

BASIS OF PREPARATION

ANNUAL SUSTAINABILITY
REPORT 2022

PWC ASSURANCE

2022

The logo for the Institute of Sustainability Assurance (ISA) is displayed in a white, cursive script font. The letters are connected and have a slight glow effect.

CTEEP

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Introduction

ISA CTEEP is a leading company in the energy transmission sector in the country. Present in 17 Brazilian states, the Company operates a complex transmission network, through which approximately 30% of all electricity transmitted in Brazil, and 94% to the State of São Paulo. We are part of ISA, a multi-Latin company belonging to the Ecopetrol Group, comprised of 50 companies and equity stake in 16 other companies operating in the sectors of electricity transmission, highway concessions, telecommunications and smart management of real-time systems, present in Argentina, Bolivia, Brazil, Chile, Colombia and Central America.

In our ISA 2030 strategy, our mission is to operate, maintain and expand electric power transmission systems with excellence in the provision of services, based on the development of human capital and the ability to innovate, in order to create value for our shareholders and other stakeholders and

contribute for the generation of sustainable value, forming Connections that Inspire.

In order to ensure success and excellence in our operation and, in line with our commitment to transparency, we carried out the assurance process and independent external audit with PricewaterhouseCoopers LLP (PwC), which aims to obtain evidence regarding the information described in the 2022 Annual Sustainability Report and the 2022 Greenhouse Gas Emissions Inventory Report (GHG Protocol), providing limited assurance on measures of our performance.

As part of such assurance process, we have prepared this document, titled **Basis of Preparation**, according to the update of PwC's assurance methodology, based on the ISAE 3000 standard, in order to serve as a guide and direct and complement the reporting of sustainability information contained in the **2022 Annual Sustainability Report**. The

information was prepared in accordance with the GRI Standards 2021, of the Global Reporting Initiative (GRI), also complying with CPC Instruction 09 – Integrated Reporting, related to the Basic Conceptual Framework of Integrated Reporting, prepared by the International Integrated Reporting Council – IIRC). Additionally, the report complies with the provisions of the Electricity Sector Accounting Manual, which guides the Annual Social and Environmental Responsibility Report of the Brazilian Electricity Regulatory Agency (ANEEL), the regulatory body for our activities.

The study on **Materiality**, used in the 2022 Report, was carried out in 2021/2022 by ISA and its companies and involved a survey with 720 representatives of our stakeholders: employees, shareholders, investors, media professionals, members of associations and communities, customers, financial analysts and representatives of the Government, Non-Governmental Organizations (NGOs) and the

new generations, in telephone interviews, online media, and discussion groups. The approaches did not mention subjects and concerns in addition to those presented in the initial business survey scope.

The 2022 Annual Sustainability Report, containing the study on materiality, is available for consultation in the link below: <https://www.isacteep.com.br/pt/sustentabilidade/relatorio-anual-de-sustentabilidade>

The items included in our Basis of Preparation are described below: - **organizational boundaries** considered for reporting sustainability information and exceptions to these boundaries, when applicable; - **monetary information** reported and accounting information related to the Financial Statements; - the main **systems used for gathering**, recording and reporting sustainability information and; the **reporting criteria** for each of the GRI Standards indicators reported.

2. Organizational boundaries and exceptions in reporting

scope

In this item, the scope and its exceptions and the organizational boundaries of the company described in the 2022 Annual Sustainability Report are detailed.

The scope of the Report includes the assets in operation and construction owned by ISA CTEEP and subsidiaries in which we have full interest (100%), except where indicated in a footnote. We have also included, throughout the report, some highlights of assets in which we only hold an equity interest and assets under construction.

In 2022, five new projects were powered. One of the main powered assets, from a technological viewpoint, was IE Biguaçu, in the state of Santa Catarina, completed one year before the deadline established by ANEEL. This project materializes the delivery of Batch 1 of transmission auction 002/2018. We also concluded the Três Lagoas Project, corresponding to Batch 6 of the ANEEL transmission auction 002/2019, which includes the assets of IE Tibagi, in the state of São Paulo. Both projects are 100% controlled by ISA CTEEP. Another three new

subsidiaries, jointly controlled, were also completed last year: Paraguaçu, Aimorés and partially Ivaí. They are part of Aliança Interligação Elétrica, a consortium formed by ISA CTEEP (50%) and Taesa S.A. (50%).

All exceptions and/or changes in the organizational boundaries of specific indicators, as listed in the column “Exceptions in limits and reporting period” of the Indicators and Criteria Table, are available in the Table of item 5 below.

3. Accounting information, currencies and *conversion*

For the 2022 Annual Sustainability Report, we followed the guidelines of the Annual Accounting (PAC), of ANEEL's Electric Sector Accounting Manual (MCSE), in which the financial results are shown based on the corporate standpoint, and not only on the regulatory framework, following the international accounting standards from International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

The economic and financial data is presented in the 2022 Report on a consolidated basis (wholly-owned subsidiaries and equity-accounted companies), in line with our Financial Statements for the same period, available for consultation at the following link: <https://www.isacteep.com.br/ri/informacoes-financeiras/central-de-resultados>.

It is worth mentioning that our individual and consolidated Financial Statements for the year 2022 were audited by an independent third party.

Still based on Financial Statements, for the 2022 Report the currency used was the Brazilian Real with no values converted.

4. Reporting systems

The main systems used to obtain the primary data that supported the construction of the indicators reported in the 2022 Annual Sustainability Report were:

■ **Sustainability Indicator System (SIS)**, platform contracted by ISA CTEEP to manage indicators and sustainability performance, by obtaining the data comprising of the quantitative indicators reported, with the Sustainability area responsible for managing, consolidating the data and administering the tool. The operational and administrative areas are responsible for collecting, inserting and validating data on the platform. The frequency of data insertion varies according to the types, themes and demands of the process and GRI indicators, and may be on a monthly, quarterly or annual basis.

■ Specifically for the management of the sulfur hexafluoride (SF6) indicator, we currently use **SAP**, in which the technical and operational areas enter the information and then forward the consolidated data to the Sustainability area.

5. Details of the reporting *criteria*

This item includes the reporting criteria and assumptions included in the “Indicators and Criteria Table”, which was prepared following the guidelines of the PwC methodology. It also presents the GRI Standards indicators corresponding to our business, with the description and detailing of the criteria corresponding to each indicator, in addition to highlighting the exceptions and/or changes occurred in the limits and reporting periods (January 1, 2022 to December 31, 2022), where applicable.

The contents and indicators defined as mandatory for the report were updated and are according to GRI Standards 2021, materiality and available both throughout the Report and in the Table below.

Regarding exceptions and/or changes in reporting limits, these were included and explained throughout the table, when applicable to each indicator.

The “Indicators and Criteria Table” is available below.

