the company's existing and new sustainable businesses: more onshore wind generation; large-scale solar generation; licensing of offshore wind farms; investments in electromobility and green hydrogen products; nature-based solutions; sale of PPAs (Power Purchase Agreements) and RECs (Renewable Energy Certificates); sale of carbon credits.

Development of new products and services

R&D and innovation projects are important to anticipate trends and develop products that are required by the decarbonization and digitalization process, putting the company at the forefront of the sector. Tested on a pilot scale, these projects can gain commercial scale, constituting new business fronts. Today we invest in electric mobility, through the development of the largest green corridor in the Northeast; in a green hydrogen pilot plant; in digital modernization projects; and in energy storage through lithium-ion batteries, just to name a few examples.

Access to new capital markets

We were the first company in the Brazilian electricity sector to issue green debentures, in 2019. We also pioneered emissions backed by a green finance protocol, the Green Finance Framework. Access to green bonds and sustainable financing has grown in the company. It is an important engine to accelerate our investments in decarbonization, climate adaptation, decentralization and digitization of the Brazilian electricity system. More information in Sustainable Finance.

GEE emissions[1]

In 2023, direct emissions, scope 1, were 104,024 tons of CO_2 equivalent (tCO_2e), 23% above the previous year, but 89.4% below 2021. The low intensity of emissions recorded in 2023 is due to the fact that our natural gas-fired thermoelectric plant was activated by the National System Operator (ONS) for only a few days in the last half of the year. In 2022, the plant did not operate commercially and emissions reflected machine internal operations and maintenance testing activities.

In scope 2, indirect emissions from energy consumption in buildings and during machine shutdowns in generation plants, as well as losses in distribution and transmission networks, totaled 208,392 tCO_2e, 37.2% below 2022, especially due to lower energy losses in the networks.

The other indirect emissions, over which we have no control, totaled 1,678,035 tCO_2e, 22.3% above 2022. The highest volume (57.1%) is associated with the supply chain, which registered an increase of 93.1% over the previous year.

The actions of energy efficiency and savings in energy consumption allowed us to record 1,500,387 tCO_2e avoided in 2023. **GRI 305-5**

[1]The 2023 data are preliminary as the audited figures will be published upon completion of this report.

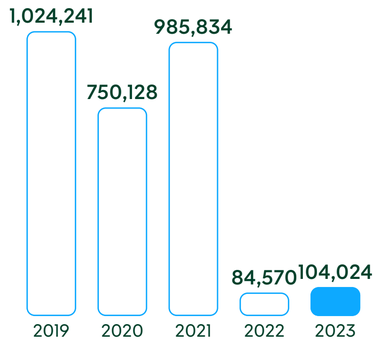
Commitments

We are committed to reducing the emissions intensity of power generation to 36 grams of CO_2e per kWh by 2025 and 20 grams of CO_2e by 2030, and to achieving carbon neutrality before 2040. Between 2017 and 2023, the intensity of emissions per kilowatt of energy generated decreased from 128 gCO_2e/kWh to 3.6 gCO_2e/kWh. The value of 2023, as well as that of 2022 (1.3gCO_2e/kWh), reflect atypical years resulting from the Termopernambuco thermoelectric plant not operating for commercial purposes in 2022 and only generated in 2023 for a few days of the year due to reduced dispatch requests from the ONS.

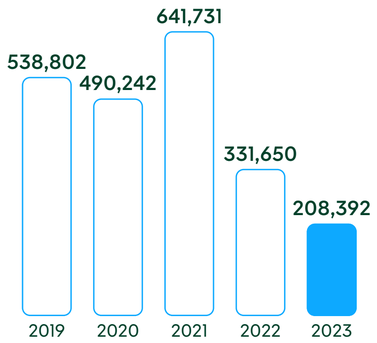
Other commitments include: reaching 83% of high and medium voltage networks digitized by 2025 and 90% by 2030; expanding the electrification of our own light fleet to 50%; and reaching 100% of the sustainable fleet by 2030 (flex, hybrid and electric vehicles).

Calango wind farm (RN)

DIRECT GHG EMISSIONS – SCOPE 1 (tCO2e)[1] 305-1

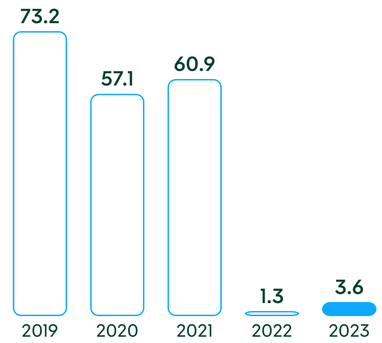


INDIRECT GHG EMISSIONS – SCOPE 2 (tCO2e)[1] 305-2



EMISSIONS INTENSITY

(tCO_2e/kWh generated)[1] 305-4



INDIRECT GHG EMISSIONS – SCOPE 3 BY TYPE GRI 305-3 | SDG 3.9, 12.4, 13.1,14.3, 15.2

- **0.2%** Employee business travel
- **57.1%** Associated with the supply chain
- **0.4%** Transportation of employees from home to work
- **41.6%** Energy purchased from third parties for sale to the end customer
- **0.7%** Fuels purchased and consumed upstream

[1] 2022 data revised according to the emissions inventory available on the corporate website. 2023 data published in preliminary form, as the audit will be finalized in June 2024. **GRI 2-4**

Energy

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

We optimize the use of energy throughout our value chain (production, transportation, distribution, commercialization and end use), contemplating energy efficiency in a threefold perspective:

- As an electricity generation and distribution company, we seek to improve efficiency with the introduction of the most advanced technologies, equipment and digitalization;
- As an energy consumer 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 integral efficiency solutions, aligned with the emission reduction strategy, which contribute to the more efficient use of energy by consumers and promote the reduction of the environmental impact of their energy consumption habits.

Internal energy consumption totaled 1,323,851 GJ, 9.9% that, while higher than in 2022, still was much lower than in 2021 when there was a greater dispatch of our thermoelectric plant. As the company's contract was amended so that the plant operates commercially only at times of unavailability of renewable energy, Termopernambuco was requested by the National System Operator (ONS) only a few days in 2023.

ENERGY SAVINGS OF GREEN PRODUCTS AND SERVICES GRI 302-5 | SDG 7.3, 8.4, 12.2, 13.1 | PG 8, PG9

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

INTERNAL ENERGY CONSUMPTION (GJ) GRI 302-1 | SDG 7.2, 7.3, 8.4, 12.2, 13.1 | PG7, PG8 |

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

Energy losses

We continue to focus our efforts on reducing technical and non-technical losses in transmission and distribution networks (point of delivery inspections, increased first level reviews, etc.), both because of the economic impact of these losses and because of the potential they represent for greenhouse gas emissions. These losses express a percentage index that calculates the ratio between the energy injected and the energy billed accumulated over 12 months.

Loss reduction programs and projects are carried out annually at all of our distribution facilities, which has allowed us to reduce losses, recover energy for the distribution system, and ensure the performance standards required by the franchise agreements.

TECHNICAL LOSSES IN TRANSMISSION AND DISTRIBUTION NETWORKS (%)

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

	2021	2022	2023
Transmission	0.66	1.71	1.75
Distribution	12.82	8.51	8.54

Water

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

- Improve the processes of the facilities, for less consumption and impact;
- Implement and control the ecological flows legally required for the reservoirs of hydroelectric generation plants;
- Conduct awareness campaigns among employees to achieve a more efficient and responsible use of water in offices;
- Maintain rainwater reuse systems.
- Install crockery and sanitary metals with flow reducers.

We use rainwater reuse systems for activities whose potability standards does not require a high degree of treatment, such as sanitary use, for example. Toward this end, in 2023 we defined the objective of installed capacity of reuse water, with targets for 2025 (7.5 million liters (ML)/year) and 2030 (10 ML/year), for the administrative units of the distributors. We ended 2023 with 7.3 ML/year of installed capacity in these companies.

Our highest water consumption occurs at Termopernambuco, our combined cycle thermoelectric plant (gas and steam), used for seawater cooling processes. In 2023, water consumption was reduced. This was due to the fact that there were only a few days of commercial production at the plant, as well as few machine starts for maintenance activities. The rest of the water corresponds to other auxiliary services of central generation and consumption in offices.

In the year, 99.95% of the water collected in the thermoelectric generation facilities was returned to the environment after being used for cooling (condensation) purposes. The discarded water is released back to the marine environment after preliminary physico-chemical treatment according to parameters that do not affect the environment. It is regulated within the scope of the plant's environmental licensing process.

The water used for the generation of hydraulic energy is not considered as consumable; all our hydroelectric plants are considered run-of-river, with no variation in the volume of water in the reservoirs. The raw water used in the generation of hydroelectric plants is defined as turbinated water.

HPP Baixo Iguaçu

WATER COLLECTION AND CONSUMPTION, DISPOSAL OF LIQUID EFFLUENTS[1]

GRI 303-3, 303-4, 303-5 | SDG 6.3, 6.4 | PG7, PG8

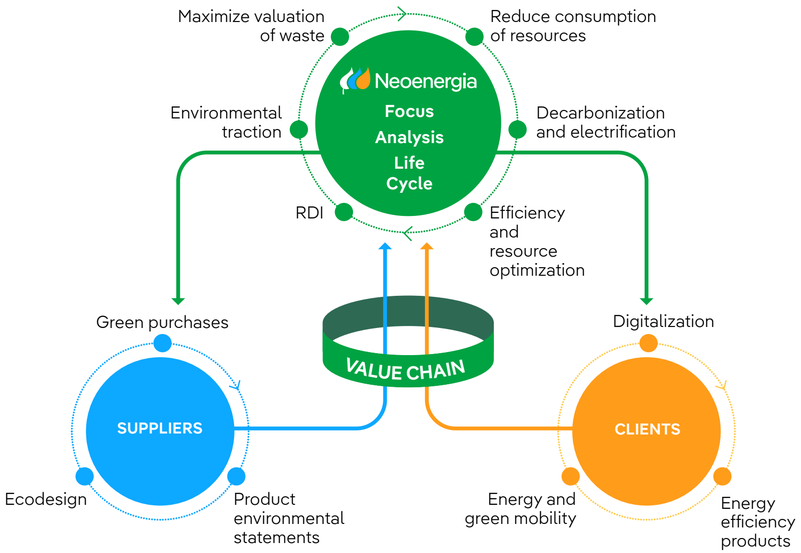
	2021	2022	2023
Surface water	243,391	39,820	46,351
Freshwater	0	0	0
Other water[2]	243,391	39,820	46,351
Water from third parties	216	139	190
Freshwater	216	139	190
Other water[2]	0	0	0
Total water capture (ML)	243,607	39,958	46,542
Freshwater	216	139	190
Other water[2]	243,391	39,820	46,351
Total water disposal	243,391	39,820	46,351
Freshwater	0	0	0
Other water[2]	243,391	39,820	46,351
Total water consumption (ML)	216	139	190
Total Consumption/Capture (%)	2	0	0

[1] Water abstraction and consumption in areas of water stress are insignificant.
[2] Seawater.

Circular economy

Our sustainable energy model is directly aligned with the circular economy. This occurs by reducing the consumption of raw materials, using renewable resources for energy production, improving efficiency, optimizing resources and maximizing the reuse of waste.

Our parent company, Iberdrola, has defined its circular economy model and approved a strategy that combines the entire value chain, including suppliers and customers, with its global operations. The model and strategy approach can be summarized in the following scheme:



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

- Selection of products with lower environmental impact;
- Management and sustainable use of consumables, always respecting the natural environment and taking the necessary measures to reduce the risks of affecting it;
- Solution to waste recycling problems through innovation projects with suppliers and technology centers;
- The Corporate Environmental Footprint report, which quantifies the impacts derived from the use of raw materials, was used to analyze activities from a life cycle perspective.

Materials

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

Over the past two years, we have consumed less natural gas than in previous periods (since Termopernambuco began operating in 2004). This is due to the fact that the plant was dispatched by the ONS only for a few days in the last two months of 2023 and did not operate commercially in 2022.

Waste

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 assumptions:

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

We have adopted several initiatives to increase the circularity of our waste, including:

100% recyclable poles – They are made from waste from other poles removed from the Neoenergia Coelba power grid.

Green transformers – Since 2019, we have started to purchase transformers that use vegetable oil as an insulator, which is less harmful to the environment than mineral oil.

Transformer reform – Extends service life and minimizes disposal of materials.

Disposal of scrap for recycling – We sell the scrap produced from electrical components used in electricity networks to companies that reinsert them into new processes. In 2023, the approximate revenue from this sale was R$ 22 million.

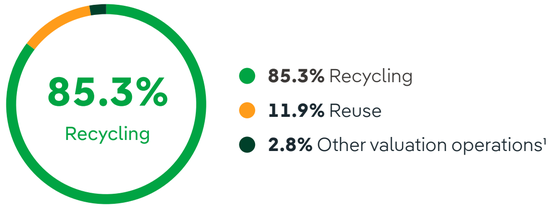
Sustainable Pruning Program – Neoenergia Elektro reduced pruning activities by identifying trees incompatible with electrical wiring to immediately replace them with more suitable species.

Industrial towels – Our hydroelectric plants have replaced towels and rags with industrial, washable cotton towels to remove oils, greases and other chemicals used to clean and maintain the machines.

Waste generated

The waste generated in 2023 totaled 40,213 tons, with the largest volume (95.1%) represented by non-hazardous waste, especially construction and urban solids. Of the total, 95.4% was sent for reuse, recycling or other operations. Distribution companies are responsible for the largest volume of waste sent for recycling: 32,500 tons. It is distributed as follows: Neoenergia Pernambuco (12,200 tons), Neoenergia Brasília (8,400 tons), Neoenergia Elektro (5,400 tons), Neoenergia Cosern (3,900 tons) and Neoenergia Coelba (2,600 tons).

DISPOSAL OF WASTE NOT ELIMINATED
GRI 306-4 |SDG 3.9, 11.6, 12.4, 12.5 | PG 8



[1] Scrap from electrical and electronic equipment sold for reuse by third parties.

Biodiversity

GRI 3-3 – MATERIAL TOPIC: BIODIVERSITY

We reaffirm our dedication to nature and have set a target of achieving a net positive impact on biodiversity by 2030. This entails ensuring that our operations contribute to the preservation and enhancement of the environment. Our goal is to have 100% of our assets undergo an impact assessment and define net biodiversity gain plans. As an intermediate target, by 2025, 20% of our generation facilities located in priority areas should have fulfilled this commitment.

Achieving this goal is supported by the 2030 Biodiversity Plan, which applies to all of our facilities and activities. **GRI 2-25**

The commitments and procedures of the Plan are:

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

We are aligned with the management model adopted by Iberdrola, which follows the main standards and initiatives on the subject, such as *Science Based Targets for Nature* (SBTN). We also follow the pillars of LEAP *(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. In this sense, three pillars underpin our 2030 Biodiversity Plan: Measure, Act and Transform.

INTERMEDIATE COMMITMENTS

2023

Definition of the methodological framework (metric) for the assessment of the net balance of our impacts on species and ecosystems (biodiversity).

2025

20% of power generation facilities located in Priority Areas will have their impacts on biodiversity measured according to the established metric and the definition of a Net Biodiversity Gains Plan.

From 2025

All new projects will have their impacts measured and will have a Net Biodiversity Gains Plan.

2030

All facilities, regardless of their location, will undergo an assessment of their impact on biodiversity. A Net Biodiversity Gains Plan will be developed to address any identified issues.

Measure

We have improved our measurement standards

- Biodiversity accounting metric for ecosystems and species based on the Biological Diversity Protocol
- Assessment of installations in priority areas in 2025 and of all our facilities in 2030

Act

We reinforce our actions

- Apply the conservation hierarchy: avoid, reduce, restore and regenerate biodiversity
- As of 2025, all new projects and priority facilities in operation will have a plan with a neutral or positive impact on biodiversity
- Apply nature-based solutions: Trees Program, biodiversity projects

Transform

Promote change in biodiversity actions

- Support actions on the international agenda: for example, the agreements of the Conventions of the Parties to Biological Diversity (COP) and the United Nations Ocean Conferences
- Collaborate with organizations representing the private sector such as, among others, CEBDS, Global Compact and 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: promoting ecosystem services, Innovation + Research and Development, supply chain, social awareness

Protection and restoration

GRI 304-3, EU13 | SDG 6.6, 9.5, 14.2, 15.1, 15.4, 15.5 | PG8

We are committed to becoming a leader in biodiversity conservation. As part of this commitment, we implemented the Trees Program, created by Iberdrola to conserve and regenerate forest ecosystems. The goal is to encourage the conservation and planting of 20 million trees by 2030. In 2023, the program yielded 243,650 trees planted in Brazil. When considering the plantations since 2020, the total reached 1,038,771 trees.

At hydroelectric plants, we implement programs for the restoration of degraded areas. A notable achievement is the installation by the Baixo Iguaçu plant in Paraná of a biodiversity corridor to connect the forest areas of the Iguaçu National Park (PNI) with the areas subject to expropriation and plant recovery in the plant's Direct Influence Area (AID).

We also have implemented programs for the protection and conservation of fauna and flora species. Examples of such initiatives include the application of protective measures to electrical network equipment to prevent accidental contact with wildlife species, the installation of biological guards to prevent the construction of Rufous hornero (Furnaris rufus) nests, and campaigns against the burning of forest lands.

In wind farms, birds and bats that may be affected by wind turbines are monitored. At hydroelectric plants, fish surveillance measures are adopted for the prevention of the aquatic environment, as well as fauna studies and specific activities for monitoring, prevention, protection, reduction and mitigation of impacts.

Nature's risks and opportunities

As a result of the work carried out by the TNFD (Task Force on Nature-related Financial Disclosures), Iberdrola reviewed the analysis of risks and opportunities based on the recommendations of this initiative. A materiality analysis was conducted to determine the impacts and dependencies of each technology and life cycle phase in order to accomplish the objective.

The findings of this study enabled us to identify the key risks and opportunities associated with each technology, taking into account the nature of critical physical events (acute, short and medium term, and chronic, long term) and transitory ones (derived from possible changes in the regulatory, technological, reputational or market framework).

	Risk	Management	Opportunity
Physical risks	The effects on high biodiversity or protected environments may result in project permits being denied or delayed, or they may raise the cost of remedial actions. Changes in resource availability can reduce or disrupt production. Changes in weather conditions and extreme events that cause disruption or reduction in production. Increased erosion, flooding and fire impacts due to ecosystem degradation can lead to higher maintenance/repair costs. Pollution effects that go beyond legal and ecological thresholds may cause production to be stopped or reduced, as well as raise expenses for remediation and penalties. The impact 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: prevention of contamination and actions to improve energy efficiency and reduce water consumption	• Improvement of biodiversity around the facilities • Incorporation of nature-based solutions • Creation of ecological corridors • Partnerships to contribute to the global biodiversity framework
Transition Risks	**Regulatory/demands** Stricter policies that increase project CAPEX/OPEX and/or reduce opportunities for new developments. Stricter financial requirements on nature-related impacts and dependencies may determine access to financing or investment. **Reputational** Potential conflicts with stakeholders when developing new projects in environmentally sensitive areas. **Market** Failure to meet stakeholder demands can impact our competitiveness and reputation **Technological** Adapting or replacing technologies with those with lower impact can increase Capex/Opex.	• Solid internal governance • Neoenergia 's positive roadmap for nature • Stakeholder management model	• Projects more resilient to regulatory changes • Advantages in raising financing • New designs in projects that incorporate the compatibility of land uses and promote the local economy • Greater competitiveness in the market • New business opportunities with investment in new technologies • Improvement of brand and consumer preference • New alliances

4.
Social

Our initiatives in the social dimension are focused on continuously improving relationships and managing the expectations and needs of our various stakeholders. The performance is anchored in respect for human rights in all activities and in relationships with employees and the value chain.