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
2-6 (2021)	Activities, value chain and other business relationships	<p>Relevant business relationships refer to equity interests in other companies. The concessions in which ISA CTEEP has equity interest are indicated in the report, but these are not part of the reporting scope of the GRI contents.</p> <p>Significant changes refer to: changes in the company's corporate control; start and end of concession contracts; insourcing or outsourcing of activities; and company entry or exit from certain markets. In 2022, the significant changes are part of winning new concession contracts.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
2-7 (2021)	Employees	<p>Concept used for “employees” are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers included in our Payroll, except for Apprentices, Board Members and Trainees. They all fit the GRI concept of permanent and full-time employees. ISA CTEEP does not have temporary employees, with variable workload or part-time workers.</p> <p>Significant fluctuations refer to variations in the number of employees greater than 10% due to restructuring and significant changes in the company.</p> <p>Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders. Functional categories are defined as: Board members, Chairman, Officers, Managers, Coordinators, Specialists, Administrative, Operational Technicians, Trainees and Apprentices. These groups are reported in GRI content 2-8.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
2-8 (2021)	Workers who are not employees	Significant fluctuations refer to variations in the number of other workers (contractors, trainees, apprentices and board members) greater than 10% due to restructuring and significant changes in the company.	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
2-9 (2021)	Governance structure and composition	The mandates in force at the end of the reporting year are considered for the composition of the Board of Directors. There are no alternate members on the Board of Directors	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
2-15 (2021)	Conflicts of interest	<p>The concept adopted for "conflict of interests" is defined in the Conflict of Interests rule NOR. CP2, which aims to establish guidelines and guide the identification and resolution of situations that may characterize an actual, potential and apparent Conflict of Interest, in order to protect the all Administrators and Collaborators from situations related to Conflict of Interests and that may negatively compromise the image and business of ISA CTEEP ("Company") and its subsidiaries.</p> <p>According to this rule, a conflict of interest is the situation that occurs when, due to their functions, a Manager or an Employee of ISA CTEEP or its Subsidiaries, must make a decision or omit an action and are in a position to choose between the interest of ISA CTEEP or the corresponding company and your own interest or that of a Third Party, so that to choose either of the latter two will compromise your objectivity and independence. The Conflict of Interest can be temporary or permanent, the latter when it is repeated over time.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
2-16 (2021)	Communication of critical concerns	<p>a. The concept of "critical concerns" is the same as RISK, which is an uncertain event that may prevent the company from meeting its strategic objectives and/or affect business resources (see internal standard NOR.EI1).</p> <p>We report to the Board of Directors, through the Audit and Compliance Committee, the Organizational Talent Committee and the Environmental, Social and Governance Committee, critical concerns/risk situations that require attention.</p> <p>The Audit and Compliance department is the responsible and independent body for assessing the sufficiency of controls and topics related to misconduct and anti-corruption issues. Any identification and reporting of crucial concerns/relevant risks that the organization exposes are submitted to the Ecopetrol/ISA and ISA CTEEP corporate governance, according to the themed calendar of the respective governance bodies, such as the Board of Directors, Committees (Audit and Compliance, Ethics, as well as at ISA CTEEP board meetings.</p> <p>b. Misconduct received via the Ethics Line Channel is reported to the Ethics Committee and the Audit and Compliance Committee (an advisory body to the Board of Directors).</p> <p>In 2022, 63 deviations were reported.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
2-20 (2021)	Process to determine remuneration	Fixed and variable remuneration and benefits are considered, as applicable to each instance. The remuneration of the Board of Directors is exclusively fixed, while the Officers are eligible for variable remuneration based on goals and benefits. The process of developing remuneration policies is supervised by the Organizational Talent Committee and includes consultation with shareholders' opinions through their representation on the Committee. There is no consultation of stakeholders' opinions.	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
2-21 (2021)	Annual total compensation ratio	Total compensation: refers to the basic compensation (base salary + fixed premiums) + variable compensation (long-term incentives + short-term incentives) + others (13th + vacation + night shift compensation + on-call rate + vacancy bonus + health hazard rate + shift premium + overtime rate). Employees: CLT contract and statutory contractors are considered. Does not cover board members, trainees and apprentices. Rationale: total compensation of the highest-paid individual / average total compensation of other employees to obtain the compensation ratio in the period. Highest-paid individual: defined as the one with the highest total compensation in the period. CLT and statutory contractors are considered, not including board members, trainees and apprentices. b. Indicator reported for the first time in 2022, there was no data collection from previous years.	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
2-23 (2021)	Policy commitments	Precautionary principle: prevention deals with risks or impacts already known to science, while precaution is intended to manage unknown risks or impacts. In other words, while prevention deals with certain risk, precaution goes further and is concerned with uncertain risk. Precaution is related to the management of risks to which ISA CTEEP and its companies are exposed, such as uncertain events that may divert it from achieving its strategic objectives or affect business resources. It is understood that exposure management to these events prevents the occurrence of serious impacts (for the company, its stakeholders, the environment and human rights), even though there is no scientific confirmation of the causality and materialization of risks.	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
2-30 (2021)	Collective bargaining agreements	Employees: CLT employees and statutory contractors are considered. Does not cover board members, trainees and apprentices	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
201-1 (2016)	Direct economic value generated and distributed	The information on the DVA is based on the financial statements that follow the technical statement of CPC 09 - Value Added Statement (DVA). The informed DVA is consolidated, as it refers to ISA CTEEP and its controlled companies.	n/a	n/a	n/a
201-2 (2016)	Financial implications and other risks and opportunities due to climate change	<p>a. Substantial changes are those that may significantly interfere with ISA CTEEP's business and, therefore, are mapped and evaluated according to their potential impact and probability of occurrence so that they can then be properly addressed.</p> <p>iii. The financial or opportunity implications are ranked on the time horizon below:</p> <p>Current (0 - 1 year) Near future (1 - 3 years) Foreseeable future (3 - 5 years) Far future (5 - 10 years) Future unknown (>10 years)</p> <p>V. The costs of the measures taken are described below: Potential impact value/identified opportunity: range estimated at R\$ million. The cost of risk/opportunity response will depend on the magnitude and characteristics of each event.</p>	n/a	n/a	n/a
203-1 (2016)	Infrastructure investments and services supported	<p>a) Significant investments refer to the implementation of new substations or transmission lines, or innovative and pioneering solutions, as well as the set of reinforcements and improvements implemented in the existing system.</p> <p>b) Impacts are considered relevant when they provide benefits for a region, or for the existing system as a whole, being positive when they solve problems that affect load service, generation flow or system reliability. The negative impacts for this type of investment are generally not relevant, as the choice of work (investment) to be implemented in the transmission system is assessed as being of public interest, with solutions previously evaluated in terms of socio-environmental impact and tariff affordability.</p>	n/a	n/a	n/a
204-1 (2016)	Proportion of spending on local suppliers	Amount of agreements and purchase orders signed with suppliers in Brazil in the period divided by the total amount of agreements and purchase orders signed in the period. The period considered was January 2022 to December 2022 and there is no supplier category not considered in the calculation.	n/a	Yes	In 2021 ISA CTEEP and subsidiary data was presented separately, and in 2022 data are consolidated.