We strive to create and maintain quality jobs based on the pillars of diversity, equal opportunities, non-discrimination and the development and management of in-house talent. We also prioritize the health and safety of all employees and partner collaborators. We also continuously seek to improve the quality of products and services offered to customers, focusing on digitization and sustainability, with solutions that take into account the real needs of customers and provide them with increasing autonomy.

In our commitment to creating value for all stakeholders, we collaborate with the development of the communities where we are present through various initiatives channeled by our companies, the Corporate Social Responsibility area, and the Neoenergia Institute.

Stakeholders GRI 2-29

Our business model puts stakeholders at the heart of our strategy. The objectives are focused on building relationships of trust and deepening involvement and collaboration as expressed in our Stakeholder Relations Policy.

The internal processes of reflection on the business enabled the selection and identification of groups and entities that, through their decisions and opinions, influence us and, at the same time, are affected by our activities. The configuration of these groups undergoes updates whenever necessary and are currently grouped into eight different categories:

INTEREST GROUPS, RELEVANT TOPICS AND CHANNELS

Stakeholder Main representatives or interlocutors	Most relevant topics considered	Dialogue channels
Human Team Own employees | Third party contractors | Unions	Social benefits (pension plan management); Occupational health and safety; Attracting, developing and retaining talent; Volunteering and Ethics, integrity and transparency	Email | Phone | Social Media & Blogs | Assemblies, Meetings & Interviews | Apps & Chats | Reporting Channel
Shareholders and Financial Bodies Shareholders, financial institutions	Economic and financial performance; Shares and dividends; Present and future of the sector	Reports | Assemblies, meetings and interviews | Email | Conferences, events and forums | Telephone
Regulatory Agencies Aneel, governments (federal, state and municipal)	Sectoral regulation; Regulation of the remuneration of regulated companies of 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	Customer satisfaction and experience	Face-to-face channels (stores and accredited locations) | Phone | Apps and chats | Website | Reporting Channel
Suppliers Supplier companies of materials and services	Supply chain sustainability; Procurement, contract and payment conditions; Supplier traction; Strategy and investments; Economic and financial performance	Campaigns (commercials, traction, advertising, awareness) | Telephone | Specific portal on corporate page | Email | Assemblies, meetings and interviews
Means of communicating Newspapers, TVs, radios, social media	Quality of supply; Electricity bills and prices; Public safety in local communities; Economic and financial performance; Stocks and dividends.	Press releases | Social media and blogs | Website | Specific portal on corporate page | Other channels
Society in general Sectorial and community associations, Institutes, NGOs, Consumer Council, 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	Email | Assemblies, meetings and Interviews | Telephone | Apps and chats | Social media ad blogs
Environment Institutes, environmental agencies, 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 | Email | Website | Telephone | Work groups

We adhere to our Stakeholders Relationship Policy through a global Iberdrola Group model based on the AA1000 Standard for Stakeholder Engagement (AA1000AP, 2018 – Accountabiity Principles, and its four principles: inclusion, materiality, responsiveness and impact.

This model approaches the concept of impact from three different perspectives: the impact of reputational risks; the impact of action plans on stakeholders; and the impact of relevant issues on them. The latter aspect was recently introduced into the model, taking into account the latest reporting trends and patterns. The model constitutes a process of continuous improvement based on ten phases:

A global working group identifies and shares best practices on an annual basis. In 2023, the *online* event featured representatives from the five main countries of the Iberdrola group – Brazil, the United States, the United Kingdom, Mexico and Spain. We took the opportunity to share two good practices that we developed and introduced, as lessons learned, active listening as the most important step in any engagement initiative: the regularization of indigenous land in Praia Grande, in the state of São Paulo; and the installation of a Microgrid in the backlands of Bahia (*more information about these projects in Communities*).

RELATIONSHIP MODEL WITH STAKEHOLDERS

Stakeholder map	1 Identify the stakeholder groups	→ Defined by the Board of Directors
	2 **Segment** them into subgroups	→ Based on daily management criteria
	3 **Prioritize** the stakeholder groups	→ Addressing the impact and influence in value creation
Relationship model	4 **Establish** the relationship level	→ Information, consultation, interaction or collaboration
	5 **Review** the relationship channels	→ Evaluation of existing channels and creation of new ones
	6 **Design** the relationship model	→ Best suited for each stakeholder subgroup
List of relevant subjects, risks and opportunities	7 **Identify** the relevant issues	→ Both for Neoenergia and of interest to the groups
	8 **Identify** risks and opportunities	→ Contribute to creating value for Neoenergia and its stakeholders
Action plan	9 **Draw up** an action plan	→ With actions on the relationship model and relevant issues
	10 **Monitor** and report	→ To analyze results and inform performance

Commitment to human rights

We are dedicated to defending human rights and fundamental principles that guide our actions. To this end, we have developed a set of tools that guarantee and promote the protection and respect of people. We have a Human Rights Respect Policy whose theme is highlighted in our Code of Ethics and 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 (ILO Convention 169).

We explicitly made commitments to:

- Refuse child labor and forced labor or in conditions analogous to slavery and any other form of modern slavery, ensuring and promoting the elimination of these situations both in our suppliers and in their supply chains;
- Respect freedom of association and collective bargaining;
- Respect the right to move freely within the country;
- Do not discriminate by any condition or characteristic;
- Respect the rights of ethnic minorities and indigenous peoples, and promote an open dialogue that blends with different cultural milestones in the places where we carry out our activities;
- Recognize the importance of respecting the rights of the environment, taking into account the expectations and needs of all the surrounding communities; and
- Understand access to energy as a right linked to other human rights.

Responsibility

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

In addition to our commitment to human rights, we have policies in place that apply to our employees, outsourced workers, suppliers and shareholders. These policies cover all Social, Diversity, Equity and Inclusion, Personal Data Protection and Procurement Policies. They include our perspective on shared responsibility with suppliers to respect human rights and our commitment to increasing the number of suppliers subject to sustainable development policies and standards.

In 2023, the Global Compact Brazil Network established a Working Group on Human Rights for the Electricity and Energy Sector. We have been members since the formation of the Group and are part of its Steering Committee, assuming 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.

We have established a Working Group comprising the senior leadership of the Renewables business and corporate areas to address the agenda of the fair energy transition and the promotion of human rights in the communities surrounding our assets.

The Iberdrola Group periodically maps human rights risks in collaboration with outside and independent experts. According to the result of the 2023 Human Rights Risk Map for Neoenergia, our operations are at risk in the following areas: working conditions, environmental impact, land and property, rights of indigenous peoples and young workers. Throughout 2023, we worked on all identified risks so that their impacts could be mitigated.

Due Diligence

Iberdrola has a Human Rights Due Diligence System (DDDH) that is extended to its companies, such as Neoenergia, and aims to implement the United Nations (UN) Guiding Principles on Business and Human Rights, adapted to the size of the company and the diversity and singularities of the facilities in the different regions where we operate. In 2023, we set out to continually review the methodology of this due diligence process in pursuit of constant improvements, establishing this commitment as an ESG+F target approved by the Board of Directors.

SER Program: Louceiras Negras de Serra do Talhado (PB)

Identification of impacts GRI 2-25

The system enables the identification of actual and potential human rights impacts, integration of the analysis conclusions and the resulting action plans, monitoring of the company responses and communication of how negative consequences are addressed. The methodology adopts UN recommendations and makes it possible to assess potential impacts, relevant aspects and prioritized issues about human rights.

Potential impacts – According to the risk map, the areas of potential impact and our stakeholders that could be affected are as follows:

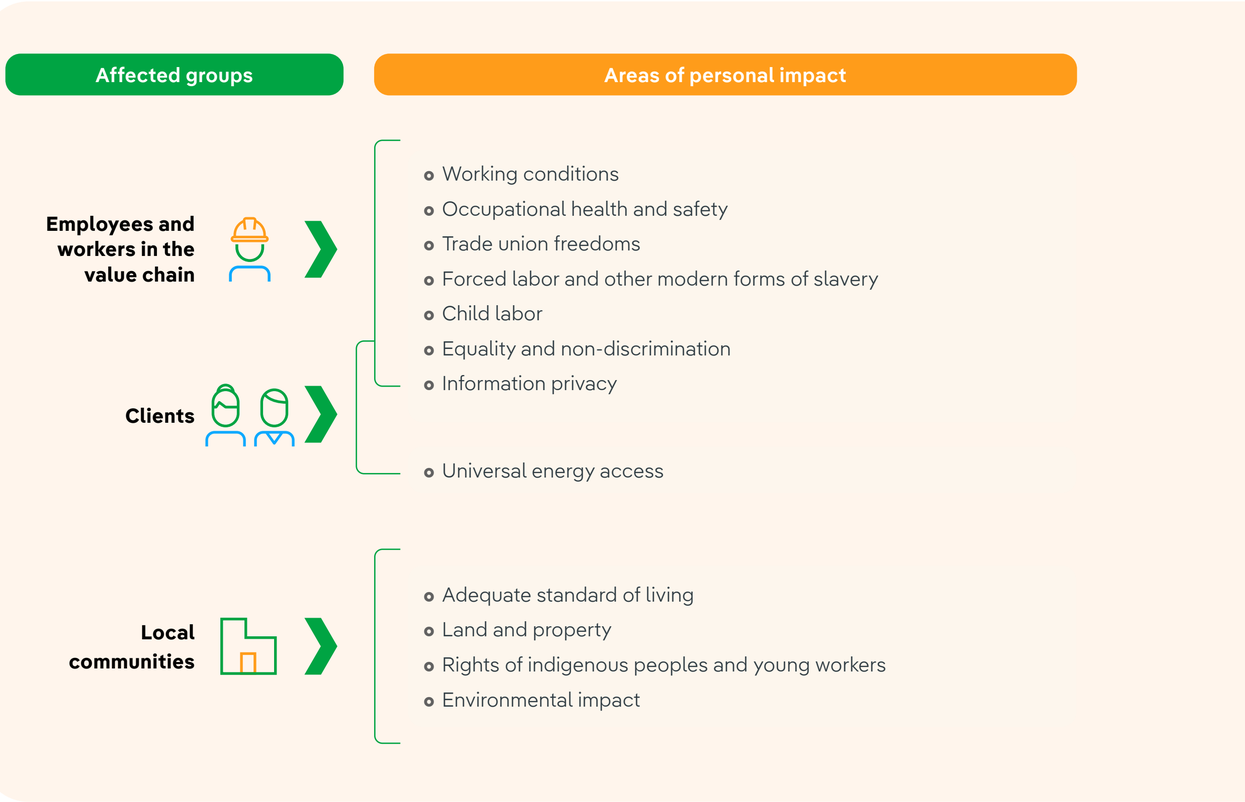
Impacts relevant to the company – They are determined based on the severity, scope and possibility of remediation, as well as their probability of occurrence and our degree of connection with these impacts. Thus, the main relevant impacts on human rights are related to:

- Labor practices, including those of the supply chain;
- Local communities, indigenous peoples' rights and the environment;
- Cybersecurity and information privacy;
- Citizen safety and labor practices when hiring security services.

Complaint and grievance mechanisms

GRI 2-26 | SDG 16.3

We maintain different channels of communication with our stakeholders – such as project-specific Service Channels – so that affected communities can contact us directly and forward their concerns, complaints or grievances related to the impacts caused by the business, employees, suppliers or any other stakeholder audience. We also operate a Whistleblower Channel, open to all stakeholders, where human rights complaints and reports can be received.



Our people

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

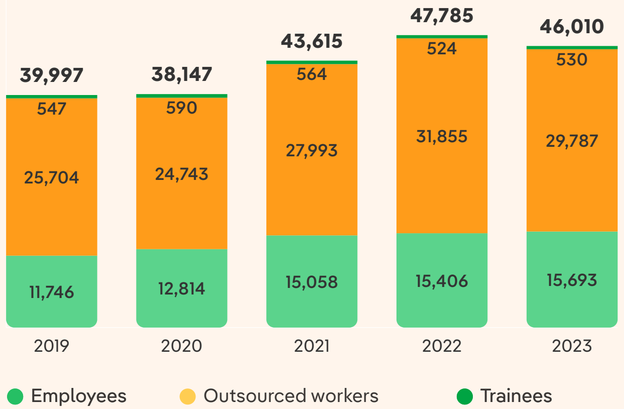
Among the principles we assume and promote in our personnnel management activities is the design of an individualized job offer. It enables a better selection, hiring, promotion and retention of talents. It consists of competitive compensation and a diverse and inclusive work environment, thus facilitating the reconciliation of personal and professional lives while fostering the professional growth of our employees.

Our goal is to foster the physical, mental and emotional well-being of teams through their personal and professional growth. We are seeking individuals to participate in our business success project, which will provide them with a dignified and stable job. We promote the reconciliation of professional and personal life, facilitating measures for the care of family members and establishing flexible working hours, in addition to basic principles to ensure privacy and digital disconnection, to respect rest time.

At the end of 2023, we had 15,693 employees. About 63% worked in the states of the Northeast Region of Brazil, and there were 530 interns. A further 29,787 individuals were engaged as third-party contractors, with a particular focus on field services at the group's distributors and transmitters. The functions performed by these workers include construction, maintenance and operation, including safety services. **GRI 2-7, 2-8 | SDG 8.5, 10.3**

NUMBER OF EMPLOYEES

GRI 2-7, 2-8



EMPLOYEES BY REGION (NO.) GRI 2-7 | SDG 8.5, 10.3

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

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

EMPLOYEES BY TYPE OF EMPLOYMENT, CONTRACT AND GENDER (NO.) GRI 2-7 | SDG 8.5, 10.3

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

Attracting, developing and retaining talent

Our premise is to offer career opportunities, developing internal talents or seeking the best professionals externally, aiming to strengthen the skills necessary for business sustainability. And to keep up with the evolution of the new energy market, we had to look for new profiles, new skills and new digital tools, and thus streamline our processes and ensure quality and assertiveness in hiring.

In the year, we made more than 1,400 hires, including our internalization project, through which we seek to improve customer service and occupational safety management, raising the standards, quality and efficiency of operations. Since 2017, more than 6,000 people have been incorporated into our staff to perform on-call activities, projects and inspection, urban vegetation control (pruning), commercial technical services and maintenance of the subtransmission live line. The hiring also involved the composition of a new commercial team for the Liberalized business.

Among the professionals hired are those trained by the School of Electricians, an initiative we created to boost training in the concession areas and offer job opportunities to residents of these locations. In 2023, 824 electricians, 492 men and 332 women, completed the course in schools located in Bahia, Pernambuco, Rio Grande do Norte, São Paulo and Brasília, of which 799 were hired, 32% women.

All job vacancies are advertised internally, via e-mail marketing, in order 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.

The search for external talent occurs when there is no internal possibility of filling the vacancy. To this end, we seek to attract people by promoting our brand, a company that values diversity, equity and inclusion. In 2023, we reinforced the search for gender equality, created a talent bank for people with disabilities and carried out Refer a Friend campaigns, aiming to enhance the hiring of minority groups.

Training

GRI ex-EU14, GRI 404-2 | SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3 | PG6

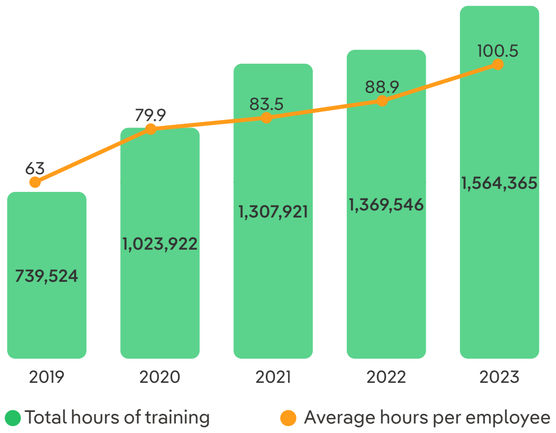
We run various programs to improve the technical qualifications of our professionals in order to make them fit for their jobs. This also and helps foster a culture of development, value creation and continuous improvement, allowing employees to take a leading role in their development and career growth. We organized 1,564,365 training hours, 14.2% higher than the total of the previous year (1,369,546 hours). The average was 100.48 hours per employee.

A variety of learning opportunities are offered to the leadership so that they can increasingly develop or train in topics that are highly relevant to the role. In 2023, some initiatives had new editions, such as the Lidera Program and the Leaders Convention. In parallel, new programs came into effect, such as *Her Energy* (mentoring for female leadership) and the *Trainee Program,* which is aimed at future leaders.

We recognize that people have different ways of learning and advocate for the 70/20/10 Learning Model (70% experience; 20% relationships; 10% education). We have also supported the preparation of new businesses, such as the Transmission and Sales process, endorsed by the digital modality through *lives*, *webinars* and thematic weeks. webinars We maintain the dissemination of existing knowledge in the company, continuous learning and cultural exchange in order to increase operational efficiency through the proper use of intellectual capital.

AVERAGE HOURS OF TRAINING PER EMPLOYEE

GRI 404-1 | SDG 4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3



Diversity and inclusion

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

We are committed to diversity and inclusion. It helps us retain the best talent, develop a culture of innovation, promote more creative and productive teams and contribute to a fairer society.

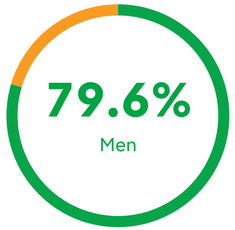
To ensure a non-discriminatory work environment, we explicitly commit not to discriminate based on any condition (gender, sexual orientation, age, disability, origin, or any other characteristic not related to job requirements). Furthermore, we have procedures in place to prevent any behavior that violates this standard.

We assume short, medium and long term diversity goals in order to increase the number of women in relevant positions, in leadership positions, trained by electrician schools and acting as electricians, as well as black people (blacks and browns) in leadership positions, from the first level. As these topics are strategic priorities for our sustainable growth, the variable compensation of executives has goals related to diversity.

After the self-declaration census of race, carried out in 2022, all new hires began to include this mapping. In 2023, we signed the Global Compact's Race is a Priority commitment, which suggests to companies the goal of reaching at least 30% of black people in executive positions. We are committed to raising this target to 35% by 2025 and 40% by 2030. At the end of 2023, blacks and browns made up 29.8% of the company's leadership (from directors to intermediate positions).

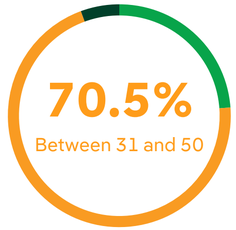
Electricians School

EMPLOYEES BY GENDER
GRI 405-1 | ODS 5.1, 5.5, 8,5



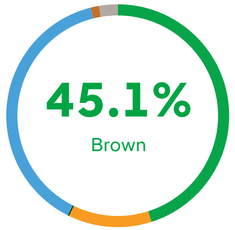
- **79.6%** Men
- **20.4%** Women

EMPLOYEES BY AGE GROUP
GRI 405-1 | ODS 5.1, 5.5, 8,5



- **23.8%** Up to 30 years
- **70.5%** Between 31 and 50 years
- **5.6%** Over 50 years old

EMPLOYEES BY RACE
GRI 405-1 | ODS 5.1, 5.5, 8,5



- **45.1%** Brown
- **12.2%** Blacks
- **0.2%** Indigenous
- **38.7%** Whites
- **1.2%** Yellows
- **2.7%** Not Informed

EMPLOYEES BY PROFESSIONAL CATEGORY
GRI 405-1 | ODS 5.1, 5.5, 8,5

- **2.7%** Direct leadership
- **22.5%** Intermediate controls and qualified technicians
- **74.8%** Professionals and support teams

Affinity groups

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

Our efforts were recognized in 2023, when our shares became part of IDiversa B3, B3's first diversity index, to Brasil, Bolsa, Balcão, where our shares are traded. IDIVERSA B3 is like a theoretical portfolio of assets that aims to make diversity indicators visible and tangible to the market and provide comparability in the performance of companies, inducing them to adopt best practices in relation to diversity.

Initiatives

We promoted diverse actions in 2023 to address the theme of diversity, highlighting:

- Information Booklet on Harassment in the Work Environment, with the objective of helping to identify, prevent and combat harassment;
- Diversity and inclusion content, with more than 8,000 participants in events that included anti-racism, violence against women, LGBT pride, the struggle of people with disabilities and others;
- Junt+s villages, which are small group conversation circles, in a safe environment for welcoming and sharing experiences. LGBTPhobia, Motherhood, self-esteem and black people, 45+ people are some of the topics addressed.
- Our companies maintain paternity leave of 20 days and maternity leave of 180 days. Leave for same-sex couples are equated with existing leaves.
- At Neoenergia Pernambuco, we promote the Aflorar program, which enables a mentoring system for young people with Down Syndrome and helps professionals with disabilities to enter the labor market. In 2023, 547 professionals with disabilities (345 men and 202 women) were employed across the company.
- In order to train inclusion agents and improve communication with the hearing impaired, our learning portal offers the Brazilian Sign Language Course (Libras), available to all employees.
- In 2023, we implemented a program to combat violence against women (physical, psychological, patrimonial, sexual and moral), which provides for welcoming and guidance. In addition, we support our employees with legal, economic advice, flexibility of working hours and other resources. Cases in which male employees respond to complaints of any type of violence against women are evaluated and treated by the Personnel and Organization area.

Female presence

At the end of 2023, we had 20% of women in corporate teams, with a total of 129 women in direct leadership positions (directors, superintendents and managers), corresponding to 30.4% of the total in the functional 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 Elas Lideram 2030 initiative to have at least 30% of women in senior leadership positions.

We ended the year with 1,468 women in intermediate and qualified technical positions, equivalent to 41.6% in the function, and in professionals and support team they total 1,607, or 13.7% of the category. There are 21.6% women in junior management positions, that is, first level management; 8.7% in senior leadership positions (only two categories from the CEO); 31.0% of women on the board; 22.88% in STEM positions (science, technology, engineering and mathematics) and 24.5% women in management positions in revenue-generating functions.

We promote respect for the human and labor rights recognized in national and international legislation as a general principle of people management. . In 2023, the average salary of men represented a value similar to the average salary of women, with a difference of 0.61% more for men, without considering the salaries of electricians in the group, a category in which men represent 92%. **GRI 405-2 | SDG 5.1, 8.5, 10.3**

Discrimination

Throughout 2023, we received, through the Complaint Channel, 87 complaints about discrimination and harassment. Of the total, 12 were closed as unfounded; 2 were concluded as founded, for which disciplinary measures were recommended; 3 were considered partially unfounded; 41 were closed for insufficient data; and 29 remained under analysis at the end of the year. We estimate that the largest volume of complaints occurs due to training and awareness-raising related to human rights and diversity, which increases the perception of employees on the subject. In addition, we also had training related to the reporting channel itself, encouraging its use. **GRI 406-1 | SDG 5.1, 8.8 | PG 6**

We keep 4

Affinity Groups

Safety and health

GRI 3-3 – MATERIAL TOPIC: HEALTH and SAFETY, former EU16 | SDG 8.8

Improving safety levels, promoting an increasingly safe work environment, is a goal that is linked to the variable compensation of all our employees. We have been working intensively to reduce occupational accidents, with the support of technologies, such as monitoring cameras in operational activities, increasing the number of inspections and audits. Our Occupational Health and Safety Management System is structured in accordance with ISO 45001:2018, covering all full-time and part-time workers, permanent and temporary, own and third parties, as well as visitors. **GRI 403-1, 403-8 | SDG 8.8**

In 2023, we implemented the actions of the Zero Accident Plan, with specific initiatives for distribution and transmission companies. In addition to raising the percentage of own workers certified by ISO 45001, we want to reduce the injury accident rate to below 0.43 by 2025 and 0.39 by 2030. In 2023, this rate was 0.23. We were able to reduce the accident rate with injuries (with and without leave) with our own personnel by 12%. The accident frequency index grew from 0.19 to 0.32.

In the period, 116 accidents were recorded with own employees (the same number as in 2022) and 296 with outsourced contractors, a reduction of 15.4%. There were three fatalities, one with own personnel at Neoenergia Elektro, and two with outsourced workers, at Neoenergia Pernambuco and in Transmissão.

We carried out 37,532 field inspections, which represented an increase of 32% compared to the previous year. During the visits, the safety technicians observe the operation of their own employees and service providers, reiterating preventive practices and identifying opportunities for improvement. All occupational risk assessment and prevention processes extend to relationships with contractors and suppliers in order to ensure that they comply with our health and safety requirements. **GRI 403-7 | SDG 8.8**

We have a structured process to identify occupational safety and health risks, as well as to assess and prevent occupational risks, carried out with the support of Preliminary Risk Analysis (PRA) and Hazard Identification and Risk Assessment (IPAR). Employees participate in the PRA, carried out before any activity, in the communication of incidents, in safety observations, in meetings of Internal Accident Commissions (CIPAs) and in the integration of multidisciplinary teams for the management of non-conformities. Our hierarchy of control values the elimination of hazards; replacement by less hazardous processes, materials or equipment; engineering controls; administrative controls; use of Personal Protective Equipment (PPE). **GRI 403-2, 403-4 | SDG 8.8, 16.7**

Working at height, safety in electrical installations and defensive driving are among the periodic training courses that meet regulatory standards. The training of outsourced workers is the responsibility of the contracted companies, which follow the specifications we determine. In 2023, 15,209 own employees and 13,507 outsourced workers participated in training sessions, totaling 1,209,376 hours. **GRI 403-5 | SDG 8.8**

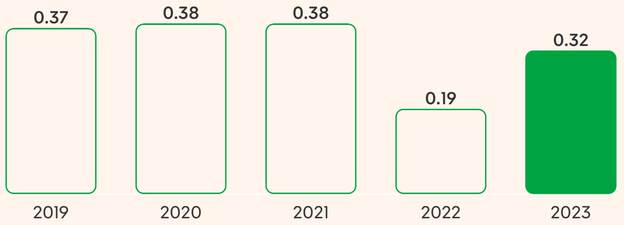
Access to medical and health services is facilitated by health plan-accredited clinics and occupational health service providers. The objective of this initiative is to promote and preserve the health of our employees, as well as to screen and diagnose work-related issues and chronic diseases at an early stage. Our campaigns include health themes and encourage sports, among other actions set forth in the Quality of Life Program. **GRI 403-3, 403-6 | SDG 8.8, 3.3, 3.5, 3.7, 3.8**

HEALTH AND SAFETY TRAINING (%) GRI EU18, 403-5 | SDG 8.8

	2021	2022	2023
Participation in health and safety training - Employees (%)	NA	89.6%	96.9%
Participation in health and safety training - Third parties (%)	NA	33%	45,3%

NA: Not available.

ACCIDENT FREQUENCY RATE [1]



[1] Considers own employees.

EMPLOYEE ACCIDENT RATES GRI 403-9 | SDG 3.6, 3.9, 8.8, 16.1

	2021	2022	2023
Mortality rate[1]	0.02	0.00	0.01
Men	0.02	0.00	0.01
Women	0.00	0.00	0.00
Accident rate at work with major[consequences2]	0.01	0.00	0.01
Men	0.01	0.00	0.01
Women	0.00	0.00	0.00
Occupational accident rate[3]	0.44	0.26	0.23
Men	0.50	0.29	0.24
Women	0.16	0.12	0.22

[1] Mortality rate = Rate of deaths resulting from work-related injuries/ Number of hours worked X [200,000].
[2] High consequence occupational accident rate (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 (except first aid) / Number of hours worked X [200,000].

EMPLOYEE OCCUPATIONAL DISEASES (NO.) GRI 403-10 | SDG 3.3, 3.4, 3.9, 8.8, 16.1

	2021	2022	2023
Deaths from occupational disease	0	0	0
Occupational disease	0	1	1

Products and services

GRI 3-3 – MATERIAL TOPIC: CUSTOMER SATISFACTION, EFFICIENCY AND RELIABILITY

The focus in the development of our products and services is to offer customers better, more flexible, more efficient, more agile and better quality solutions, and thus improve their experience with the company. In order to meet the evolving needs of our customers, we are committed to investing in innovation. This involves a continuous search for technologies and projects that align with the fundamental vectors of the transformation of the electricity sector.

In 2023, we continued to implement our strategy of achieving excellence in customer relationships, overcoming quality indicators, and bringing the perspective of consumers to the center of the business. *The Client Is Everything to Us* Program is still being run. It includes actions to reinforce the concepts of customer experience: excellence in services, simplification, reduction of bureaucracy and empathy in relationships.

Generation and transmission availability

The planning of the long-term capacity of Brazilian electrical systems is centralized in the federal government. Public agencies carry out the studies to anticipate the future needs of the electrical system, and our companies act as market agents, adopting the investment decisions that fit their business planning. **GRI EU10 | SDG 7.1**

Digitalization and artificial intelligence have allowed us to improve operational processes and maintenance work, which in turn, has contributed to the continuous improvement of the availability factor of our facilities. The availability factor reflects the percentage of time the facility is available to produce or transmit power. Situations of unavailability, especially unscheduled ones, prevent the generation of electricity, reducing performance and sometimes affecting the quality of supply. So maximizing availability is one of our priorities.

Generation availability reached

96.12% in wind power

AVERAGE GENERATION AVAILABILITY (%) GRI EU30

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

AVAILABILITY IN TRANSMISSION (%)

	2021	2022	2023
Afluente T	99.83	99.90	99.96
SS Narandiba[1]	99.98	99.95	99.86
SS Extremoz II [1]	99.98	99.95	99.86
SS Brumado II [1]	99.98	99.95	99.86
Potiguar Sul	99.98	99.91	99.58
Dourados	99.98	99.99	99.99
Santa Luzia	NA	100.00	99.99
Jalapão	NA	99.99	99.98
Atibaia	99.90	100.00	99.90
Biguaçu	99.92	99,97	99.96
Sobral	99.98	99.99	99.48
Rio Formoso[2]	NA	NA	99.63

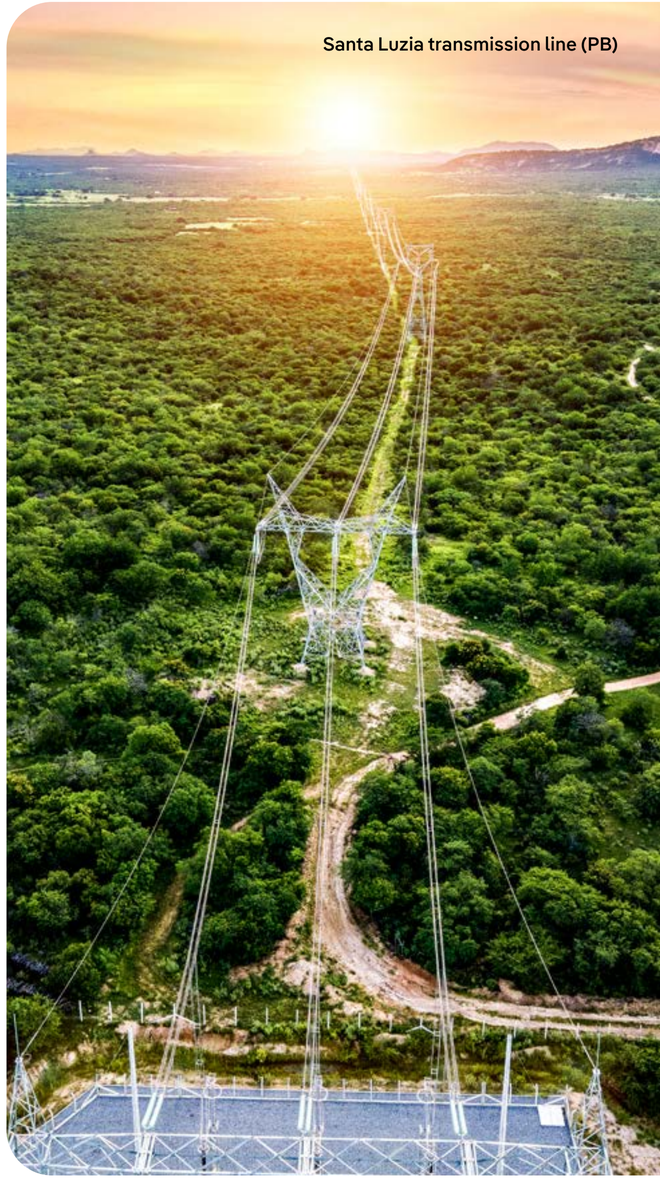
[1] Narandiba is comprised of 3 substations: SS Narandiba, SS Extremoz II and SS Brumado II.
[2] Rio Formoso went into operation in 2023.

NA: Not applicable The transmitter was not in operation.

AVERAGE EFFICIENCY IN THERMOELECTRIC GENERATION INSTALLATION (%)

GRI EU11 | SDG 7.3, 8.4, 12.2, 13.1, 14.3

	2021	2022	2023
Combined cycles	54.7 %	42.1 %	51.2 %



Santa Luzia transmission line (PB)

Service quality

All our distributors met the regulatory limits of Equivalent Frequency of Interruption per Consumer (FEC) established by Aneel. And, with the exception of Neoenergia Pernambuco, all remained below the limits for the Equivalent Duration of Interruption by Consumer (DEC) indicator.

Part of this good result can be attributed to *self-healing* systems, which minimize power interruption in cases of so-called temporary defects, when, for example, tree branches fall on the lines. With self-healing, the electricity supply can be restored within 60 seconds. We maintain about 17,561 recloser equipments, of which 34% have self-healing installed in 355 municipalities in five states and the Federal District.

In 2023, we implemented the first six automation islands with self-healing technology centralized in the AGR (*Automatic Grid Recover*) module at Neoenergia Pernambuco and Neoenergia Cosern, benefiting more than 465,000 consumer units. Furthermore, we have focused on enhancing the robustness of our telecommunications network. As a result, we have installed 14 new towers (bringing our total installed base to 345), 290 km of optical fiber (approximately 1,800 km of fiber in total), and more than 2,400 new telecommunications equipment items (totaling more than 17,500 automated equipment items in the company).

OUTAGE FREQUENCY INDICATORS – FEC (TIMES) GRI EU28 | SDG 1.4, 7.1

	2021	2022	2023	Limit Regulatory 2023
Neoenergia Coelba	5.18	4.99	4.97	6.85
Neoenergia Pernambuco	5.75	4.77	5.08	7.31
Neoenergia Cosern	2.81	3.05	3.23	6.46
Neoenergia Elektro	4.22	3.84	3.73	5.68
Neoenergia Brasília	7.06	5.72	4.74	5.12

OUTAGE DURATION INDICATORS – DEC (HOURS) GRI EU29 | SDG 1.4, 7.1

	2021	2022	2023	Limit Regulatory 2023
Neoenergia Coelba	11.46	11.41	10.69	13.09
Neoenergia Pernambuco	12.00	11.75	11.30	12.43
Neoenergia Cosern	6.78	7.94	7.63	10,21
Neoenergia Elektro	7.38	6.97	7.32	7.73
Neoenergia Brasília	8.91	6.65	7.01	7.04

Digital, smart and innovative solutions

The digitalization of our business has enabled us to enhance the customer experience for our distributors, tailoring the relationship to their specific needs and reducing their workload. This includes new ways of paying and interacting with our channels without a human interface. For example, the mobile application enables customers to register digital invoices, pay bills, understand detailed invoice values, report power outages, and perform other actions in a few minutes. This focus on customer experience is a key benefit of the application.

The digitalization journey can also be seen in the increase in digital invoice adoption, which has grown 48% in the last two years. Currently, they represent about 15% of the invoices delivered by distributors.

The Digital Connection project has been instrumental in driving innovation in the customer experience, with notable time savings and efficiency gains in service delivery. It remains a key priority within the context of the Excellence Plan, which is based on three pillars:

- Modernization of the customer journey;
- Integrated development of digital solutions; and
- Digital inclusion.

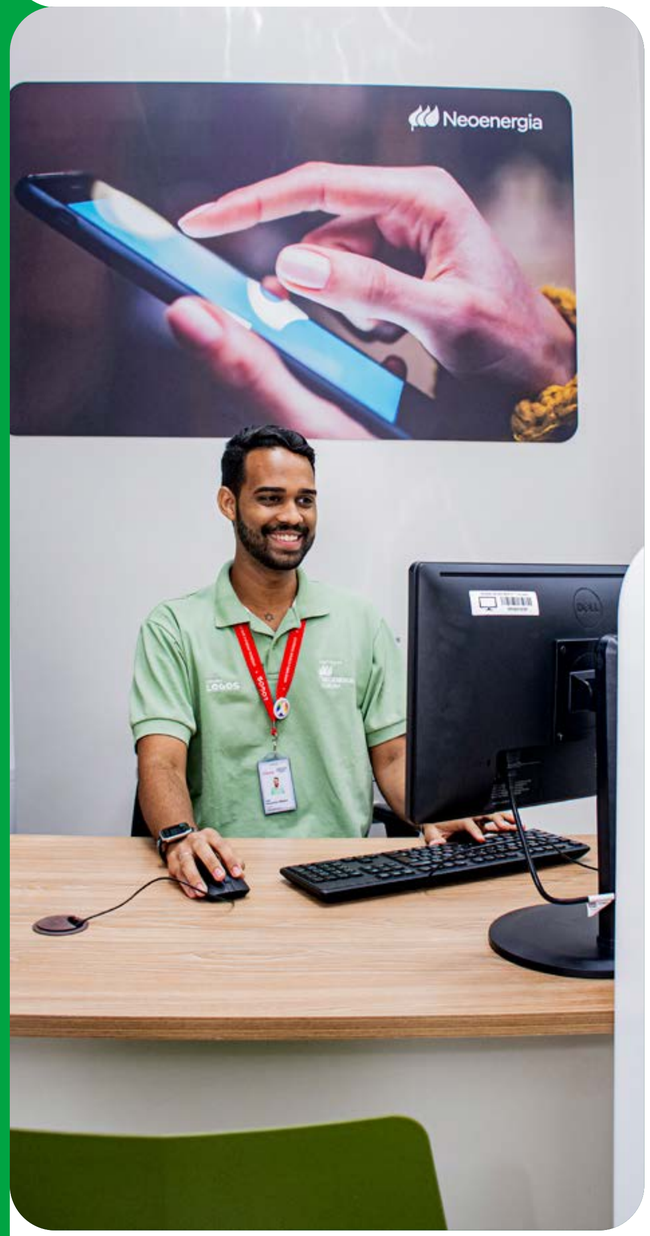
In 2023, the mobile application and the institutional *site* were modernized, including other services and functionalities.. At the end of 2023, 94% of calls were digital or hybrid, compared to 86% in 2018.