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
205-1 (2016)	Operations assessed for risks related to corruption	<p>a. The total and percentage of Operations was considered ISA CTEEP + 100% subsidiaries, regardless of the stage of the asset (construction/operation). In this sense, the Compliance Program covers all of ISA CTEEP and its subsidiaries.</p> <p>The Company has an Integrated Corporate Risk Management process, with a quarterly reporting schedule to the Risk Committee. The Compliance area, which is transversal, has mapped risks and controls of anti-corruption events.</p> <p>The anti-corruption compliance risks are composed of 16 risk events, grouped into 6 categories of business risks, with the severity of each risk event being considered according to the exposure of the business and the Company's performance.</p> <p>b. Regarding the subject of Anti-Corruption Compliance, any event and/or incident related to the subject of anti-corruption, money laundering and bribery in all its forms was considered, irrespective of its severity of significant risks.</p> <p>Applied to contracted companies and/or representatives granted to act on behalf of the Company before the Public Administration, as well as potential situations of conflict of interests, favoring suppliers and/or improper performance by contractors, are the main anti-corruption compliance risks.</p>	n/a	n/a	n/a
205-2 (2016)	Communication and training about anti-corruption policies and procedures	<p>a, b, c, d and e: All corporate compliance policy guidelines are submitted for review and approval by members of corporate governance.</p> <p>Through the Intranet portal (TransNet) and the rules and procedures governance area, compliance documents are communicated to all employees and are reinforced in ethics e-learning training.</p> <p>The segregation of categories was completed based on the list of active employees who participated and/or received training, the announcements have no tangible measurement, capillarity is achieved through the company's communication channels.</p> <p>The relationship audiences (business partners) were defined based on our reputation and materiality study, namely: employees, shareholders, investors, media professionals, members of associations and communities, customers, financial analysts and State representatives, from Non-Governmental Organizations (NGOs).</p> <p>Scope: it is assumed that our target audience (stakeholders) are communicated about anti-corruption policies and practices.</p> <p>Only the reporting period was considered in the responses to each item, which is from January to December 2022.</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
205-3 (2016)	Confirmed incidents of corruption and actions taken	<p>a. Reports received via the Ethics Line Channel labeled as incident "corruption" and, after due investigation, concluded as Valid.</p> <p>b. Category classifications aligned with the Communication and Sustainability team based on the list of active employees.</p>	n/a	n/a	n/a
206-1 (2016)	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<p>According to our Code of Ethics and Conduct, at ISA CTEEP we reject any practice that is contrary to the economic order and that threatens free competition or limits it; that puts the interests of consumers and markets at risk; that could damage the company's reputation in its activities and business; that go against the legal and internal provisions of the matter, or that may be seen as collusive practices. In any case, copyright and intellectual property protection is promoted. However, we do not have a base of lawsuits referring to unfair competition and violations of antitrust and antitrust laws. We have a Policy for Interaction with Public Officials, which establishes appropriate rules of conduct in dealing with government officials. In 2022 There were no legal proceedings for unfair competition, trust or monopoly practices. Thus, the general criterion used is to analyze the scope of notifications or general actions received through the Ethics Line Channel and deal with them accordingly.</p>	n/a	n/a	n/a
302-1 (2016)	Energy consumption within the organization	<p>The energy monitoring from the service company takes place in 97 facilities (headquarters, warehouse, workshop, substations, microwave, tunnel) that have their own consumption meter. The power supply comes exclusively from the electricity distribution concessionaire.</p> <p>The energy monitoring from the auxiliary service company takes place in 87 facilities (substations) that have their own consumption meter. The power supply comes exclusively from the local auxiliary service.</p> <p>Standards, methodologies, assumptions and/or calculation tools adopted: The standard used was NOR.SR2 Management of Eco-Efficiency Indicators by ISA CTEEP, this standard establishes all the guidelines for managing information related to the company's energy consumption. The platform for completing and validating data on a monthly basis is the SIS - Sustainability Indicators System.</p>	<p>In 2022, the energy consumption of the MO PI facility was deactivated due to the transfer of the installation to another agent and we no longer have equipment on site.</p>	<p>In 2022, monitoring of the following facilities was included: Tunnel NOR/MRE, MO PAR, MO CAS, MO TAQ, MO PII, Xav/Int LT, Ready stock, SE Ratones, SE Biguaçu, SE Baguaçu, SE Alta Paulista, SE Andira Leste, SE Tubarão Sul.</p> <p>In addition to the consumption of the energy service company, the own consumption of the auxiliary service was included in the 2022 report.</p>	<p>In 2022, we included the monitoring of facilities that started operating and others that did not have a meter installed in 2021.</p> <p>The consumption of the auxiliary service was considered as a way of accounting for the total energy consumed by the Company (service company + auxiliary service).</p>

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
302-4 (2016)	Reduction of energy consumption	<p>The assumption considered for calculating the reduction is the total energy consumption monitored each year for fuel and electricity.</p> <p>The tool used to manage the information is the SIS - Sustainability Indicators System and the emission calculation tool following the GHG Protocol methodology.</p>	<p>In 2022, the energy consumption of the MO PI facility was deactivated due to the transfer of the installation to another agent and we no longer have equipment on site.</p>	<p>In 2022, monitoring of the following facilities was included: Tunnel NOR/MRE, MO PAR, MO CAS, MO TAQ, MO PII, Xav/Int LT, Ready stock, SE Ratoles, SE Biguaçu, SE Baguaçu, SE Alta Paulista, SE Andira Leste, SE Tubarão Sul.</p> <p>In addition to the consumption of the energy service company, the own consumption of the auxiliary service was included in the 2022 report.</p>	<p>In 2022, we included the monitoring of facilities that started operating and others that did not have a meter installed in 2021.</p> <p>The consumption of the auxiliary service was considered as a way of accounting for the total energy consumed by the Company (service company + auxiliary service).</p>
303-3 (2018)	Water withdrawal	<p>b) Areas with water stress: areas classified as having high and extremely high potential for water scarcity were considered.</p> <p>c) Dissolved solids: we consider analyzes of fresh water with inclusion of total dissolved solids ≤1,000 mg/L.</p> <p>2.1 The Aqueduct water risk atlas was used - available on the wri.org website.</p> <p>The water monitoring takes place in 114 facilities (headquarters, warehouse, substations, microwave) that have their own consumption meter. The source of consumption comes exclusively from the water supply company and groundwater intake (wells)</p>	n/a	<p>In 2022, monitoring of the following facilities was included: SE Araras, SE Curitiba, SE Forquilha, SE Joinville Norte, SE Jorge Lacerda, SE Nova Santa Rita, SE Scharlau II, SE Siderópolis, SE Guarulhos, MO CAR, SE Baguaçu, SE Araraquara II, SE Alta Paulista, SE Rosana Module, SE Ratoles and SE Biguaçu.</p>	<p>In 2022, we included the monitoring of facilities that started operating and others that did not have a meter installed in 2021.</p>