We continue to introduce initiatives that support customers in paying energy bills. Options now include PIX, WhatsApp or SMS, and we started issuing invoices in QRCode, which allows us to identify the payment within an hour.

We adhere to Desenrola Brasil, launched by the federal government with an offer of up to 90% discount on debt renegotiation. Additionally, we launched the Energy to Start Over campaign, which resulted in each distributor conducting an R$ 80,000 drawing for consumers who were up-to-date with their bills.

Intelligent services

Neoenergia Serviços has expanded the intelligent services it provides to customers. We plan to expand our performance in electric mobility, with the offer of battery chargers and *Smart Charging* solutions for companies that want to electrify their fleets and condominiums. Through *Smart Solutions*, we help customers optimize their energy consumption by installing distributed generation systems, using photovoltaic solar panels, thus contributing to cleaner and more conscious energy generation.



Customer satisfaction

GRI 2-29

Two of our distributors were honored with the distinction of being named the best in Brazil in the 25th edition of the Award of the Brazilian Association of Electric Energy Distributors (Abradee). Neoenergia Cosern won first place in the National, Northeast Region and Operational Management categories. Neoenergia Elektro was in second position in the National category, first place in the Southeast Region and in the categories Quality of Management and Performance Evolution.

In the survey for the Perceived Quality Satisfaction Index (ISQP), which makes up the Abradee Award, the Neoenergia business group grew by two percentage points, reaching a score of 71.6%. Neoenergia Cosern reached 77.4% and Neoenergia Elektro 77.7%, which contributes to the recognition achieved.

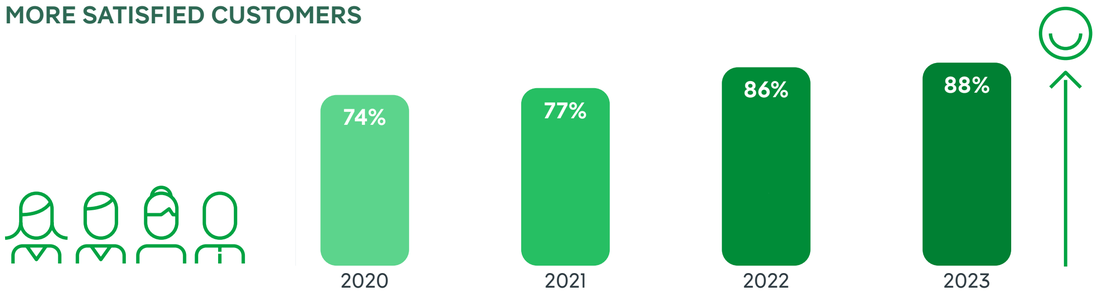
In addition to the surveys of the electricity sector, we measure customer satisfaction in each contact. The most comprehensive consultation occurs at the end of the service, and was offered to 12 million contacts in 2023. As a result, customer satisfaction increased by two percentage points, from 86% in 2022 to 88%.

SUSPENSION AND RECONNECTION OF ENERGY AT RESIDENTIAL CUSTOMERS (NO.)

GRI EU27 | SDG 1.4, 7.1

	2021	2022	2023
Deadline for suspension due to non-payment of the bill			
Less than 48 hours	860,392	975,361	901,102
Between 48 hours and 1 week	148,968	141,847	133,830
Between 1 week and 1 month	206,197	201,814	197,979
Between 1 month and 1 year	196,706	172,546	169,038
More than 1 year	15	44	66
Pending and unclassified	0	0	0
Total	**1,412,278**	**1,491,612**	**1,402,015**
Reconnection period after bill payment			
Less than 24 hours after payment	1,101,405	1,290,892	1,209,947
Between 24 hours and one week after payment	181,233	183,871	210,316
After one week after payment	88,746	77,568	72,749
Not classified	0	0	0
Total	**1,371,384**	**1,552,331**	**1,493,012**

MORE SATISFIED CUSTOMERS



Responsible supply chain

GRI 3-3_204 – MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN | GRI 2-6

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 key partners based on environmental and social criteria as set out in contractual clauses. **GRI 308-1, 414-1 | PG 8, PG 2**

Our goal is to reach by 2025 a minimum of 80% of relevant suppliers in compliance with our sustainable development policies and standards and 85% by 2030.

The supplier assessment evaluates performance in a range of areas, including the ability to identify and link to the Sustainable Development Goals (SDGs), the capacity to manage risks associated with climate change, circular economy strategy, human rights due diligence, reputational diligence, and the risk of corruption and fraud, among others.

We incorporate specific social responsibility clauses in contracts for the purchase of equipment, materials, works and services. They are based on the UN Universal Declaration of Human Rights, the conventions of the International Labor Organization (ILO), the principles of the Global Compact and compliance with the Supplier Code of Ethics. In 2023, we included cybersecurity and information privacy criteria.

Our analysis is carried out in three dimensions: environmental (with a weight of 40%), social (30%) and governance (30%).

We do this assessment through the GoSupply platform. The potential supplier answers 43 social, environmental and governance questions. Companies scoring higher than 51 points and scoring at least 30% on all three dimensions are considered sustainable. Those who initially fail to achieve this score receive guidance on how to become more compliant with our policies. We assist in the preparation of customized improvement plans and monitor the company's progress.

In order to facilitate collaboration and strengthen our supplier relationships, we hosted the Experience Partner Companies (EPX) event. The fourth edition, held in 2023, focused on ESG Practices as a means of promoting rapprochement and supplier development. The *online* meeting attracted 280 participants, and three Distribution Service Providers had the opportunity to present a good practice. In addition, we addressed sustainability, diversity and inclusion, *compliance*, environmental policies and cybersecurity issues.

Local Procurement **GRI 204-1 | SDG 8.3**

We prioritize purchases from local companies both because they offer more competitive prices and because of our commitment to the development of communities, the creation of indirect jobs and the boost to the development of industries and services in the regions where we operate.

In 2023, total expenses with suppliers, with the exception of energy purchases, reached R$ 12.5 billion, of which 99.5% referred to local suppliers installed in the national territory. Of these, about 68.1% are concentrated in Bahia, São Paulo, Pernambuco and Rio Grande do Norte. This is one of our Environmental, Social, and Governance (ESG) commitments. Our goal is to maintain at least 90% of the invoiced purchase volume with local suppliers.

SUPPLIER EVALUATION

- Existing policies
- Management system
- Greenhouse Gases (GHGs)
- Biodiversity
- Climate change
- Water management

- Human rights
- Diversity
- Management systems
- Contribution to society
- Reporting and transparency

- Existing policies
- SDG
- Ethics and compliance
- Sanctions
- Stakeholders
- Supply chain

Support for local communities GRI 203-1, 413-1 | SDG 5.4, 9.1, 9.4, 11.2 | PG 1

GRI 3-3 – MATERIAL TOPIC: LOCAL COMMUNITIES AND VULNERABLE CLIENTS

We seek to positively impact the communities with which we relate through social programs and projects that contribute to the UN Sustainable Development Goals agenda and reinforce our commitment to our purpose and values. This private social investment program is designed to complement the socio-environmental projects included in environmental licensing, territorial development initiatives funded by non-mandatory resources, and energy efficiency projects.

In 2023, we invested R$ 27.5 million with resources from our companies and the Neoenergia Institute in initiatives focused on art and culture, education and social welfare.

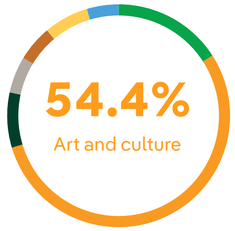
Social investments reached

R$ 27.5 million

CONTRIBUTIONS TO COMMUNITIES – BY CATEGORY

- **46.5%** One-off contributions
- **36.8%** Social investment
- **16.6%** Initiative aligned to the business

CONTRIBUTIONS TO COMMUNITIES – BY AREA



- **15.9%** Education
- **54.4%** Art and culture
- **8%** Social welfare
- **5.3%** Socio-economic development
- **5.2%** Institutional strengthening
- **6.5%** Humanitarian aid
- **4.6%** Others

We continue to support the Together for Sustainable Development program of the Comunitas organization. The program's primary objective is to foster collaboration between the private and public sectors, to enhance public management and drive local development and improvements in Brazilian public services. In 2023, the city of Recife demonstrated a commitment to developing solutions that enhance urban mobility, with a particular focus on public transportation.

Also in 2023, we kicked off the Seeds of Knowledge Program. It was created to boost local development based on the potential and challenges identified in communities. A total of 70 communities were visited in the area of influence of our operational wind farms as part of a Participatory Socio-Environmental Diagnosis.

Our Volunteer Program attracted 3,767 participations, exceeding the projections in our ESG+F volunteering target of 3,700 participations in 2025 and 4,700 in 2030. Notable initiatives include the Iberdrola International Volunteer Week, which benefited 21 NGOs and 3,000 individuals directly and indirectly; participation in Safe Community Program initiatives, including visits to neighborhoods to disseminate information about safety with the electricity grid; and campaigns to collect clothes and food.

We also mobilize customers to participate in social initiatives, via energy bills. In 2023, we raised some R$ 48 million for 14 institutions.

Original and traditional communities

GRI 2-25

We facilitate local development initiatives, professional training, income generation, infrastructure, and the rescue of traditions and cultures in quilombola, indigenous, traditional fishermen, grassland peoples communities – who make communal use of the land with family farming – and insular communities installed in our areas of operation.

In communities around wind farms in the Northeast Region, we have promoted courses on various topics, such as: handicrafts with carnauba straw; unconventional medicinal and/or food plants (Pancs); women's health and rights workshops; quilombola rights; capoeira and accordion. We have revitalized or built the headquarters of community associations, corrals, warehouses and water supply systems powered by photovoltaic energy, among other initiatives.

In indigenous areas, we prepared a socio-environmental diagnosis in Pernambuco and the solutions will be produced together with indigenous leaders. The first actions involved the connection of new customers, maintenance and reinforcement of the network, pruning, registration in the Social Tariff and energy efficiency actions. In São Paulo, as part of the Basic Environmental Plan (PBA) of the Guarani Tekoá Mirim community in Praia Grande (SP), prepared with the participation of the indigenous people and the associations that represent them, we donated an area of 278 hectares. It will benefit

17 families and approximately 50 people. We also provide financial support to subsidize the physical structuring of the new village (construction of residences, rituals house, security structure, water and solar energy collection).

The highlight of the event was the installation of the first microgrid with a 100% renewable source in Brazil. The facility guarantees clean and continuous energy through full solar generation and battery energy storage in the Xique-Xique community of the municipality of Remanso, in the backlands of Bahia. The project was developed as part of a research and development program, with significant community involvement.

Neoenergia Institute GRI 413-1 | PG 1

The Neoenergia Institute's premise is to ensure a careful look at people and communities, respecting all forms of diversity, boosting opportunities through effective, inclusive, equitable and sustainable initiatives. In 2023, the organization celebrated five years of operations. During this period, it delivered eco-efficient lighting for the Senhora Santana Church, which is part of its Cultural Lighting Program, in the city of Rio de Contas (BA). Additionally, it launched a book of activities for children, with reference to the Institute's programs and projects.

As of 2023, the Institute started to contribute directly to one of the ESG goals that we accepted for delivery by 2030. It was in the social scope, expanding to reach of 109,000 beneficiaries in 2021 to 280,000 by 2025 and 412,000 by 2030. In the year, some 347,200 people were benefited through the initiatives. They are based on five pillars of action and contribute directly to 14 of the 17 SDGs on the UN 2030 Agenda:

Training and research – It seeks to contribute to a transformative, inclusive, innovative and quality education. The main initiative is the **Balcão de Ideias e Práticas Educativas**project, an educational and practical ideas exchange developed in partnership with the Integrated Center for Sustainable Development Studies and Programs (CIEDs). Since 2019, it has certified 346 professionals, benefited 97,789 students and served 13 municipal networks in the states of Paraíba, São Paulo, Rio Grande do Norte, Pernambuco and Bahia.

Biodiversity and Climate Change – It aims to support the resilience of biodiversity and the protection of the environment. Executes two projects: **Flyways** and **Coralizar**, for coral conservation. The former seeks conservation in its habitats of migratory and shorebirds (which live in wetlands such as estuaries and ponds). It carried out 20 bird counts, trained 26 teachers and promoted awareness-raising activities with 994 children. Coralizar, created for the restoration, maintenance and adaptation of coral reefs, has already restored 0.42 square kilometers of coral in Pernambuco since its inception in 2019.

Art and Culture – Aims to contribute to the recognition of art and culture as essential tools for social transformation. It brings together several programs: **Cultural Lighting**, which benefits buildings and monuments; **Cultural and Artistic Workshops**, which generates work and income with an incentive to the creative economy; **Transforming Energy into Culture**, which supports initiatives that value local culture; and **Inspire Award**, which in its third edition recognized 16 women leaders of art and culture initiatives in their communities.

Social Action – The main projects supported are **Networks of Territories for Children**, which aims to strengthen civil society organizations and local public facilities that work in the care of children and adolescents, indirectly reaching 5,433 young people; **Playing Together**, which was started in 2023 and aims to identify, foster, finance and disseminate initiatives that, through women's sport, intended to reduce social and gender inequalities; **Educating through Sport**, which promotes sports practice after school hours and benefits 676 students; and **Brilliant Minds**, which develops, through theater classes, the social-emotional skills of students from the public school system. It has already benefited more than 3,100 students in Neoenergia Elektro's area of activity.

Institutional Collaboration – The focus is on fostering alliances and facilitating opportunities that accelerate the achievement of the SDGs associated with community, Third Sector and foundation initiatives. The highlight is the **Impactô Social Acceleration Program,** created in 2019. The project already has contributed to improving processes and enhancing the management capacity of 62 social organizations and businesses. Furthermore, it has reached more than 1.1 million beneficiaries, 221,000 directly and 885,000 indirectly.

Initiatives of the Neoenergia Institute benefited

347,200 people

Energy access GRI EU23

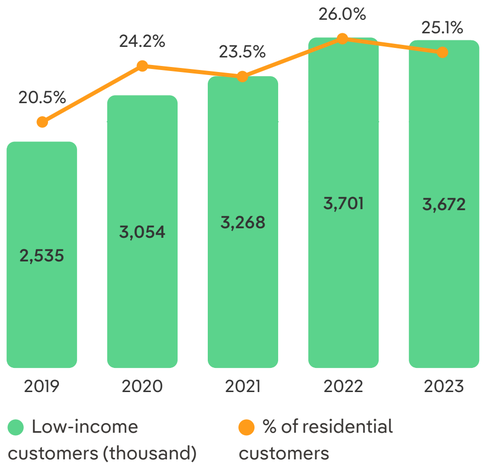
An important part of our work is to ensure clean and affordable energy for all, fulfilling our commitment to UN SDG 7. In this sense, we developed two federal government programs: Tarifa Social, which is a discount on the energy bill for low-income customers; and Light for All, which brings electricity networks to rural areas. Bahia is the last state in our area of operation that still has the program under development.

For Light for All, R$ 366.8 million was invested in 2023 to hook up 8,827 new connections in the state – R$ 310.1 million with Neoenergia Coelba's own resources and R$ 56.7 million as a federal government subsidy. Thus, in 20 years of the Program, we completed 713,128 customer connections to the power grid.

We estimate that 220,106 inhabitants in our concession areas do not have access to power networks, equivalent to about 0.6% of the population of 37.6 million people residing in these regions. **GRI EU26 | SDG 1.4, 7.1**

At the end of 2023, 3,671,843 consumer units served by our five distributors were low-income, accounting for 25.1% of total residential customers (26% in 2022). They are entitled to a discount ranging between 10% and 65%, up to a limit of 220 kWh. For indigenous and quilombola families who also qualify as low-income, the discount reaches 100%, depending on the consumption range.

CUSTOMERS WITH SOCIAL TARIFF – LOW INCOME



Customers with a social welfare tariff totaled

3.6 million

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

We understand that our leadership in the energy transition needs to be fair, benefiting the communities around the projects. Consequently, local community development programs have become strategic, with a particular focus on income generation, education, health, and environmental education initiatives.

The Health, Education and Income Program (SER) focuses on pillars that directly impact the Municipal Human Development Index (MHDI) in the Lagoas, Canoas and Calango wind farm regions 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. It has been in operation since 2020, with resources from BNDES social sub-credit programs and supports approximately 450 families.

In the area of influence of the Solar Luzia Photovoltaic Plant, we implemented the Ecological Trail project, which involved 36 actions in 34 schools, reaching a target audience of 1,409 people in 2023. The objective, principally, has been to develop a feeling of appreciation for and preservation and conservation of the environment. In addition, programs of this nature, tailored to the specific local circumstances, were also implemented in the wind farms currently in operation. We promote training to enhance community-based tourism in Rio Grande do Norte, female empowerment in Bahia and cultural enhancement in Paraíba.

In our hydroelectric plants, several socio-environmental programs have been implemented within the scope of licensing. They involve the execution of environmental education projects with vulnerable social groups, focused on popular participation and territorial management.

As a result of a partnership with the Muda Mundo Network, we held three social events in the Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern concession areas. The Transforma Comunidade initiative engaged over 1,000 beneficiaries in the selected projects through the delivery of 1,200 services, including legal, dental, nutritional, curriculum, personal and beauty care, reading to children, and printing documents.

Project impacts

We consulted stakeholders about new projects for the expansion of electricity and renewable networks and incorporated good construction practices. During construction, we continued to work together with these groups, seeking to minimize the social and environmental impacts as well as restoring all affected areas. **GRI ex-EU19 | SDG 1.4, 2.3, 9.1, 9a, 16.7**

We conduct previous installation studies to identify and mitigate potential impacts that could result in the displacement of people. In 2023, there was a need to physically remove six improvements under the easement in transmission line projects. Two were in Morro do Chapéu and four were in Vale do Itajaí. All received economic compensation. **GRI ex-EU20, EU22 | SDG 1.4, 2.3, 11.4**

Energy efficiency

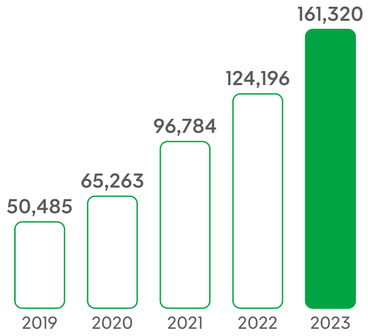
GRI EU7 | SDG 7.3, 8.4, 12.2, 13.1

The Energy Efficiency Program, overseen by the National Electric Energy Agency (ANEEL), is designed to promote conscious, efficient, and safe electricity consumption. The objective is to reduce expenses associated with electricity consumption across all consumer classes. The program contributes directly to the achievement of SDG 7, of clean and affordable energy for all. This is also our main management initiative demand, in order to promote the intelligent and efficient use of the electricity grids. **GRI ex-EU6 | SDG 7.1**

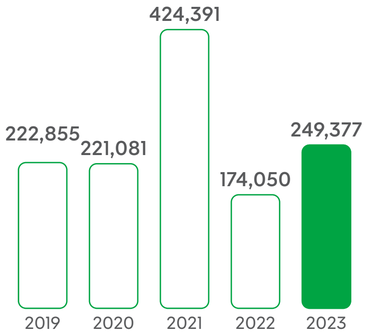
Our investments in energy efficiency programs totaled R$ 161.3 million in 2023, 30% above the previous year. Approximately 250,000 consumer units were benefited, providing an estimated energy saving of 74 GWh/year. That is the equivalent of supplying more than 30,800 homes with an average consumption of 200 kWh/month. Education actions complement the program: the training of teachers and students regarding combating energy waste, and energy efficiency. **GRI 302-5 | SDG 7.3, 8.4, 12.2, 13.1 | PG 8, PG9**

Our distributors allocated R$ 92 million in projects forgovernment, public services, charitable commercial institutions and industries. The actions ranged from lighting efficiency systems (both internal lighting of buildings and public lighting), to installation of solar photovoltaic systems, efficiency of motors and procedural systems.

INVESTMENT IN ENERGY EFFICIENCY (R$ thousand)



UNITS SERVED
(number)



Home-installed photovoltaic panel

Community safety

GRI 3-3 – MATERIAL TOPIC: HEALTH AND SAFETY

GRI 416-1, ex-EU24 | SDG 1.4, 7.1

The safety of our customers is a top priority in our operations. This has been a key focus for all company executives since 2020, as part of our annual goals. It is the mission of all employees to maintain the highest level of safety in energy distribution networks and to adopt mitigation actions. These actions are designed to establish guidelines for events in the distribution network that may involve injury to people in the community. The goal is to reduce the risk of causes that we can manage (active causes), such as live wires/cables on the ground.

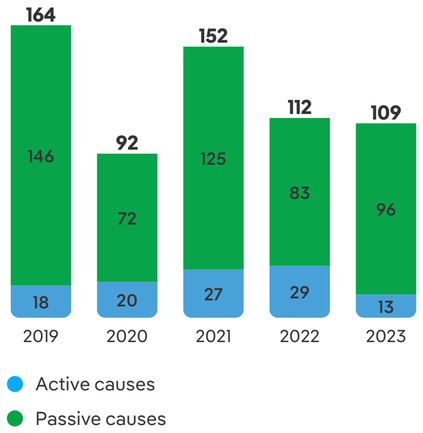
In addition to the aforementioned categories of population safety risks, there is a third category that we refer to as passive or unmanageable causes. These are due to recklessness in self-construction, risky behavior such as flying kites near the power grid, and interventions in the network due to energy and cable theft, among others. For these risks, we maintain population education programs for the safe use of energy.

In 2023, the number of accidents in the community decreased by 2.7% compared to 2022, but still with numbers that we consider high. The largest cause occurred in civil construction activities, which represented 28.4% of the total.

ACCIDENTS INTHE POPULATION (NO.) GRI EU25

	2021	2022	2023
Injured persons	109	81	88
Fatalities	43	31	21
Number of legal cases (resolved and pending) related to incidents or accidents	97	80	73

ACCIDENTS WITH THE POPULATION



#TropaAntichoque

To ensure the health and safety of our customers, we maintain effective and educational communication about the safe use of energy. Our actions are joined through the Safe Community Program. In 2023, the program was consolidated with the adoption of a marketing plan. The objective was to engage the public in awareness of the risks and changes in behavior related to the use of electricity. The campaign was executed over a 30-day period, with disclosures across TV, radio, and digital communication, reaching approximately 59 million individuals and garnering over one million qualified views in educational videos.

A milestone was the #TropaAntichoque challenge, which encouraged the production of content on the subject and generated more than 2 million views and 581 publications on TikTok. The challenge was stimulated by a song performed by the Arriação Quartet, which sets the tone in the *piseiro* stepping rhythm, a mix of the traditional Brazilian forró with an electronic keyboard.

The Safe Community Program saw more than 3,500 self-employed professionals trained in partnership with Senai, participation 75% higher than in the previous year. We conducted field actions with readers, featuring more than 350,000 signs of risks involving the power grid in 2023. We also maintained the *online* course Safety in the Community for all employees through GEP (the Iberdrola management and training platform). The safety educational actions regarding the electricity network reached more than 250,000 people.

Corporate reputation and brand strength

With energy liberalization, which begins in 2024, more than ever, the consumer will play a key role in the electricity sector. To put the client at the center of everything We invested in a new commercial site, strengthening our brand and expandinng our highly capable sales force to absorb this new demand.

In 2023, we undertook a project to establish Neoenergia as a nationally recognized brand. Our objective was to connect with people through our core purpose of "Continuing to build, every day collaboratively, a healthier and more accessible electric energy model," and our corporate values: sustainable energy, integrating force and driving force. And we intensified this strategy with the unification of more than 27 *sites* on a single platform. It enables us to increase engagement with all our audiences.

Our investment in communication in the past year was primarily digital. We believe this is the most effective way to stay connected, innovative, and at the forefront of this rapidly transforming market. The results of this investment include a notable increase in our brand awareness, as evidenced by a 9.4-point rise in national notoriety. This growth is particularly pronounced in regions where our brand is the dominant player, with a 65% higher level of awareness.

Sponsorhips

In addition to encouraging the development of women's sport in Brazil and training young athletes, we focus on investments that create opportunities to raise women's participation in society, aspiring to contribute to gender equality. During the year, we sponsored the Brazilian under-23 champion of road cycling and time trial, Ana Vitória Magalhães, known as Tota. Furthermore, we extended our contract with the Brazilian Football Confederation (CBF) until 2024. This agreement covers sponsorship of the women's teams in both the main and youth modalities, as well as the Brazilian Women's Football Championship.

In music, we act as official supporters of *The Town* 2023 festival, with energy solutions to make the event more sustainable, such as the provision of solar-powered streetlights and electric carts. We also lead campaigns for decarbonization at both The Town and Rock in Rio.

Cybersecurity and information privacy;

GRI 3-3 – MATERIAL TOPIC: INNOVATION, DIGITALIZATION AND CYBERSECURITY

We protect our networks, systems, data and applications from external threats, understanding that cyber resilience is of strategic importance, and we strengthen the capabilities of detection, prevention, defense and response to cyberattacks or cybersecurity incidents. Our management model is coordinated by a Committee that follows global norms and rules established by our controlling shareholder, Iberdrola, and seeks to foster a cybersecurity culture.

We incorporate cybersecurity into all strategic and operational decisions. We then analyze these risks in projects and processes supported by the governance, cybersecurity culture, resilience, assurance and collaboration pillars. We operate with the support of our Corporate Security Policy, one of the Corporate Risk Policies.

There is a *backup and recovery* solution at the five distributors that allows data protection, along with fast and effective data recovery for data from operations, applications, databases, and similar areas. One of the main gains of the tool is the complete recovery time of the environment and the security of the stored information. All our distributors also have separate information and operatiing networks (the process was finalized at Neoenergia Brasília in 2023), which increases our overall 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 concept of gamification.

Privacy

We approach privacy and data protection in a holistic manner, and thus integrate it into our management system and culture. To protect the data of individuals with whom we have relationships, such as employees, customers, suppliers and partners, we maintain a Personal Data Protection Policy. It is approved by the Board of Directors and adapted to the prerequisites of the General Data Protection Law (LGPD). Its objective is to ensure respect for the right to privacy in the processing of personal data, establishing principles and guidelines for action on data protection.

RESULTS

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

5.
Governance

More Energy for Bahia Event

Governance and sustainability system

Our governance model is a cornerstone of our commitment to sustainability, ethics and transparency. This is reflected in the composition and structure of the management bodies. They are in line with the best international practices and guided by the Brazilian Institute of Corporate Governance (IBGC). Moreover, they continue to be part of our management systems and internal controls of the risks to which we are exposed.

We are committed to maintaining a governance model aligned with best market practices and have set goals and targets by 2030.

Our Governance and Sustainability System brings together policies, standards, good market practices and principles that govern the group's organization, operation and relations. The specific block on corporate governance incorporates best practices and positions us as a reference in terms of the scope of action. It has been configured in accordance with the Shareholders' Agreement and current legislation. Furthermore, our bylaws, which were approved by the general shareholders' meeting, serve to consolidate and endorse all of the key elements, which collectively form the backbone of the governance and sustainability system.

The System is complemented by the Corporate Governance Policy, which establishes the general governance strategy and commitments. They are based on the application of ethical standards and compliance with recommendations recognized in international markets and adapted to our needs and business reality.

Governance

	Goals					
	2021	2022	2023	2025	2030	SDG RELATED
Variable ESG remuneration						
% 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						
Gain/maintain (annually)	NA	NA	✓	✓	✓	16

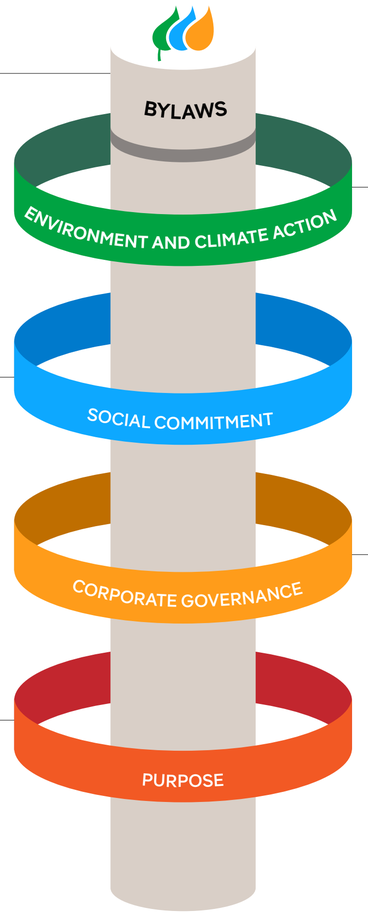
STRUCTURE OF OUR GOVERNANCE AND SUSTAINABILITY SYSTEM

The company's governance and sustainability system is its internal order. Neoenergia is configured as an integral company, one that enriches its purely corporate dimension with a plural business action (economic, social, environmental, and governance). This structure is designed to be at the forefront of international best practices. It is based on five key aspects:

BYLAWS
The core of internal planning is the foundation of the governance and sustainability system. Based on purpose and values, they bring the guidelines that define the identity and uniqueness of the company and our business project.

SOCIAL COMMITMENT
The policies that make up this theme reflect our willingness to address human rights challenges, to recognize and value the importance of human and personal capital, and to foster diversity, inclusion, equal opportunities and non-discrimination.

PURPOSE
It is the foundation on which our governance and sustainability system is built and based. Standards and policies are part of our corporate culture and are the basis on which our business project is based.



ENVIRONMENT AND CLIMATE ACTION
The policies that integrate this aspect are our response to sustainable management, the challenges of climate change, environmental preservation and the loss of diversity, while at the same time helping to identify and take advantage of the opportunities arising from the energy and ecological transition.

CORPORATE GOVERNANCE
This brings together the policies and norms that incorporate the best practices of good governance, which are reflected in the guidelines and criteria for the actions of the governing bodies. They establish their functioning and comply with legal requirements and the highest standards in this area.

Corporate governance

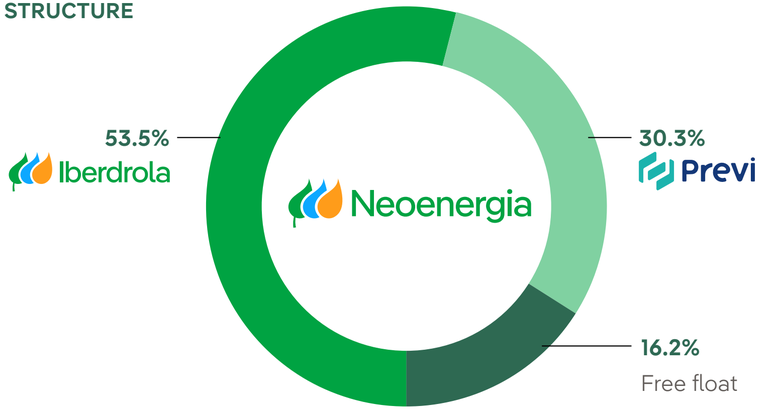
Our management model is decentralized, with the necessary strategic coordination and an effective system of controls. The *holding company*, Neoenergia S.A., is in charge of the supervision, organization and strategic coordination within the group; and the subsidiary companies assume the day-to-day management of the business. The evaluation of the management bodies, including the Board of Directors, takes place on a collegiate basis, annually, by an external audit contracted for this purpose. **GRI 2-18**

GOVERNANCE STRUCTURE **GRI 2-9 | SDG 5.5, 16.7**

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

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

CORPORATE STRUCTURE



Board of Directors

It is our main governance body. It is responsible for defining strategic direction, establishing business guidelines, purpose and values, appointing the Executive Board and ensuring its efficiency, approving and supervising corporate policies and the Code of Ethics, as well as compliance with risk limits and socio-economic responsibility. In 2023, it was composed of 23 members, including the chairman, 12 members and 10 alternates, elected and/or re-elected by the Extraordinary General Meeting (EGM) for a term of office until August 2025. Among the members, one is the chairman of the Board, one is an executive of Neoenergia S.A. (the chief executive officer) and three are independent (23%).

- The diverse group includes individuals with varying capacities, experiences, nationalities, and genders (21.7% are women, 78.3% are men). Additionally, the group encompasses individuals from a range of ages, with 26.1% falling between the ages of 31 and 50 and 73.9% over the age of 50. **GRI 405-1 | SDG 5.1, 5.5, 8,5**

- The positions of Chairman of the Board and Chief Executive Officer of the *holding company are separate*. **GRI 2-11 | SDG 16.6**

We have a Appointment of Directors Policy that defines the criteria for the composition of the Board of Directors, the Advisory Committees and the Executive Board. Established in April 2019, its last update occurred in February 2021. The appointments are made by the Board of Directors, based on a prior analysis of the needs of these bodies, observing the provisions of the Shareholders' Agreement and upon prior recommendation of the Compensation and Succession Committee. We seek to ensure that the composition reflects a diversity of abilities, knowledge, experiences, origins, nationalities, age and gender. The indication is made. **GRI 2-10 | SDG 5.5, 16.7**

The Council has a training and knowledge update program in place for its members, which includes, among its themes, decarbonization and combating climate change. Thus, it meets the need for professionalization, diversification and qualification in relevant topics. **GRI 2-17**

We have prepared a Conflicts of Interest Manual that applies to employees, directors, executives, outsourced workers, interns and apprentices. When hiring or promoting, leaders must fill out a statement about possible conflicts of interest. **GRI 2-15 | SDG 16.6**

Committees GRI 2-9 | SDG 5.5, 16.7

Our Board of Directors is advised by five committees: Audit, Financial, Compensation and Succession, Related Parties and Sustainability. Each committee consists of five full members and four alternates, with the exception of the Related Parties Committee, which is composed of three full members, two of whom are independent and one from the market. Independent members are invited to participate in the committees, which enhances transparency in the committee's operations. The committees are responsible for analyzing and recommending most of the Board's decisions within their respective areas of expertise.

Fiscal Council

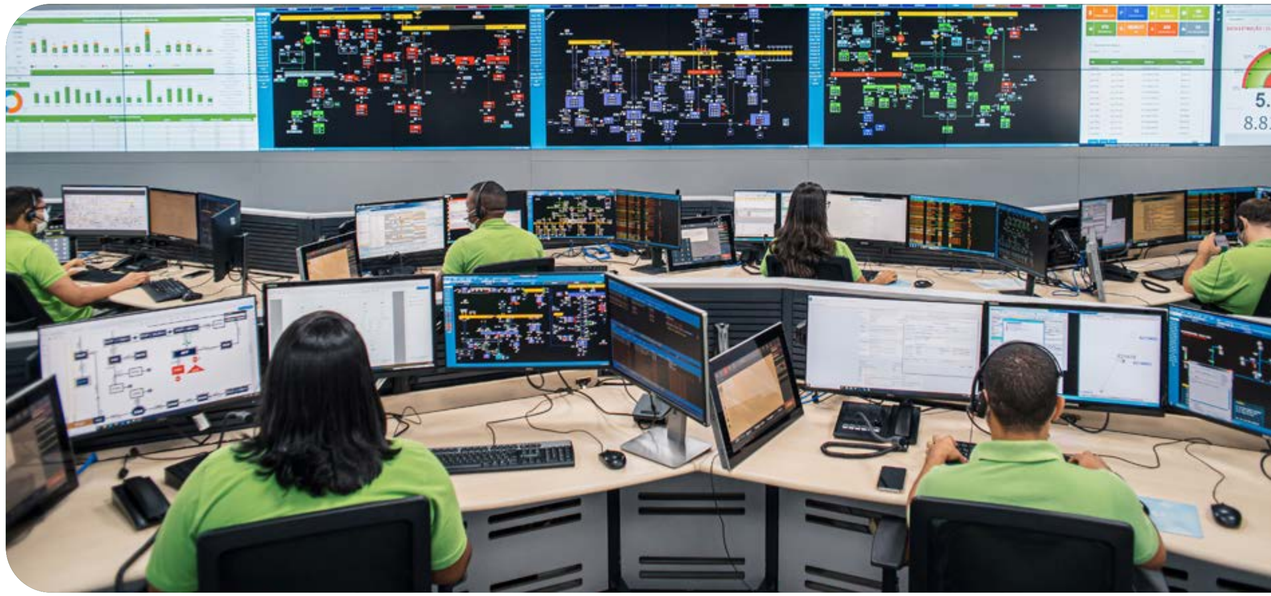
Sitting on a permanent basis, the committee is comprised of ten members, five of whom are elected for one-year terms and serve as representatives of shareholders. They do not exercise executive functions. The committee meets independently to comment on the annual report of the management and the respective statements, as well as to analyze the quarterly balance sheet and other financial statements periodically elaborated by the company.

Executive Board

Responsible for the implementation of our strategic plan, it is composed of 11 members – including the CEO – appointed by the Board of Directors for three-year terms, with the possibility of renewal. Board meetings are held weekly or whenever convened by any member.

Compensation

The Board of Directors, with the support of the Compensation and Succession Committee, proposes the overall amount of management compensation and submits, together with the Annual Compensation Report of the Officers, for approval by the General Shareholders' Meeting. A 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 for strengthening intellectual capital by training employees (SDG 4, quality education, and SDG 8, decent work and economic growth). **GRI 2-19, 2-20**



PROPORTION OF TOTAL ANNUAL COMPESATION[1]

GRI 2-21

	Total annual compensation ratio[2] (times)			Ratio of percentage increase in total compensation (%)		
	2021	2022	2023	2021	2022	2023
Diretor	28.57	29.02	31.57	NA	0.90	1.73

[1] Proportion between total annual compensation and the percentage increase of the highest paid individual in the organization and the average total annual compensation of all employees (excluding the highest paid).
[2] Total annual compensation includes fixed salary, cash bonus, and variable compensation. It does not include long-term incentives or social benefits.