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
304-1 (2016)	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>Owned, leased and managed operating unit: undertaking managed by ISA CTEEP.</p> <p>Environmental protection areas: full conservation units, whose definition by the Chico Mendes Institute for Biodiversity Conservation is “Conservation Units whose primary objective is to preserve nature, preventing human interference as much as possible; in said units, as a rule, only indirect use of natural resources is allowed, in other words, one that does not involve consumption, collection, damage or destruction, with the exception of the cases provided for in the Law for the National System of Conservation Units (SNUC).”</p> <p>Areas of high biodiversity value: HCVA are areas that have values considered exceptional or critical for species diversity, maintenance of threatened ecosystems, promotion of environmental services and community values.</p> <p>Biodiversity value characterized by inclusion on protection list: the value of biodiversity can be seen through significant concentrations of species diversity; large extensions of forests that form relevant landscapes or mosaics; rare or endangered ecosystems, in a given location, whose preservation is a priority.</p>	n/a	n/a	n/a
304-2 (2016)	Significant impacts of activities, products and services on biodiversity	<p>a. The identification of the environmental impacts caused by the company's undertakings in their planning, implementation and operation stages follows the provisions of environmental legislation, which establish basic criteria and guidelines for the Environmental Impact Assessment – EIA. In this sense, an attempt is made to interrelate the generating actions resulting from the enterprise to the socio-environmental features of the region where it is inserted, classifying its impacts in a hierarchical way, and allowing them to be differentiated in terms of their implications on the affected environmental factors.</p> <p>Significant direct impact: impact on the environment resulting from the implementation and/or operation of ISA CTEEP projects based on a simple cause and effect relationship;</p> <p>Significant indirect impact: impact on the environment resulting from the implementation and/or operation of ISA CTEEP projects resulting from a secondary reaction in relation to the action, or when it is part of a chain of reactions.</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
304-3 (2016)	Habitats protected or restored	<p>a. Independent External Experts: specialist who has no connection with the company and who has the expertise to audit the data under analysis. For cases where the protection and restoration action is linked to an environmental commitment, there is third-party verification, with the body issuing the environmental intervention authorization being responsible for its validation.</p> <p>d. The main guiding instrument is ISA CTEEP's environmental policy, a document that states the company's commitment to quality and excellence in environmental management applied to the entire life cycle of its assets. In this sense, the company is committed to minimizing impacts on the environment, respecting the applicable environmental legislation, and mitigating/compensating the impacts generated by the implementation and operation of its enterprises.</p> <p>In view of this, linked to the mitigation/compensation of the impacts generated by the removal of vegetation and intervention in the Permanent Preservation Area - APP due to the implementation and maintenance of the company's projects, there is the execution of preservation and environmental protection actions that involve three different initiatives, namely the registration of Legal Reserve - RL exceeding the mandatory percentage in the company's forested area, the execution of enrichment and reforestation of degraded areas, and the land tenure regularization of Conservation Units.</p>	n/a	n/a	n/a
304-4 (2016)	IUCN Red List species and national conservation list species with habitats in areas affected by operations	IUCN - Date accounted: January 1, 2022 to December 31, 2022.	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
305-1 (2016)	Direct (Scope 1) GHG emissions	<p>The emission sources considered for scope 1 emissions: (fuel, SF6, fire extinguisher recharge, compensators)</p> <p>The tool used to manage information is the SIS - Sustainability Indicators System and the tool for calculating emissions following the GHG Protocol methodology</p>	For Scope 1 emission sources, there were no scope exclusions in the period.	For scope 1 emission sources - Fuel: fleet expansion. For SF6 emissions there was an expansion of the installed park. Synchronous compensators and extinguisher recharging did not change the scope in the period.	Fuel: Acquisition of new vehicles in the fleet to services projects under construction/operation.
305-2 (2016)	Energy indirect (Scope 2) GHG emissions	<p>The % of technical losses is 4% as established by ANEEL's technical guideline.</p> <p>The tool used to manage the information is the SIS - Sustainability Indicators System and the tool for calculating emissions following the GHG Protocol methodology</p>	n/a	<p>Update on the energy emission factor.</p> <p>Inclusion of the following companies: IE Biguaçu</p>	<p>According to the update of the GHG tool version 2022</p> <p>The companies went into operation in 2022.</p>
305-3 (2016)	Other indirect (Scope 3) GHG emissions	<p>Concept of significant changes: refers exclusively to any change in the methodology for calculating the technical data of transmitted energy.</p> <p>The tools used for Scope 3 emissions are: the SIS - Sustainability Indicators System and the emissions calculation tool following the GHG Protocol methodology.</p>	n/a	Update on the energy emission factor.	According to GHG tool version 2022
305-5 (2016)	Reduction of GHG emissions	<p>The tool used for information management is the SIS - Sustainability Indicators System and the emission calculation tool following the GHG Protocol methodology.</p> <p>Concept of "associated primary effects": activities aimed at reducing GHG emissions are considered, for example: initiatives to reduce SF6 leaks, fuel consumption, electricity, etc.</p> <p>Concept of "significant side effects": actions of lesser impact related to a reduction initiative are considered, for example: encouraging employees to travel through more sustainable modes, replacing conventional light bulbs with LED light bulbs</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
306-1 (2020)	Waste generation and significant waste-related impacts	Significant impacts – actual and potential: poorly managed waste, which causes visual pollution, soil, air and water table pollution.	There was no disposal of hazardous waste by ISA CTEEP in 2022, only at the subsidiary IESUL.	No changes. Disposal takes place according to demand, in 2022, only one site sent waste	n/a
306-2 (2020)	Management of significant waste-related impacts	Significant impacts – actual and potential: poorly managed waste, which causes visual pollution, soil, air and water table pollution.	n/a	n/a	n/a
306-4 (2020)	Waste diverted from disposal	The information entered in the SIS refers to the disposal processes generated by the various areas of ISA CTEEP. After the accounting write-offs and due validations (Regulatory, Maintenance, Accounting and CSC area) the Reverse logistics service provider is activated, which carries out the weighing. After weighing, the quantities measured are validated by those responsible for the sale. With validation approved, quantities are entered into the SAP (disposal stock) and later, the removal of scrap by the reverse logistics provider is scheduled.	n/a	n/a	n/a
306-5 (2020)	Waste directed to disposal	The information entered in the SIS refers to the disposal processes generated by the various areas of ISA CTEEP. After the accounting write-offs and due validations (Regulatory, Maintenance, Accounting and CSC area) the Reverse logistics service provider is activated, which carries out the weighing. After weighing, the quantities measured are validated by those responsible for the sale. With validation approved, quantities are entered into the SAP (disposal stock) and later, the removal of scrap by the reverse logistics provider is scheduled. With regard to hazardous waste, data are computed through the disposal of hazardous waste destined for the period by a specialized company. The information reflects the transported volume reported in the MTR - Waste Transport Manifest.	There was no disposal of hazardous waste by ISA CTEEP in 2022, only at the subsidiary IESUL.	No changes. Disposal takes place according to demand, in 2022, only one site sent waste	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
308-1 (2016)	New suppliers that were screened using environmental criteria	<p>New Suppliers – suppliers with whom contracts were signed in the period, regardless of whether they were contracted in previous periods.</p> <p>Environmental Criteria – Comply with and respect the environmental legislation and the environmental policy in order to interfere as little as possible in the environment, adopting required preventive and precautionary measures, mainly with regards to environmental conservation, fauna and flora protection, work methods, waste disposal.</p> <p>Rationale - The percentage of new suppliers evaluated and selected according to environmental criteria: Number of suppliers with new contracts selected through the evaluation of environmental aspects / Total number of suppliers with new contracts in the year.</p>	n/a	Yes	For the 2021 indicator, the criterion used was the presence of environmental contractual clauses, and for 2022, the criterion was changed to evaluating the supplier with reference to environmental aspects before or during contracting, and for that we used the prequalification platform (PAR SERVICIOS), used even in previous years.
308-2 (2016)	Negative environmental impacts in the supply chain and actions taken	<p>Evaluation and monitoring of environmental aspects in a suppliers with a current contract: The suppliers that will be submitted to the sustainability audits are selected according to the criteria below:</p> <ul style="list-style-type: none"> • strategic suppliers under contract; • must meet the minimum requirements in OSH and Environment; • who are at least under one contract with a term over two (2) years after the audit was performed. <p>The annual number of suppliers to be audited is agreed annually with the Corporate and after delivery of the audit report, each company's action plan is requested and monitored.</p> <p>- Performance Evaluation: carried out at the end of contracts with less than one year duration or at least annually (it can also be carried out whenever an issue with the supplier is identified). It is conducted by the contract manager and covers, as applicable, quality, service, management, HSE (health and safety and environment) and ethical criteria (Code of Conduct, Anti-Fraud Code and Guideline on Non-compliance with Human Rights).</p> <p>- Sustainability Audits: also adopted for a restricted group of vendors considered strategic, under contract valid for over 2 years and with specific minimum OSH and the Environment requirements. Covers audits in the Social, Environment and Governance scopes.</p> <p>Actual and potential negative environmental impacts: effects that impact or could impact the economy, environment and communities.</p> <p>Significant negative environmental impacts - actual and potential: effects that impact or could impact the economy, the environment and communities; significant effects are those that acted not in compliance with the legislation and as a result there was an embargo, fine or notifications, identified through the performance evaluation (score below 80%).</p>	n/a	Yes	In 2021, information was separated by company and in 2022 we are considering all assessments of ISA CTEEP and subsidiaries 100%. We inform you that despite identifying suppliers with values lower than 80% in the assessment, only two companies caused actual impact, Contrel and IG, and the main reason was undue removal of vegetation. Grades below 80% represent managers' dissatisfaction during the integration process, but all integrations were completed.