The details of the governance structure, the functions of the Committees, the names of all directors, members of the Committees and the Executive Board are presented in Corporate Information. The resumes are available on the company's website, on the Investor Relations page, under Corporate Governance.

Policies and commitments

GRI 2-23, 2-24 | SDG 16.3 | PG 10

We have adopted a set of corporate policies, guided by our System of Governance and Sustainability, which contains the guidelines governing our activities, the companies we operate and have an interest in, our directors, executives, employees and third-party contractors. This System is built around three pillars:

- Environmental performance and combating climate change, through environmental policies;
- Social commitment, which is manifested in social policies; and
- Corporate governance standards and policies.

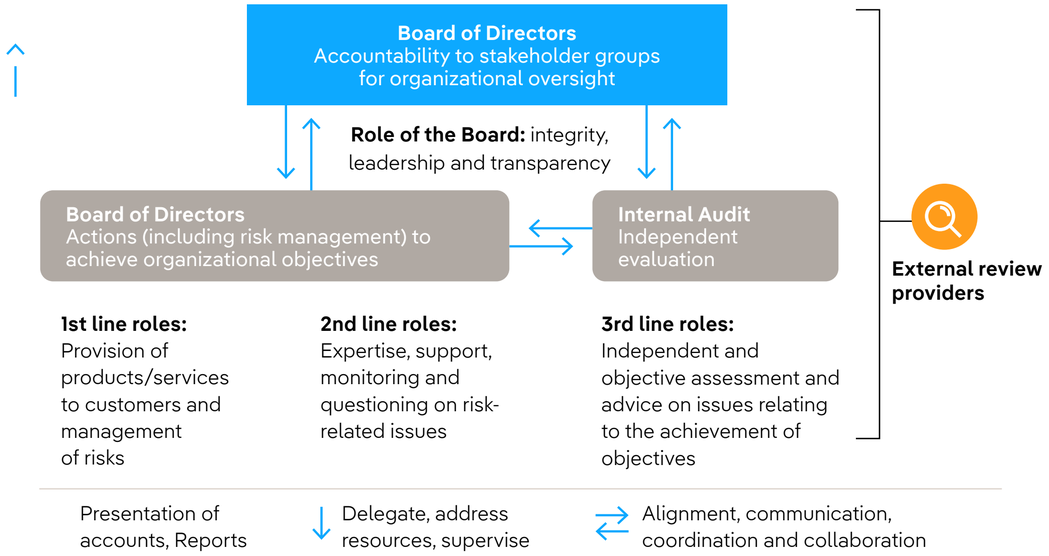
Our commitments are explicit in the Corporate Governance System and include:

- Purpose and values, Code of Ethics, Sustainable Management Policy and Stakeholders Relationships Policy;
- Environmental Policies;
- Risk Policies;
- Social Commitment Policies;
- Corporate Governance and Compliance Policies.

The Three-Line Model

Our approach to implementing the culture of Internal Controls is based on the Three-Line Model established by the *The Institute of Internal Auditors*. The first line corresponds to the business areas, directly responsible for the processes and risk management of the activities in accordance with the policies and mitigation strategies; the second line is composed 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 manner. In the third line, the Internal Audit performs an independent evaluation, issuing reports, opinions and control recommendations.

THREE LINES OF DEFENSE



Risks GRI 2-12 | SDG 16.7

The Board of Directors, with the involvement of senior management, is committed to the management of strategic business and activity risks, so that they are properly identified, measured, managed and controlled. The process is based on preventive action, independence, commitment to corporate objectives, best market practices and applicable guidelines with a focus on COSO ERM, of the Committee of Sponsoring Organizations of the Treadway Commission (Comitê de Organizações Patrocinadoras da Comissão Treadway) and ISO 31000 (Risk Management System), as well as good practices, and/or regulatory premises and bodies covering the energy sector.

In this context, the Board's main duties are to review and approve, annually, through the Risk Policies, the risk appetite of the group and each of the businesses and functional areas. This is done in accordance with the objectives established in the multi-annual plan and in the respective annual budgets. It must also periodically monitor the risk and exposure maps, as well as compliance with the approved limits and indicators.

At each Board meeting, the chief executive officer updates members on all relevant topics that may have an economic, environmental or social impact, some of which are considered crucial concerns for business development. In 2023, these concerns were discussed in 14 advisory committee meetings, with a focus on approaches to governance and sustainability systems, *compliance*, risk control and management, the cybersecurity plan, non-financial information, long-term incentive program, ESG+F goals and participation in COP 28. **GRI 2-16**

Corporate Risk Management is coordinated by the Risk Management Superintendency (which is linked to the Audit and Corporate Risks Board that responds to the Audit Committee). It is responsible for identifying, evaluating, monitoring, proposing mitigation strategies and preparing Risk Policies. The risk management framework is established in the General Corporate Risk Management Policy, which is included in the Corporate and Business Risk Policies that are reviewed annually and approved by the Board. **GRI 2-13**

In 2023, the concept of ESG+F Risks was incorporated into the Risk Policies and Maps. In addition, we published the Risk Monitoring Procedure Associated with ESG+F Targets in which risk sub-indicators are tracked to monitor compliance with ESG+F targets disclosed to the market. In 2024, we also incorporated the Climate Risk concept into Risk Policies.

Risk factors

We are exposed to several risks inherent to the sectors and markets in which we operate, which may prevent us from achieving our objectives and implementing the defined strategies.

a) Market risks – Exposure of the group's results and equity to changes in prices and other market variables, such as:

- **Financial**: exchange rate, interest rates, solvency, liquidity, inflation and value of financial assets and liabilities.
- **Prices of energy and other raw materials**: Includes prices of gas and other fuels, CO_2 emission rights and/or limits, green hydrogen, renewable energies and other raw materials (steel, aluminum, copper, etc.).

b) Credit risks – Possibility of non-compliance with financial and contractual obligations of counterparties, including the risk of bankruptcy and replacement cost, such as default or non-performance, resulting in an economic, financial or non-financial loss for our companies. Counterparties may be end users, partners, suppliers, financial entities and insurance companies, among others.

c) Business risks – Uncertainty regarding the trends of key variables intrinsic to the business, such as electricity supply/demand balance, quality of supply, hydrology and strategy of other agents.

d) Regulatory and political risks – Arising from the creation or change in the rules established by the regulatory bodies, on which the electricity sector supports its operations, such as change in the degree of control of regulated activities and supply conditions, or even on environmental or fiscal regulations. This may include 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 non-compliance with contracts and legal or fraud risk.

e) Operational, technological, environmental, social and legal risks – Refers to the occurrence of economic or financial losses, direct or indirect, resulting from external events or inadequate internal processes. This may include risks arising from: technological failures, human errors and technological obsolescence; operation and construction of facilities; purchases and supply chains; cybersecurity and information systems; health and safety of employees, third parties and the community; environmental licensing; land issues; human rights violations; regulatory compliance; and reliability of financial information, among others.

f) Reputational risks – Potential negative impact due to conduct, behavior and positioning in disagreement with the expectations created by interest groups, including those related to corruption.

g) ESG+F risks – Set of risks related to environmental, social and corporate governance aspects with potential impact on economic and financial performance and/or reputation. It encompasses, without being restricted to these aspects, *stakeholders*, engagement, the dual materiality matrix, value chain, assessments and action plans related to the risks of climate change, biodiversity loss, environmental degradation, neglect of social responsibility and human rights violations.

These risks are detailed in our Annual Sustainability Report.

Emergencies and contingency plans

GRI ex-EU21, 2-25 | ODS 1.5, 11.5

Emergency Action Plans (EAP) are maintained in all companies to manage responses to accidents and incidents involving occupational safety or environmental issues. In addition to traditional emergency scenarios (such as fires, explosions, and electrical discharges), the plans outline environmental emergency responses. There are simulated trainings to restrict and control eventual leaks of oil and chemical products, fires, and vehicle collisions, among other accidents. The hydroelectric plants also have Dam Safety Plans, which follow regulatory stipulations and ensure the monitoring, control and maintenance of these structures in accordance with guidelines defined by Brazil's Energy Regulatory Agency (ANEEL). This risk is considered remote since hydroelectric power plants have static structures, firmly built on foundations in the riverbeds.

Ethics and integrity

GRI 3-3 – MATERIAL FOCUS: ETHICS, INTEGRITY AND TRANSPARENCY

Ethics are the guiding force of our business model and in relationships with our customers, shareholders, employees, suppliers, service providers, the market and public entities. We establish our business strategy and perform our activities in compliance with Brazilian laws, best market practices, our Code of Ethics and internal standards.

As proof of these attitudes and reaffirmation of our commitment to the integrity of anti-corruption processes, we regularly participate in the ISO 37001 (Anti-Bribery Management System) certification process. In 2023, Neoenergia, NC Energia and Termopernambuco were recertified according to this standard.

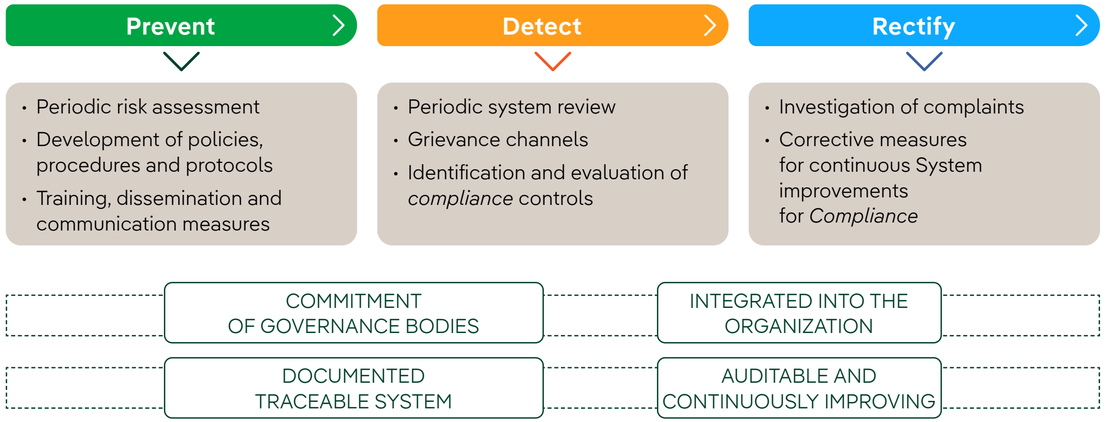
We won, for the fifth consecutive time, the Pro-Ethics Company Seal (from the Comptroller General's Office – CGU), in the 2022-2023 selection. We are also a signatory of the Ethos Institute's Commitment of the Business Movement for Integrity and Transparency. We are part of the Anti-Corruption Platform of the Brazil Network of the UN Global Compact and participate in the Alliance for Integrity, created to promote and strengthen ethical and integrity behavior in the private sector.

Integrity Program

Our corporate Compliance, Superintendency coordinates an Integrity Program that adheres to Brazilian anti-corruption legislation. It is applicable to all Neoenergia companies. The area, in addition to being responsible for the planning, design, execution, maintenance and evaluation of the program, prepares and reviews codes of conduct, integrity policies and related procedures and works on the identification, evaluation and mitigation of non-compliance risks. The activities are based on the pillars of prevention, detection and reaction (remediation) and, in the three-line model, contain the elements necessary for strategic integrity management.

In 2022, we created the Supplier Integrity Program, with the objective to encourage pre-selected suppliers to implement an integrity program or optimize the existing program, in addition to improving the sustainability environment of our supply chain. All registered suppliers are entered into the *Dow Jones Risk & Compliance*software tool and are monitored daily for compliance aspects.

We prepared the Compliance Risk Map from the survey of the main risks of each business, process and partner, including reputational risks (corruption, fraud, money laundering), international sanctions, intellectual and industrial property, market abuse, anti-competitive practices, data protection, cybercrime, harassment, discrimination, facility safety, and environmental and public health protection for customers. **GRI 205-1 | ODS 16.5**



Compliance Unit

Compliance governance changed in 2023 to be in line with Iberdrola's practices. The newly created *Compliance* Unit is a collegiate body, with an external president, whose function is similar to that of a director. Thus, the *Compliance*Superintendency, which has budgetary autonomy and independence of action, becomes responsible for the *Compliance* Unit (in monthly meetings), which, in turn, reports to the Board of Directors through the Sustainability Committee.

The Superintendency is responsible for disseminating a culture of integrity throughout the organization, assessing *compliance* risks involving corruption, fraud and the like, evaluating suppliers, investigating and monitoring cases of violation of the rules of conduct, as well as helping to clarify doubts and give the correct interpretation of the provisions of the Code of Ethics.

Our policies reinforce the battle against all forms of corruption: fraud, bribery, improper favoritism, influence peddling, extortion and bribery in their internal relations, with suppliers, partners and public agents. These guidelines are distributed to all employees (including managers and directors), who receive training to prevent inappropriate behavior. These policies can be found on our website.

Monitoring and follow-up of complaints

GRI 2-26, 205-3 | SDG16.3 | PG 10

We provide a consultation channel that allows any employee to resolve his or her doubts about the concepts of integrity applicable to their professional conduct (compliance@neoenergia.com), as well as a Reporting Channel so that anyone can report unlawful conduct. These mechanisms for detecting and/or monitoring non-compliance allow us to verify the effectiveness of our control and prevention actions.

An independent, specialized company manages our Reporting Channel, which guarantees anonymity and confidentiality. Complaints can be made seven days a week, 24 hours a day, via the Internet: email (neoenergia@canaldedenuncia.com.br) or by Telephone 0800 591 0857.

In 2023, the channel received 1,883 complaints. Complaints that were well-founded and merited attention resulted in relevant remedial measures. These included verbal or written warnings, suspensions and even dismissals in cases considered serious. We made improvements in processes to avoid future problems.

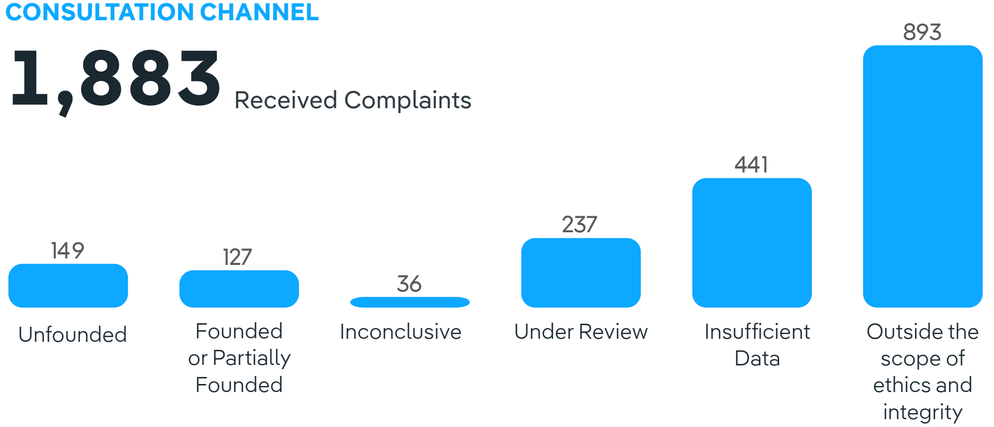
TRAINING IN FIGHTING CORRUPTION AND ETHICS AND INTEGRITY (NO.) GRI 205-2 | SDG 16.5

	2021	2022	2023
Employees			
Direct leadership	379	407	406
Intermediate controls and qualified experts	3,062	2,025	1,659
Professionals and support teams	10,714	7,437	9,873
Total employees trained	14,155	9,869	11,938
% of employees trained	94%	64%	76%
Suppliers			
Suppliers trained regarding the Code of Ethics (% of total)[1]	NA	57	27

[1] Considering service providers.
NA: Not Available.

CONSULTATION CHANNEL

1,883 Received Complaints



ENVIRONMENTAL FINES AND SANCTIONS GRI 2-27 | SDG 16.3

	2021	2022	2023
Total number of significant cases of non-compliance with laws and regulations for which fines were imposed during the year	NA	26	59
Number of fines for non-compliance with laws and regulations that occurred and were paid in the year	NA	0	1
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year	NA	0	3
Monetary value of fines for non-compliance with laws and regulations that occurred in the year and were paid (R$ thousand)	NA	0	6
Monetary value of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year (R$ thousand)	NA	0	153
Total amount of fines paid during the year (R$ thousand)	7,577	0	159
Number of non-monetary, administrative or judicial sanctions for non-compliance with environmental laws or regulations	12	11	6
Cases of arbitration mechanisms and the like (no.)	0	0	0

FINES AND SOCIAL SANCTIONS GRI 2-27 | SDG 16.3

	2021	2022	2023
Total number of significant cases of non-compliance with laws and regulations for which fines were imposed during the year[1]	NA	1	7
Number of fines for non-compliance with laws and regulations that occurred and were paid in the year[1]	NA	3	3
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year[1]	NA	3	2
Monetary value of fines for non-compliance with laws and regulations that occurred and were paid in the year[1] (R$ thousand)	NA	620	514
Monetary value of fines for non-compliance with laws and regulations that occurred and were paid in the year[1] (R$ thousand)	NA	1,237	177
Number of non-monetary, administrative or judicial sanctions for non-compliance with laws or regulations related to competition materials or other reasons, excluding those related to the environment and electricity distribution and trading activities[1]	NA	0	0

NA: Not Available. The information was not compiled in such detail.

LABOR FINES AND SANCTIONS GRI 2-27 | SDG 16.3

	2021	2022	2023
Number of fines that occurred and were paid in the year[1]	15	38	29
Amount of fines paid for non-compliance with laws that occurred and were paid in the year (R$ thousand)	93	361	174
Number of previous year's fines that were paid in the year[1]	NA	9	22
Monetary value of fines for non-compliance with laws that occurred in previous years and were paid in the year[1]	NA	37	342
Total amount of fines paid in the year (R$ thousand)	93	398	516
Number of cases submitted to arbitration	0	0	0
Number of labor fines	15	38	29
Number of complaints received in the year	1,007	1,929	2,062
Number of complaints resolved in the year	74	152	239
Number of complaints from previous years resolved during the year	1,168	1,470	2,118
Non-financial sanctions	0	0	0

FINES FOR OTHER REASONS – PRODUCT GRI 2-27 | SDG 16.3

	2021	2022	2023
Total number of significant cases of non-compliance with laws and regulations for which fines were imposed during the year	NA	66	104
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year	NA	7	7
Monetary value of fines for non-compliance with laws and regulations that occurred in the year and were paid (R$ thousand)	NA	25	50
Monetary value of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year (R$ thousand)	NA	3,836	126
Number of fines for non-compliance with laws and regulations that occurred in previous years and were paid in the year	NA	18	27
Total amount of fines paid in the year (R$ thousand)	182	3,860	176
Number of incidents due to non-compliance with regulations related to electricity distribution and trading activities resulting in non-financial sanctions	3	0	0

Fiscal responsibility

GRI 3-3 – MATERIAL TOPIC: ECONOMIC PERFORMANCE AND SUSTAINABLE FINANCING

GRI 207-1, 207-2, 207-3 | SDG 1.1, 1.3, 10.4, 17.1, 17.3

Our tax strategy is based on ensuring compliance with current tax rules, excellence and commitment to the application of good practices, appropriate to our corporate structure and governance. We have a Corporate Tax Policy applicable to all our companies and that is constantly evaluated and reviewed by the Board of Directors. This body is also responsible for formulating the tax strategy and approving investments or operations that, due to their high amounts or characteristics, have special tax relevance.