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
401-1 (2016)	New employee hires and employee turnover	<p>Hiring rate = number of hires divided by the average yearly headcount</p> <p>Turnover rate = average between hires and terminations divided by the average yearly headcount</p> <p>Concept used for "employees" are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers included in our Payroll, except for Apprentices, Board Members and Trainees.</p>	n/a	Yes	In 2022, we worked on the concept of internal use, as we understand that only vacancies that went through the internal recruitment process did not portray the reality of internal movements at the Company. Based on this, we analyzed all company movements, all external hires, vacant positions by the end of 2022, to reach the final result. It should be emphasized that the work is ongoing, as some specific types of internal movements that occur during the year are still being defined.
401-3 (2016)	Parental leave	The concept adopted was: the total number of employees, broken down by gender and with rights to parental leave in the period, is counted. Employees entitled to maternity/paternity leave are those covered by organizational policies, agreements or contracts that provide for the right to such leave, it does not cover board members, trainees and apprentices.	n/a	n/a	n/a
402-1 (2016)	Minimum notice periods regarding operational changes	<p>a. Significant operational changes: changes that greatly affect workers, such as restructuring, outsourcing operations, closure of activities, expansions, new units, acquisitions, sale of all or part of the organization or mergers.</p> <p>Employees: CLT contract and statutory contractors are considered. Does not cover board members, trainees and apprentices.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
403-1 (2018)	Occupational health and safety management system	<p>The concept used for "employees" are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers in our Payroll.</p> <p>Period - January to December 2022</p> <p>Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders.</p> <p>Non-employee workers: workers not hired under a CLT contract, third parties and legal entities.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
403-2 (2018)	Hazard identification, risk assessment, and incident investigation	<p>The concept used for “employees” are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers in our Payroll.</p> <p>Period - January to December 2022</p> <p>Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders.</p> <p>Non-employee workers: workers not hired under a CLT contract, third parties and legal entities.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
403-3 (2018)	Occupational health services	<p>The concept used for “employees” are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers in our Payroll.</p> <p>Period - January to December 2022</p> <p>Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders.</p> <p>Non-employee workers: workers not hired under a CLT contract, third parties and legal entities.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
403-4 (2018)	Worker participation, consultation, and communication on occupational health and safety	<p>Concept used for “employees” are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers included in our Payroll, except for Apprentices, Board Members and Trainees.</p> <p>Period - January to December 2022</p> <p>Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders.</p> <p>Non-employee workers: workers not hired under a CLT contract, third parties and legal entities.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
403-5 (2018)	Worker training on occupational health and safety	<p>The concept used for “employees” are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers in our Payroll. Period - January to December 2022 Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders. Non-employee workers: workers not hired under a CLT contract, third parties and legal entities.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
403-6 (2018)	Promotion of worker health	<p>The concept used for “employees” are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers in our Payroll. Period - January to December 2022 Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders. Non-employee workers: workers not hired under a CLT contract, third parties and legal entities.</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022
403-7 (2018)	Prevention and mitigation of occupational health and safety impacts directly linked with business relationships	<p>a. ISA CTEEP considers significant impacts as those that may cause accidents and occupational illnesses. Occupational accidents and illnesses are preventable if we act directly in anticipating, preventing and controlling occupational risks. Thus, it strives to incorporate the necessary measures to preserve safety and health at work and to manage associated hazards in processes, implementing risk management measures, which aim to eliminate hazards and significant impacts through OSH performance and for the criticality of the classification of the accidents that occurred. Non-employee workers: workers not hired under a CLT contract, third parties and legal entities</p>	n/a	Yes	GRI 2021 indicator incorporated in the reporting and assurance process for the first time in 2022