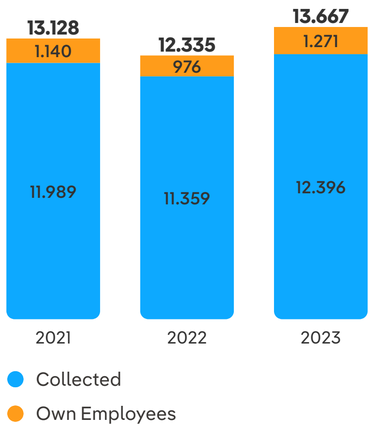
Aware of the importance that tax information represents for all our stakeholders and in line with our commitment to transparency and best practices, since 2021 we have voluntarily prepared a Tax Transparency Report. It includes the relevant tax information as well as an analysis of our tax contributions on a global level. The document is public and available on our corporate website.

We seek to enhance our relationships with the tax authorities, based on respect for the law, loyalty, trust, professionalism, collaboration, reciprocity, and good faith, without prejudice to the legitimate controversies that, respecting the previous principles and in defense of the social interest, may be generated with such authorities around the interpretation of the applicable legislation and rules.

We disclose the payments specifying the amounts related to our own taxes (which are levied on income and contributions on salaries paid to employees) and collected (in whichwe comply with the obligation to pay the tax "in lieu" of the taxpayer, such as ICMS, a state tax).

In 2023, our own and collected taxes totaled R$13.7 billion, 10.8% above the previous year. The amount represented 3.1 times the net income we obtained during the year and also corresponded to 32.2% of our net operating revenue, which totaled R$ 44.3 billion.

TRIBUTOS PAGOS AO TESOURO PÚBLICO
(R$ milhões)



Fiscally responsible behavior

Fiscally responsible behavior is part of our General Sustainable Development Policy, and it is inspired by the Neoenergia Purpose and Values. It is based on a commitment to ethical principles, good corporate governance, transparency and institutional loyalty.

Fiscal governance and risk management

Accountability	The Board of Directors and the Executive Board are charged with ensuring compliance with tax principles and good practices in our companies, in accordance with the Corporate Tax Policy. In individual companies, the respective Boards of Directors and Executive Boards are responsible for ensuring compliance with this Policy.
Control and monitoring	Three levels control and monitor compliance with tax standards, principles and good practices established in the Corporate Tax Policy: 1) Tax Superintendency, in alignment with the Syperintendency of *Compliance*; 2) the Audit Committee; and 3) the Board of Directors. These instances ensure the tax policies and criteria applied during the year and, in particular, in respect to our level of compliance with the Corporate Tax Policy. Annually, the Tax Superintendency reports the level of compliance with the Policy to the Audit Committee.
Risk management and compliance	We strive to avoid and reduce significant tax risks and, to this end, we have established objective criteria to classify transactions according to their tax risk. We do not include among our subsidiaries and investee companies any companies residing in tax havens, thus being aligned with the OECD's Erosion Profit Shifting Base Plan (BEPS), of which our controlling shareholder, Iberdrola, is a signatory.

Relationship with tax interest groups

We disseminate the most relevant information about our performance in tax matters and tax contributions to support public charges in the main places where we operate, ensuring that the information is clear, useful, and correct.
Any report of concerns about unlawful behavior of an accounting and tax nature can be made through the Complaint Channel, which is external, confidential and protected by anonymity, covering issues of compliance with laws, our Code of Ethics and our integrity standards.

6.
Finance

Neoenergia *holding*, headquarters, in Rio de Janeiro (RJ)

Financial and economic performance

Our consolidated net operating revenue totaled R$ 42,388 million in 2023, a 4% increase over the previous year. Gross Margin was R$ 15,742 million (-3% variation compared to 2022). The main positive influences were rate revisions and adjustments, a larger customer base and energy volumes at 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 (VNR) and even lower margins in Termopernambuco.

EBITDA and net income

EBITDA was R$ 12,359 million (7% *above* 2022). Net income totaled R$ 4,461 million, a 5% change over the previous year's results. But when we adjust the 2022 results – positively impacted by the recognition of R$ 678 million with the merger and transfer of control of Neoenergia Brasília da Bahia PCH III to Neoenergia – there is 10% growth.

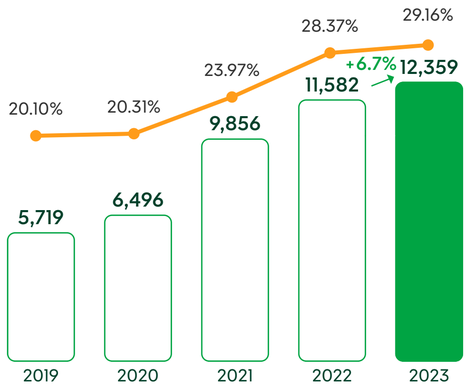
Debt

Our consolidated net debt, including cash, cash equivalents, bonds, and marketable securities, reached R$ 39.15 billion, an increase of 7.3% compared to 2022, mainly explained by the Capex execution of the network projects.

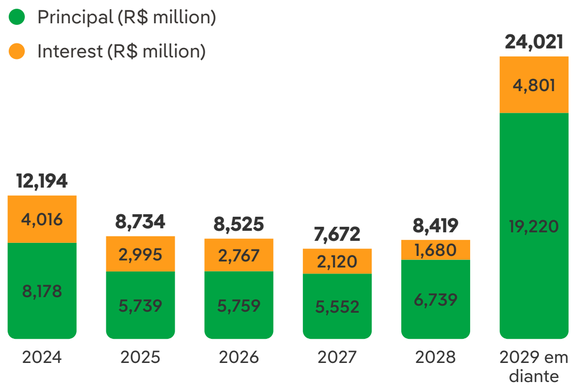
To reduce the cost of debt and lengthen the amortization profile, we actively managed our financial liabilities in order to avoid concentration of maturities, which results in effective prolongation. In 2023, we raised R$ 11,540 million.

The average maturity of the debt was 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). Debt maturities in the coming years are not concentrated in any specific period, but they are consistent with volumes past due in recent years.

EBITDA AND MARGIN



DEBT MATURITY SCHEDULE



The 2023 economic and financial results are detailed in the 2023 Financial Statements, accessible in our Results Center.

Investments

Capex investments totaled R$ 8.9 billion in 2023, 10% below the previous year's amount.

The largest volume (R$ 8.2 billion) was allocated to the Networks business, of which R$ 4.7 billion went to the Distribution segment (57% of the total), for expansion, improvement, digitalization, and efficiency projects. In Transmission, we invested R$ 3.5 billion in the works of the lots acquired in auctions between 2018 and 2021.

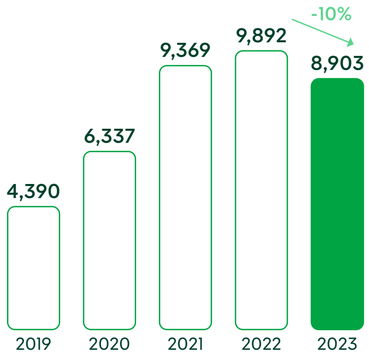
In Renewables, resources of R$ 630 million were concentrated in the Oitis wind farm, in Piauí and in Bahia, which was completed in 2023, adding 566.5 MW of capacity. The hydroelectric plants received R$ 40 million in investments, primarily in maintenance.

The resources for deregulated companies (R$ 59 million) were concentrated in Termopernambuco maintenance projects and in Comercializadora and Neoenergia Serviços commercial systems.

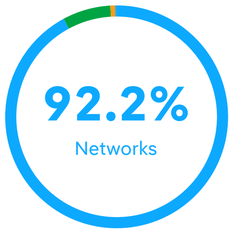
Added value

We produced R$ 33.1 billion in added value, compared to R$ 33.3 billion in the previous year, with a variation of -0.58%. The largest portion, 50.66%, was related to taxes, fees, and contributions paid to federal, state, and municipal governments. They included taxes on profits (income tax and social contribution), intra-sector obligations, ICMS, PIS and Cofins, INSS on the payroll, among others. The second largest amount was interest and rent payments to capital providers, at 29.95%. Employee remuneration (salaries, benefits, and social contributions) represented 5.72% of the total. Shareholders received 3.80% as dividends and interest on shareholders' equity, while retained earnings and profit retention reserves accounted for 9.87%.

CAPEX INVESTMENTS
(R$ million)



INVESTMENT BY BUSINESS



- **92.2%** Networks
- **7.0%** Renewables
- **0.7%** Liberalized
- **0.2** Others

DISTRIBUTION OF VALUE ADDED

- **50.7%** Government
- **3.8%** Shareholders
- **9.9%** Retained earnings and reserves
- **5.7%** Employees
- **29.9%** Capital providers

ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED (R$ MILLION) GRI 201-1 | SDG 8.1, 8.2, 9.1, 9.4, 9.5

	2021	2022	2023
Revenue (sales and other income) [1]	64,301	67,251	68,449
Operating costs [1]	36,109	33,931	35,323
Employee compensation (without including company social security costs)	1,606	1,797	1,895
Payments to capital suppliers [1]	7,849	11,800	11,180
Payments to Public Authorities	15,785	16,189	16,783
Community benefit contributions (in accord with the B4SI model)[2] – R$ thousand	19,361	26,451	27,476
Retained economic value	2,952	3,534	3,268

[1] Data from 2022 and 2021 reclassified. **GRI 2-4**
[2] B4SI Model: *Business for Societal Impact*, which establishes an approach to measuring and benchmarking social impacts.

Stock market

Our market value (NEOE3) on the Brazilian stock market 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 appreciation of 47.4%. Since the IPO in June 2019, the shares have appreciated by 36.4%.

As of June 2022, the company was also listed on Latibex, in Madrid, which is linked to the Spanish stock exchange. Participation in this market makes it easier for individual European investors to acquire our securities by taking advantage of the trading in euros and the schedules of the European markets.

SHARE PERFORMANCE IN B3

	IPO	2021	2022	2023
Number of shares (thousand)	1,213,797	1,213,797	1,213,797	1,213,797
Market value (R$ million)	18,966	19,664	18,753	25,902
Last quotation (R$/share)	15.65	16.20	15.45	21.34

Sustainable finance

GRI 3-3 – MATERIAL TOPIC: ECONOMIC PERFORMANCE AND SUSTAINABLE FINANCING

We are one of the pioneering Brazilian business groups that are raising funds linked to Environmental, Social and Governance (ESG) performance. All this with three defined objectives: (i) to align our financial strategy with our purpose, values, and investment strategy; (ii) to minimize the cost of our debt; and (iii) to diversify our sources of financing, transforming sustainability into a means and an end at the same time, by the financial strength we seek, and by which we are characterized.

The topic became part of our 30 ESG goals, with two commitments: to expand the participation of ESG/green-rated financing in new contracts we sign with financial institutions and development entities, as well as to annually review and update our Green Finance Framework.

We signed approximately R$ 5.1 billion in new green operations in 2023. Thus, loans classified as sustainable finance accumulated a total of R$ 15.3 billion by the end of 2023, compared to R$ 10.2 billion at the end of the previous year. The capital raised in 2023 was targeted for the expansion of the our Renewables and Networks business areas.

Since 2020, most of the green debt we have contracted has been backed by the Green Finance Framework which has external certification issued by NINT, which confirms our sustainability good practices. This framework is in line with the Green Bond Principles supported by the International Capital Markets Association (ICMA). In addition, each transaction contracted within this framework also has the simplified external evaluation of a second opinion.

Between 2019 and 2023, we contracted 26 green-certified operations. They are summarized in the table below. The documentation of all the operations we contracted is available on the Investor Relations website, in the Sustainability/Green Debts section.


Noronha Solar Plant, in Fernando de Noronha (state of Pernambuco)

Sustainable finance

	2021	2022	2023	Goals 2025	Goals 2030	SDG RELATED
***Green* financing framework** Annual review and update (if applicable)	✓	✓	✓	✓	✓	5 6 7 13 16
ESG funding % new financial contracts in the 2023/2025 and 2026/2030 trienniums with ESG/green rating (with European taxonomy)	NA	NA	49%	>60%	>75%	5 6 7 13 16

GREEN DEBTS – NEOENERGIA GROUP

Company	Instrument	Resource allocation summary	Volume	Classification criteria
2019				
Neoenergia	6th Debentures - 1st Series	Transmission & Renewable	R$ 1.3 billion	Second Opinion Certification
Neoenergia	Long-Term – BEI	Renewable	€ 250 million	EIB
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 ESG best practices
Neoenergia Pernambuco	11th Debentures	PDD	R$ 200 million	
Neoenergia Coelba	13th Debentures	PDD	R$ 800 million	
Neoenergia Coelba	1st Commercial Note	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	EIB
Neoenergia Coelba	Long-term	-	R$508 million	JICA and MUFG
2022				
Neoenergia Elektro	11th Debentures	PDD1	R$ 200 million	*Green Finance Framework*
Neoenergia Brasília	5th Debentures	PDD1	R$ 300 million	*Green Finance Framework*
Neoenergia Vale do Itajaí	BNDES Credit	Transmission	R$1.305 billion	*Green Finance Framework*
Neoenergia Pernambuco	2nd Commercial Note	PDD	R$ 450 million	*Green Finance Framework*
Neoenergia Coelba	IFC – Super Green Loan	PDD1	R$ 550 million	*Sustainability-Linked Finance Framework* and *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 and MUFG
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* and *Green Finance Framework*
Neoenergia Brasília	MUFG	PDD	R$ 200 million	*Green Finance Framework*

7.
About this Report

Oitis Wind Farm Complex (states of Piaui & Bahia) construction completed in 2023

GRI 2-3

This report has been prepared in accordance with the guidelines of the International Integrated Reporting Council (IIRC) and based on consolidated financial and non-financial data and information. It also takes as a reference the OCPC 09 Technical Guidance, issued by the Accounting Pronouncements Committee (CPC) on Integrated Reporting, and the 2021 Standards of the Global Reporting Initiative (GRI).

The Standardized Financial Statements of Neoenergia S.A. for the year 2023, audited by Deloitte Touche Tohmatsu Auditores Independentes Ltda, and the Administrative Report, based on management information, are the sources of the financial data, which adhere to the International Financial Reporting Standards (IFRS). In addition, climate-related financial information considers the dimensions of the Task Force on Climate-related Financial Disclosures (TCFD) .

The non-financial information was extracted from the 2023 Annual Sustainability Report, a document verified by internal audit and limited external assurance, certified by Internal Controls and verified by the Executive Board, Sustainability Committee, Audit Committee and Board of Directors. **GRI 2-14**

A multidisciplinary team from the business and corporate areas worked on the preparation of this document in order to provide a complete overview of the companies that make up the Neoenergia group, its business model, the challenges and risks it faces, and its social, environmental, economic and governance performance. This report was approved by the Executive Board and limited assurance regarding its accuracy was given by Deloitte Touche Tohmatsu Auditores Independentes, Ltda.**GRI 2-5**

Limits

This content is for the period from January 1 to December 31, 2023. It includes results in the financial and non-financial areas (which cover ESG aspects), as well as the risks and opportunities mapped and considered of interest to shareholders and other interest groups.

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 transmitters and three trading and service companies. We did not consolidate socio-environmental indicators of one hydroelectric plant (Belo Monte, in which we hold 10% of the capital) or of eight transmitters under construction. **GRI 2-2**

General questions about this report can be clarified by sending them in writing to this email: sustentabilidade@neoenergia.com

Dardanelos Hidroelectric Power Plant (state of Mato Grosso)

Material topics GRI 3-1

This report addresses priority issues identified in the materiality process carried out in 2022, with reference to the guidelines of the 2021 Standards of the Global Reporting Initiative (GRI), the AA1000 standard (Accountability 1000) and the recommendations contained in the S&P Global's Corporate Sustainability Assessment (CSA) for the Dow Jones Sustainability Index (DJSI). The concept of double materiality (assessment of financial and non-financial impacts) was considered.

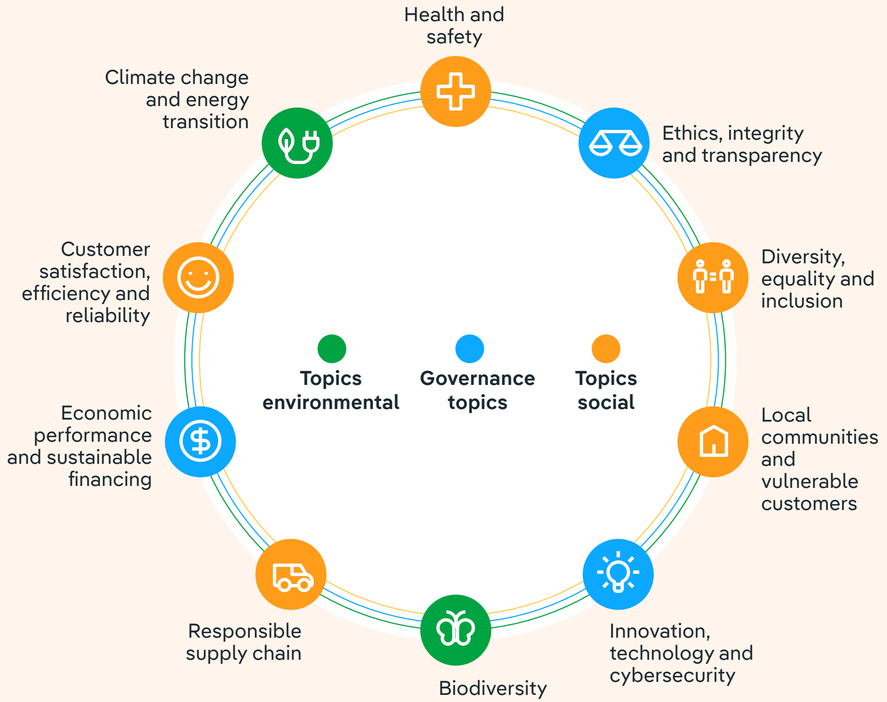
The materiality study had as its first stage a benchmarking, survey of aspects prioritized by experts from reference organizations in sustainability, business strategy, internal and external commitments we assumed, as well as topics considered relevant by our controlling shareholder, Iberdrola.

Subsequently, representatives of interest groups (employees, customers, suppliers, members of communities and non-governmental organizations, shareholders, financial market, public and regulatory agencies, media, as well as environmental agencies) answered an *online*questionnaire. The company's managers also rated these topics based on the strategy, ESG Commitments and the understanding of the impacts that each of them represents for the company, the economy, the environment and the society.

The original prioritization was assessed by the Innovation, Sustainability and Climate Change Superintendency, which is a division of the Regulatory, Institutional and Sustainability department. There are 16 material topics in total, some of which were grouped together because it was thought that they represented concepts and impacts that were similar or complementary. We also considered the final version of the parent company Iberdrola's materiality study.

The result classified ten topics as priorities, while another six were considered relevant, which should be monitored, but with less emphasis on management aspects.

PRIORITY TOPICS GRI 3-2



THEMES TO MONITOR

- Crisis and risk management
- Personnel management and development
- Renewable energy integration into the electrical system
- Circular economy
- Water
- Natural capital management

Structural changes GRI 2-6

Some of our subsidiaries carried out operations that modified the composition of their assets during 2023. At the same time, we completed negotiations that changed our corporate structure. The highlights were:

- Completion of the Oitis Wind Farm Complex, located in the states of Piauí and Bahia, with the delivery of the last three wind farms, totaling 567 MW of installed capacity;
- The opening of the 600 MW Neoenergia Renewable Complex, a power plant in the state of Paraíba that combines the Neoenergia Luzia Solar Park and the Neoenergia Chafariz Wind Farm Complex;
- We connected the two substations in the transmission segment, which together have an installed capacity of 400 MVA, and energized the Rio Formoso line, which spans 210 km.
- In September 2023, we disclosed the conclusion of an Asset Exchange agreement between Neoenergia and Eletrobras, which resulted in the 100% consolidation of the Dardanelos Hydroelectric Power Plant and the divestment of the Teles Pires and Baguari Hydroelectric Plants;
- We also completed the sale of 50% of our interest to the international institutional investor GIC in September 2023 for eight operational transmission assets: Jalapão, Santa Luzia, Dourados, Atibaia, Biguaçu, Sobral, Narandiba, and Rio Formoso. The agreement, which represented a cash inflow of R$ 1.1 billion, was announced in April 2023.

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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 INTEGRATED 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 Integrated Report, related to the year ended December 31, 2023.

Our limited assurance scope does not comprise prior-period information or any other information disclosed in conjunction with the Integrated Report 2023, including any embedded images, audio files or videos.

Management's responsibilities

The Company's Management is responsible for:

- Selecting and establishing appropriate criteria to prepare the information included in the Integrated Report 2023.
- Preparing the information based on the criteria and guidelines set out in the Global Reporting Initiative - GRI and OCPC 09 - Integrated Report ("OCPC 09"), in accordance with CVM Resolution No. 14, of December 9, 2020.
- Designing, implementing and maintaining internal controls over the relevant information for the preparation of the information included in the Integrated 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 Integrated Report 2023, based on our limited assurance engagement conducted in accordance with Technical Communication CTO No. 07/2022, 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 Integrated 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 Integrated 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 Integrated Report 2023, other circumstances of the engagement and our consideration of the areas and processes concerning the material information disclosed in the Integrated 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 Integrated 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 Integrated 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 OCPC 09, applied in the preparation of the information included in the Integrated 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 Integrated 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.

Deloitte.

The sustainability indicators have been prepared and presented pursuant to the criteria set out in GRI and OCPC 09 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 OCPC 09).

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 Integrated Report 2023 of the Company for the year ended December 31, 2023, was not prepared, in all material respects, based on the criteria and guidelines set out in the GRI and OCPC 09.

The accompanying Integrated Report 2023 has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 14, 2024

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Zanotta

Carlos Eduardo Zanotta Calcada
Engagement Partner

2024SP033218

GRI content index

Statement of use	Neoenergia reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023.
GRI 1 used	GRI 1 – Foundation 2021
Applicable sectoral standards	Electric Utilities (EU) G4

GRI Standard	Disclosure	Location	Omissions	Sectorial GRI	Global Compact	SDG
General contents						
GRI 2: 2021 General contents	2-1Organization details	6, 12, 16, 90	-	-	-	-
	2-2 Entities included in the organization's sustainability reporting	81	-	-	-	-
	2-3 Reporting period, frequency and contact point	81	-	-	-	-
	2-4 Informational restatements	11, 38, 77	-	-	-	-
	2-5 External validation	81	-	-	-	-
Energy sector	EU1 Installed capacity (MW), broken down by primary energy source and by regulatory system	9, 10, 13	-	EU1	-	7.2
	EU2 Net energy production, broken down by primary energy source and by regulatory system	9, 10, 13	-	EU2	-	7.2, 14.3
	EU3 Number of residential, industrial, institutional and commercial consumer units	9	-	EU3	-	-
	EU4 Length of overhead and underground transmission and distribution lines, broken down by voltage and regulatory regime	9	-	EU4	-	-
	EU5 Allocation of CO_2 equivalent emissions allowances, broken down by structure of the carbon credit market	Did not occur	-	EU5	-	13.1, 14.3, 15.2
GRI 2: 2021 General contents	2-6 Activities, value chain and other business relationships	9, 13, 24, 25, 28, 29, 58, 82	-	-	-	-
	2-7 Employees	49	-	-	-	8.5, 10.3
	2-8 Workers who are not employees	49	-	-	-	8.5
	2-9 Governance structure and composition	67, 68	-	-	-	5.5, 16.7
	2-10 Nomination and selection for the highest governance body	67	-	-	-	5.5, 16.7
	2-11 Chair of the highest governance body	67	-	-	-	16.6
	2-12 Role of the highest governance body in overseeing the management of impacts	8, 70	-	-	-	16.7
	2-13 Delegation of responsibility for managing impacts	70	-	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	81	-	-	-	-
	2-15 Conflicts of interest	67	-	-	-	16.6
	2-16 Communication of critical concerns	70	-	-	-	-
	2-17 Collective knowledge of the highest governance body	67	-	-	-	-
	2-18 Performance evaluation of the highest governance body	67	-	-	-	-
	2-19 Remuneration policies	68	-	-	-	-
	2-20 Compensation determination process	68	-	-	-	-
	2-21 Annual total compensation ratio	68	-	-	-	-
	2-22 Statement on sustainable development strategy	3	-	-	-	-
	2-23 Policy commitments	8, 69	-	-	10	16.3
	2-24 Incorporation of policy commitments	69	-	-	-	-
	2-25 Processes to remediate negative impacts	42, 48, 59, 70	-	-	-	-

GRI Standard	Disclosure	Location	Omissions	Sectorial GRI	Global Compact	SDG
	2-26 Mechanisms for counseling and raising concerns	48, 72	-	-	-	16.3
	2-27 Compliance with laws and regulations	73	-	-	-	16.3
	2-28 Memberships in associations	Annual Sustainability Report, page 200	-	-	-	-
	2-29 Approach to stakeholder engagement	45, 57	-	-	-	-
	2-30 Collective bargaining agreements	13	-	-	3	8.8
Material topics						
GRI 3 - Material topics 2021	3-1 Process to determine material topics	82	-	-	-	-
	3-2 List of material topics	82	-	-	-	-
Economic performance – Material topics: Economic performance and sustainable financing | Energy transition and climate change						
GRI 3: Material topics 2021	3-3 Management of material topics	22, 36	-	-	-	-
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	77	-	-	-	8.1, 8.2, 9.1, 9.4, 9.5
	201-2 Financial implications and other risks and opportunities arising from climate change	37	-	-	7	13.1
Indirect economic impacts – Material topic: Local communities and vulnerable customers						
GRI 3: Material topics 2021	3-3 Management of material topics	59	-	-	-	-
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	59	-	-	-	5.4, 9.1, 9.4, 11.2
Purchasing practices – Material topic: Responsible supply chain						
GRI 3: Material topics 2021	3-3 Management of material topics	58	-	-	-	-
GRI 204: Purchasing practices 2016	204-1 Proportion of spending on local suppliers	13, 58	-	-	-	8.3
Anti-corruption – Material topic: Ethics, integrity and transparency						
GRI 3: Material topics 2021	3-3 Management of material topics	71	-	-	-	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	71	-	-	10	16.5
	205-2 Communication and training on anti-corruption policies and procedures	72	-	-	10	16.5
	205-3 Confirmed cases of corruption and measures taken	Not registered	-	-	10	16.5
Unfair competition – Material topic: Ethics, integrity and transparency						
GRI 3: Material topics 2021	3-3 Management of material topics	71	-	-	-	-
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Not registered	-	-	-	16.3

GRI Standard	Disclosure	Location	Omissions	Sectorial GRI	Global Compact	SDG
Taxes – Material topic: Economic performance and sustainable financing						
GRI 3: Material topics 2021	3-3 Management of material topics	74	-	-	-	-
GRI 207: Tax 2019	207-1 Tax approach	74	-	-	-	1.1, 1.3, 10.4, 17.1, 17.3
	207-2 Governance, control and management of tax risks	74	-	-	-	-
	207-3 *Stakeholders* engagement and management of their tax concerns	74	-	-	-	-
	207-4 Country-by-country reporting	74	-	-	-	-
Energy sector: Availability and reliability – Material topic: Customer satisfaction, efficiency and reliability						
Management approach	EX-EU6 Management to ensure availability and reliability of short and long term electricity supply	62	-	ex-EU6	-	7.1
Availability and reliability	EU10 Planned capacity (MW) compared to long-term electricity demand projection, broken down by energy source and regulatory system	54	-	EU10	-	7.1
Energy sector: Demand management – Material topic: Customer satisfaction, efficiency and reliability						
Management approach	EX-EU7 Programs for demand-side management, including residential, industrial and commercial programs	62	-	ex-EU7	-	7.3, 8.4, 12.2, 13.1
Energy sector: Research and development – Material theme: Innovation, digitalization and cybersecurity						
Management approach	EX-EU8 Research and development costs and activities targeted at promoting sustainable development and ensuring a steady supply of electricity	34	-	ex-EU8	-	7.2, 7a, 7b, 9.4, 9.5, 17.7
Energy sector: Decommissioning nuclear power plants						
Management approach	EX-EU9 Provision for decommissioning nuclear power units	Not applicable. Neoenergia does not generate nuclear energy	-	ex-EU9	-	12.4
Energy sector: System efficiency – Material topic: Customer satisfaction, efficiency and reliability						
System efficiency	EU11 Average generation efficiency of thermoelectric power plants, by energy source and by regulatory system	54	-	EU11	-	7.3, 8.4, 12.2, 13.1, 14.3
	EU12 Percentage of loss of transmission and distribution in relation to total energy	39	-	EU12	-	-
Energy – Material topic: Climate change and energy transition						
GRI 3: Material topics 2021	3-3 Management of material topics	36, 39	-	-	-	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	39	-	-	7, 8	7.2, 7.3, 8.4, 12.2, 13.1
	302-5: Reductions in energy requirements of products and services	39	-	-	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	42	-	-	-	-
GRI 304: Biodiversity 2016	304-3 Protected or restored habitats	43	-	-	8	6.6, 14.2, 15.1, 15.5
Energy sector	EU13 Biodiversity of substitute habitats compared to biodiversity in affected areas	43	-	EU13	8	6.6, 9.5, 14.2, 15.1, 15.4, 15.5

GRI Standard	Disclosure	Location	Omissions	Sectorial GRI	Global Compact	SDG
Emissions – Material topic: Energy transition and climate change						
GRI 3: Material topics 2021	3-3 Management of material topics	36	-	-	-	-
GRI 305: Emissions 2016	305-1: Direct (Scope 1) greenhouse gas (GHG) emissions	13, 38	-	-	7, 8	3.9, 12.4, 13.1,14.3, 15.2
	305-2: Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy purchases	13, 38	-	-	7, 8	3.9, 12.4, 13.1,14.3, 15.2
	305-3: Other indirect (Scope 3) greenhouse gas emissions (GHG)	38	-	-	7, 8	3.9, 12.4, 13.1,14.3, 15.2
	305-4: Greenhouse gas emissions (GHG) intensity	38	-	-	7, 8	13.1, 14.3, 15.2
	305-5 Reduction of greenhouse gas (GHG) emissions	37	-	-	7, 8	3.9, 12.4
	305-7 NOx, SO2, and other significant air emissions	13	-	-	7, 8	3.9, 12.4, 13.1,14.3, 15.2
Environmental assessment of suppliers Material topic: Responsible supply chain						
GRI 3: Material topics 2021	3-3 Management of material topics	58	-	-	-	-
GRI 308: Supplier environmental assesment 2016	308-1 New suppliers that were screened using environmental criteria	58	-	-	8	-
Occupational health and safety – Material topic: Health and safety						
GRI 3: Material topics 2021	3-3 Management of material topics	53	-	-	-	-
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	53	-	-	-	8.8
	403-2 Hazard identification, risk assessment and incident investigation	53	-	-	-	8.8
	403-3 Occupational health services	53	-	-	-	8.8
	403-4 Participation of employees, and consultation and communication with employees about occupational health and safety	53	-	-	-	8.8, 16.7
	403-5 Employee occupational health and safety training	53	-	-	-	8.8
	403-6: Employee health promotion	53	-	-	-	3.3, 3.5, 3.7, 3.8
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	53	-	-	-	8.8
	403-8 Employees covered by the occupational health and safety management system	53	-	-	-	8.8
	403-9 Work-related Injuries	53	-	-	-	3.6, 3.9, 8.8, 16.1
	403-10 Work-related health problems	53	-	-	-	3.3, 3.4, 3.9, 8.8, 16.1
Energy sector	EX-EU16 Policies and requirements regarding health and safety of employees of the company and employees of contractors and subcontractors	53	-	ex-EU16	-	8.8
	EU18 Percentage of outsourced and subcontracted workers undergoing appropriate health and safety training	53	-	EU18	-	8.8
Training and education – Material topic: Diversity, equality and inclusion						
GRI 3: Material topics 2021	3-3 Management of material topics	49	-	-	-	-
GRI 404: Training and education 2016	404-1 Average hours of training per year, per employee	50	-	-	6	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
	404-2 Programs for upgrading employee skills and career transition assistance programs	50	-	-	6	8.2, 8.5

GRI Standard	Disclosure	Location	Omissions	Sectorial GRI	Global Compact	SDG
Diversity and equal opportunities – Material topic: Diversity, equality and inclusion						
GRI 3: Material topics 2021	3-3 Management of material topics	51	-	-		-
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	51, 67	-	-	6	5.1, 5.5, 8.5
	405-2 Ratio of basic salary and remuneration of women compared to that received by men	52	-	-	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	51	-	-	-	-
GRI 406: Non-discrimination 2016	406-1 Discrimination incidents and corrective actions taken	52	-	-	6	5.1, 8.8
Child labor – Material topic: Responsible supply chain						
GRI 3: Material topics 2021	3-3 Management of material topics	58	-	-	-	-
GRI 408: Child labor 2016	408-1 Operations and suppliers with significant risks for incidents of child labor	47	-	-	5	5.2, 8.7, 16.2
Forced or slave-like labor – Material topic: Responsible supply chain						
GRI 3: Material topics 2021	3-3 Management of material topics	58	-	-	-	-
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	47	-	-	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	59	-	-	-	-
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	59	-	-	1	-
Energy sector: Local communities	EX-EU19 Participation of stakeholders in decision-making processes related to energy planning for infrastructure development.	61	-	ex-EU19	-	1.4, 2.3, 9.1, 9a, 16.7
	EX-EU20 Approach to managing the impacts of involuntary displacement	61	-	ex-EU20	-	1.4, 2.3, 11.4
	EU22 Number of people physically or economically displaced and compensation paid, broken down by type of project	61	-	EU22	-	1.4, 2.3
Energy sector – Emergency and disaster prevention and preparedness – Material topic: Customer satisfaction, efficiency and reliability						
Energy sector	EX-EU21 Measures for contingency planning, management plan and disaster/ emergency training programs, as well as recovery/restoration plans.	70	-	ex-EU21		1.5, 11.5
Environmental assessment of suppliers -- Material topic: Responsible supply chain						
GRI 3: Material topics 2021	3-3 Management of material topics	58	-	-	-	-
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	58	-	-	2	-
Public policies – Material topic: Ethics, integrity and transparency						
GRI 3: Material topics 2021	3-3 Management of material topics	71	-	-	-	-
GRI 415: Public policy 2016	415-1 Political contributions	We do not make political contributions	-	-	10	16.5

GRI Standard	Disclosure	Location	Omissions	Sectorial GRI	Global Compact	SDG
Costumer health and safety – Material topic: Health and safety						
GRI 3: Material topics 2021	3-3 Management of material topics	63	-	-	-	-
GRI 416: Consumer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	63	-	-	-	-
Energy sector	EU25 Number of service users with injuries and fatalities involving company assets, including legal judgments, settlements and pending legal cases of diseases	63	-	EU25	-	-
Marketing and labeling – Material topic: Customer satisfaction, efficiency and reliability						
GRI 3: Material topics 2021	3-3 Management of material topics	54	-	-	-	-
GRI 417: Marketing and labeling 2016	417-2 Incidents of non-compliance in relation to product and service information and labeling	Not registered	-	-	-	16.3
	417-3 Cases of non-compliance in relation to marketing communications	Not registered	-	-	-	16.3
Customer privacy – Material topics: Customer satisfaction, efficiency and reliability | Innovation, digitization and cybersecurity						
GRI 3: Material topics 2021	3-3 Management of material topics	54, 64	-	-	-	-
GRI 418: Customer privacy 2016	418-1 Proven claims regarding breach of privacy and customer data loss	Not registered	-	-	-	16.1, 16.3
Sector indicators: Access – Material topics: Local communities and vulnerable customers | Customer satisfaction, efficiency and reliability						
Energy sector: Access	EX-EU23 Programs, including those carried out in partnership with the government, aimed at improving or maintaining access to electricity and customer assistance services	61	-	ex-EU23	-	1.4, 7.1
	EX-EU24 Practices for dealing with barriers related to language, culture, low education and special needs that stand in the way of access to electricity and consumer assistance service, as well as their safe use	63	-	ex-EU24	-	1.4, 7.1
	EU26 Percentage of unattended population in areas with regulated distribution or service	61	-	EU26	-	1.4, 7.1
	EU27 Number of residential disconnections due to non-payment, detailed by length of disconnection and regulatory system	57	-	EU27	-	1.4, 7.1
	EU28 Power supply interruption frequency	55	-	EU28	-	1.4, 7.1
	EU29 Average duration of interruptions in power supply (hours)	55	-	EU29	-	1.4, 7.1
	EU30 Average availability factor of the power plant, detailed by energy source and regulatory system	54	-	EU30	-	1.4, 7.1

Legal reserve on forward-looking declarations or statements

We have prepared this report in order to present the general situation and progress of our business. The document is the property of Neoenergia and should not be used for any other purpose without our prior written authorization. The information contained in this document reflects the current conditions and point of view of the organization to date and is subject to change. It contains statements that present our expectations and projections about future events. These expectations involve various risks and uncertainties, and thus there may be results or consequences different from those discussed and anticipated herein, and we cannot guarantee their realization.

In this regard, although we consider that the expectations contained in such information or statements are reasonable, company investors and shareholders are forewarned that future projections are subject to risks and uncertainties, many of which are difficult to predict and are, in general, beyond our control. Among these risks and uncertainties are those identified in documents that we submit to the Brazilian Securities and Exchange Commission (CVM) and are accessible to the public.

We recommend not to make decisions based on information and declarations or statements with projections for the future, as they are based on the best information available on the date of their approval. Except to the extent required by applicable law, we assume no obligation – even when new data is published or new facts occur – to publicly update declarations or statements or revise the information with future projections.

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