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
403-9 2018	Work-related injuries	<p>The concept used for “employees” are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers in our Payroll. Period - January to December 2022 Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders. Non-employee workers: workers not hired under a CLT contract, third parties and legal entities Sick pay/accident: No grace period is required for employees who suffer accidents of any kind. An accident of any nature or cause is understood as incidents of traumatic origin and exposure to exogenous agents (physical, chemical and biological), which causes bodily injury or functional disturbance that causes death, loss, or permanent or temporary reduction of working capacity. Severe Work accident: Fatal accident or one that causes permanent total disability or permanent partial reduction in work capacity. Light Work accident: Accident with injury that does not lead to fatal risks or permanent or partial disability. Typical Accident: Accident resulting from the characteristic of the professional activity performed by the injured person, occurs due to the exercise of work at the service of the company. Travel Accident: Accident suffered by the employee on the way from home to work or from home to work, whatever the means of transportation, including a vehicle owned by the employee, as long as there is no interruption or change of route for another reason. Traffic accidents: Any disastrous event, casual or not, resulting in physical or material damage, involving vehicles, people and/or animals on public roads. Work Accident without leave: Accident that causes personal injury that does not prevent the injured person from returning to work on the day immediately after the accident, provided that there is no permanent disability. Work Accident with leave: Accident that generates personal injury that prevents the injured person from returning to work on the day immediately after the accident or that results in permanent disability. Fatal Work accident: Accident resulting in immediate death or within 12 hours of its occurrence. Near Accident With Property Damage: Undesirable event resulting in material losses; damage done exclusively to assets; property damage. Near Accident with no Major Significance: Undesirable event with no physical injury and/or material losses. High Potential Occurrence: Incident that could have caused death, permanent disability, environmental or material damage with great losses. Medium Potential Occurrence: Incident that could have caused partial and temporary disability, environmental damage or property damage with recoverable losses. Low Potential Occurrence: Incident without injuries or with potential for causing minor injuries, environmental or material damage with minor losses. Immediate Cause: Cause that directly led to the occurrence of the incident. Regarding the communication of accidents at work, the company follows the guidelines from the internal procedure PRO.RH05 - Communication, Investigation and Analysis of Occupational Accidents and Incidents” which establishes guidelines for communication, investigation and analysis of accidents and incidents at work. ” The management of the occurrence area must establish the methodology for the internal communication of the events that occurred to its employees and contractors. The communication of events to ISA CTEEP will be carried out by the SST Management via e-mail and must occur within 12 hours, at most, from the registration of the occurrence. The e-mail must be sent to all levels of leadership in the company. The communication of the event must occur within the deadlines, even if the classification has not been defined. The rating must be communicated later, as soon as it is defined. Occurrences characterized as “occupational accidents” by the work safety team, as well as “occupational illnesses” recognized by the occupational physician, must be properly communicated to the governmental bodies (Ministry of Labor, Ministry of Health, Unions, etc.) in accordance with applicable laws. The SST area is responsible for carrying out these communications, including opening a CAT (Work Accident Report) for accidents involving ISA CTEEP employees. The reporting of accidents to external bodies and situations not considered in this procedure will be coordinated by the OSH Management, with possible support from the Communication Area, complying with legal parameters and subject to approval by the Board. The base that composes the total number of hours worked is defined as follows: our own HHT is calculated through a time report extracted from the SAP system (transaction ZHRRO07). The HHT of outsourced companies is carried out monthly by the contract manager, who forwards it to our area (SST) for consolidation and reporting.</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
404-1 (2016)	Average hours of training per year per employee	<p>Concept used for "employees" are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers included in our Payroll, except for Apprentices, Board Members and Trainees.</p> <p>Period - January to December 2022</p> <p>The average hours refer to the average per employee. Training and capacity building hours are measured by the total number of employees divided by the total number of training hours throughout the year (reporting year: 2022).</p> <p>Professional training is the set of initiatives and actions (courses, training) that help employees develop their professional skills. This training may focus on technical or behavioral skills.</p> <p>Functional categories are defined as: Board, Management, Coordination, Specialists, Administrative and Operational</p>	n/a	n/a	n/a
404-3 (2016)	Percentage of employees receiving regular performance and career development reviews	<p>Concept used for "employees" are CLT-contracted employees, blanketed by collective agreements, full-time, and Statutory Officers included in our Payroll, except for Apprentices, Board Members and Trainees.</p> <p>Period - January to December 2022</p> <p>Trainees and apprentices are hired under specific terms, considering current legislation. The board members are chosen by vote, through a Ordinary General Assembly, attended by the shareholders.</p> <p>Functional categories are defined as: Board, Management, Coordination, Specialists, Administrative and Operational</p> <p>Performance and career development assessments are based on the position, the Individual Development Plan (PDI) and goals for each area.</p>	n/a	n/a	n/a
405-1 (2016)	Diversity of governance bodies and employees	<p>The concept adopted was: the total number of employees identified as Board members is counted, according to the Payroll at the end of the period (December). This field considers all members of the board of directors and supervisory board, broken down by gender and generational intervals: < 30 years, 30 to 50 years and > 50 years.</p> <p>Functional categories are defined as: Board, Management, Coordination, Specialists, Administrative and Operational</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
405-2 (2016)	Ratio of basic salary and remuneration of women to men	<p>The calculation takes the average remuneration of women in the category, divided by the average remuneration of men in the same category.</p> <p>Formula Average remuneration of women in the category / Average remuneration of men in the same category.</p> <p>Assessed positions: Board, Management, Coordination, Specialists, Administrative and Operational</p> <p>Employees: CLT-contracted employees and statutory contractors are considered. Does not cover board members, trainees and apprentices</p> <p>Base salary: refers to the base salary + fixed premiums.</p> <p>Total remuneration: refers to the basic remuneration (base salary + fixed premiums) + variable remuneration (long-term incentives + short-term incentives) + others (13th + vacation + night shift compensation + on-call rate + vacancy bonus + health hazard rate + shift premium + overtime rate).</p>	n/a	n/a	n/a
406-1 (2016)	Incidents of discrimination and corrective actions taken	<p>Discrimination cases - cases of different (inferior) treatment of a person or group of people, due to race, color, sex, nationality, ethnic origin, sexual orientation, gender identity, or other factor. The Code of Ethics and Conduct is the guiding framework for the behavior expected of each employee. This is included in the Code in the following topic - Acting with social responsibility, respect for Human Rights and rejection of discrimination, in short, the position is clear regarding the express and absolute rejection of conduct such as sexual harassment and discrimination, in any of its manifestations.</p> <p>The Ethics Line Channel has a specific category (which can be filtered as: psychological harassment, physical assault or discrimination) for recording any manifestation of discrimination or prejudice of any nature, race, religion, age group, biological sex, political conviction, nationality, sexual orientation, gender identity or expression, physical condition or any other.</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
407-1 (2016)	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>As a preventive measure, ISA CTEEP uses the Supplier Prequalification Platform, since among the documents evaluated, if the supplier presents outstanding debts with the Federal Registry of Overdue Tax Liabilities (which includes INSS payment debits) and Caixa Econômica Federal (FGTS) the light turns red and the hiring restriction occurs.</p> <p>The Platform also conducts research on restrictive lists, a total of 1107 queries on different websites, 104 of which on Brazilian websites, among which the Ministry of Labor website is consulted. The results can be checked at any time by consulting the Risk Certificate and, if there is any restriction, this will be described in the aforementioned report.</p> <p>The contracts contain contractual clauses that, in the event of an infringement, the measurement value may be withheld, which may lead to contract termination.</p> <p>It is also a contract condition to be respected by the vendor and to ensure compliance by its personnel regarding Health, Safety and Environmental Conservation, Quality, Code of Ethics, and other regulations in force at the CONTRACTING PARTY and provided for in the legislation, which the vendor attests knowledge.</p> <p>Both the ISA Code of Conduct for Suppliers and the Code of Ethics and Conduct include working conditions and human rights, as well as right for association.</p> <p>ISA CTEEP provides the Reporting Channel, where all information is treated anonymously, thus guaranteeing freedom of reporting.</p> <p>After contracting, the vendor's performance is evaluated on a periodic basis and the ethical aspect is evaluated and when an infringement related to this aspect is found, the supplier's score is reset to zero and the matter is referred to the Compliance area.</p> <p>We also have a hired company to carry out the Management of Third Parties, which operates on two fronts, namely:</p> <p>Mobilization – ensuring that all third parties who will provide services within ISA CTEEP's facilities meet work safety requirements and standards.</p> <p>Labor Monitoring – assessment of compliance with labor and legal obligations of service providers is performed monthly, as well as the notification of pending matters to the supplier and to the ISA CTEEP manager.</p> <p>All analyzes are available for consultation through a WEB platform. And lastly, we carried out a sustainability audit on our strategic suppliers and there are specific questions on this topic.</p> <p>Employees: CLT-contracted and statutory contractors are considered. Does not cover board members, trainees and apprentices.</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
408-1 (2016)	Operations and suppliers at significant risk for incidents of child labor	<p>The Ethics Line Channel is a control mechanism for receiving reports on misconduct and any non-compliance with laws, rules and regulations, especially topics that violate human rights, regardless of the term “significant risk of occurrence”, all reports of this nature are classified as high risk by the tool and determined by the ISA CTEEP Ethics Committee. These are basic values that suppliers must comply with according to current legislation.</p> <p>All operations and suppliers are evaluated for the risks described above, within the “Strategic Sourcing” contracting process and at this time, in accordance with these risks, the relevant contractual clauses are defined, with the aim of curbing such practices, in addition there is the Supplier Code of Conduct, a document that deals with the issues at hand and is mandatory for supplier registration on the Pre-Qualification Platform, in addition to the Ethics Line Channel, which is available for complaints and ensures secrecy for the complainant.</p> <p>Child labor: all forms of work carried out by children and adolescents below the minimum age allowed. In Brazil, work is prohibited for those under 16 years old, as a general rule, also following ILO standards.</p> <p>Young workers: aged between 18 and 24 years.</p> <p>Hazardous work: characterized by activities that endanger the worker's life, according to NR 16, which expose the employee to permanent contact with: explosives, flammable products, electricity, or even theft or other types of work. of physical violence in professional activities.</p> <p>Concept of “countries or geographic areas with operations and suppliers considered at risk”: all geographic areas in which we have operations and service providers that provide labor in our facilities, in the national territory, are evaluated. It is worth noting that ISA CTEEP operates exclusively in Brazil.</p> <p>During the contracting process, all risks are assessed and at this time, according to the identified risks, the relevant contractual clauses are defined, with the aim of curbing such practices, in addition, there is a Code of Conduct for Suppliers, a document that addresses the matters in question and for mandatory supplier registration on the Prequalification Platform.</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
409-1 (2016)	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>The Ethics Line Channel is a control mechanism for receiving reports on misconduct and any non-compliance with laws, rules and regulations, especially topics that violate human rights, regardless of the term “significant risk of occurrence”, all reports of this nature are classified as high risk by the tool and determined by the ISA CTEEP Ethics Committee. These are basic values that suppliers must comply with according to current legislation.</p> <p>All operations and suppliers are evaluated for the risks described above, within the “Strategic Sourcing” contracting process and at this time, in accordance with these risks, the relevant contractual clauses are defined, with the aim of curbing such practices, in addition there is the Supplier Code of Conduct, a document that deals with the issues at hand and is mandatory for supplier registration on the Pre-Qualification Platform, in addition to the Ethics Line Channel, which is available for complaints and ensures secrecy for the complainant.</p> <p>Child labor: all forms of work carried out by children and adolescents below the minimum age allowed. In Brazil, work is prohibited for those under 16 years old, as a general rule, also following ILO standards.</p> <p>Young workers: aged between 18 and 24 years.</p> <p>Hazardous work: characterized by activities that endanger the worker’s life, according to NR 16, which expose the employee to permanent contact with: explosives, flammable products, electricity, or even theft or other types of work. of physical violence in professional activities.</p> <p>Concept of “countries or geographic areas with operations and suppliers considered at risk”: all geographic areas in which we have operations and service providers that provide labor in our facilities, in the national territory, are evaluated. It is worth noting that ISA CTEEP operates exclusively in Brazil.</p> <p>During the contracting process, all risks are assessed and at this time, according to the identified risks, the relevant contractual clauses are defined, with the aim of curbing such practices, in addition, there is a Code of Conduct for Suppliers, a document that addresses the matters in question and for mandatory supplier registration on the Prequalification Platform.</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
410-1 (2016)	Security personnel trained in human rights policies or procedures	<p>Human rights: they are rights inherent to all human beings, without any distinction of place of residence, sex, origin, nationality, color, religion, language or any other conditions. (e.g.: endeavors for people in the Organization to be knowledgeable about Human Rights and values their respect in the development of business activities).</p> <p>Outsourced surveillance and security employees are compulsorily trained when they take the surveillance training or recycling course in accordance with Federal Police Ordinance 3233-2012, which establishes that the security professional must complete a training course in an accredited school or institution before performing work activities, where among the various subjects, the course includes a teaching module of Applied Legislation and Human Rights with a workload of 20 hours.</p> <p>ISA CTEEP monitors effective training of these employees in the mandatory federal police course through the Federal Police web portal and the BERNHOEFT documentation management company.</p> <p>Rationale: Number of professionals working in surveillance and property security X Number of professionals in these activities with mandatory training under current Brazilian legislation for surveillance/security.</p> <p>This training is extended not only to security employees, but also to all ISA CTEEP employees.</p>	n/a	n/a	n/a
411-1 (2016)	Incidents of violations involving rights of indigenous peoples	<p>The Company's premise is listening, dialogue and respect for the environmental and cultural contexts of traditional peoples, where the community takes part in the entire process, from the development of studies, to the preparation of programs and the performance of actions. It should be noted that ISA CTEEP follows current legislation regarding environmental licensing procedures with these populations. The assistance to impacted communities is through performance of mitigation actions contained in the Basic Environmental Program - PBA approved by the intervening bodies.</p> <p>The work carried out aims at causing the least, or no, impact on traditional communities. This care comes from the studies of auction layouts and continues until the operating license. To this end, the guiding document regarding intervention in indigenous or quilombola territory is Interministerial Ordinance No. 60, of March 24, 2015. Thus, the service must occur if there is interference within an 8 km radius in the Legal Amazon and 5 km in other locations related to the enterprise, the quilombola communities with Technical Identification and Delimitation Reports (RDIT) and areas occupied by indigenous peoples, with detailed identification and delimitation report has been approved by act of FUNAI, published in the Federal Official Gazette.</p> <p>The company complies with the current legislation mentioned above and, in case of non-compliance, we have the Ethics Line Channel, which is a control mechanism to receive reports on misconduct and any non-compliance with laws, rules and regulations, especially topics that violate human rights. When applicable, we receive complaints through the Channel, filter according to the complaint classification (violation of environmental laws; violation of laws that are not explicit in other categories; and others) and deal with them, giving the appropriate directions.</p>	n/a	n/a	n/a

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
413-1 (2016)	Operations with local community engagement, impact assessments, and development programs	<p>a) ISA CTEEP + Subsidiaries 100% (in operation and under construction)</p> <p>i. Considering the projects that are being implemented, in 100% (new projects), within the environmental licensing processes, the social impact on the DSAP is evaluated. The analysis is not made without distinction of gender.</p> <p>ii. Considering the projects that are being implemented, in 100% (new projects), within the environmental licensing processes, the environmental impacts are evaluated and mitigation measures are proposed. Continuous monitoring is carried out during works, ensuring the application of previously defined environmental programs for the prevention and/or mitigation of negative impacts, as well as enhancing the positive effects. In the case of matchfunding, we did not monitor the beneficiary families, since the environmental impact was analyzed before the partnership with the Stop Hunger Institute, which action would be more viable, mainly thinking about logistics (CO₂ emissions).</p> <p>iv. Not performed.</p> <p>v. Stakeholders are identified, considering in particular the licensing body, intervening bodies, affected municipal governments. Based on this mapping, negotiations are carried out according to each stakeholder.</p> <p>vi. When a local traditional community is identified, consultations and actions are carried out involving them. Example: community of fishermen and mariculturists in IE Biguaçu.</p>	n/a	Yes	Information on Subsidiaries under construction was included.
413-2 (2016)	Operations with significant – actual and potential – negative impacts on local communities	<p>Operations: We consider the units that are already in operation to be in operation. From the moment that the Operation License - LO and the TLDs are obtained, operating preparations commence.</p> <p>Local communities and impact determination criteria: communities located around the Company's projects. The determination of main impacts caused applies both in the deployment and operational stages, and are related to restrictions on soil use and occupation. Limitation impositions are permanent or as long as the infrastructure exists in place, being considered of high intensity. However, it should be noted that environmental and socioeconomic issues are always observed in order to minimize changes in the locations where the projects will be installed.</p>	n/a	n/a	n/a
414-1 (2016)	New suppliers that were screened using social criteria	<p>Social criteria considered: No use of child labor, irregular work by adolescents or in conditions that are degrading or akin to slavery. Not adoption of discriminatory practices or that restrict access to employment or its maintenance. Obey and ensure that its employees, contractors, agents or representatives strictly adhere to all legislation, standards, NRs and regulations on occupational health, safety and hygiene. Preserve the health, safety and well-being of directly and indirectly affected populations.</p> <p>Rationale: Number of vendors with new contracts selected through the evaluation of social aspects / Total number of vendors with new contracts in the year</p> <p>New suppliers: suppliers with whom contracts were signed in the period, regardless of whether they were contracted in previous periods.</p>	n/a	Yes	For the 2021 indicator, the criterion used was the presence of environmental contractual clauses, and for 2022, the criterion was changed to evaluating the supplier with reference to environmental aspects before or during contracting, and for that we used the prequalification platform (PAR SERVICIOS), used even in previous years.

GRI Disclosure	Standard Name	Criterion Details	Exceptions in limits and reporting period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
414-2 (2016)	Negative social impacts in the supply chain and actions taken	<p>Evaluation and monitoring of environmental aspects in suppliers with a current contract: Actual and potential negative social impacts: effects that impact or could impact the economy, environment and communities. Significant negative social impacts - actual and potential: effects that impact or could impact the economy, the environment and communities; significant effects are those that acted not in compliance with the legislation and as a result there was an embargo, fine or notifications, identified through the performance evaluation (score below 80%). - Performance Evaluation: carried out at the end of contracts with less than one year duration or at least annually (it can also be carried out whenever an issue with the supplier is identified). It is conducted by the contract manager and covers, as applicable compliance, quality criteria, service, HSE (health, safety and environment) and ethical management (Code of Conduct, Anti-Fraud Code and Directive on Non-compliance with Human Rights). - Sustainability Audits - criteria: also adopted for a restricted group of vendors considered strategic, under contract valid for over 2 years and with specific minimum OSH and the Environment requirements. Covers audits in the Social, Environment and Governance scopes. Rationale: Number of suppliers with current contracts submitted to evaluation of social aspects / Total number of suppliers with current contracts</p>	n/a	Yes	<p>In 2021, information was separated by company and in 2022 we are considering all assessments of ISA CTEEP and subsidiaries 100%. We inform you that although we identified suppliers with values lower than 80% in the evaluation, there was no real case of impact on social conditions. Grades below 80% represent managers' dissatisfaction during the integration process, but all integrations were completed.</p>
418-1 (2016)	Substantiated complaints concerning breaches of customer privacy and loss of customer data	<p>Proven complaints: All incidents arising from ethical misconduct, occupational safety, as well as those related to violation of personal data privacy.</p> <p>Violation of customer privacy: violation of personal and confidential data, and the information that has been registered in databases, in accordance with the legal provisions of the General Data Protection Law (LGPD).</p> <p>Concept of "leaks, theft or loss of customer data": Our primary concept of Incidents (or Incident): any intentional or accidental action that may allow unauthorized access or cause destruction, loss, change, communication, or any other form of inappropriate or unlawful treatment of Personal Data. The operational details of action are disciplined in the internal LGPD rule for the Personal Data Security Incident Response Plan</p> <p>These are received via the Ethics Line Channel or other communication channels, such as Contact Us, e-mail in charge of data, among other means of institutional communication. The reports are investigated by the responsible entity and will be confirmed, if any origin of the reported facts is identified.</p> <p>Significant number: Any identification or suspicion of the occurrence of security breaches or any Security Incident (loss, deletion or unwanted or unauthorized exposure), which compromises of personal data confidentiality or integrity</p>	n/a	n/a	n/a

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