



ANNUAL SUSTAINABILITY REPORT 2022

isa

CTEEP

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Message from the CEO

Our Purpose, **Connections that Inspire**, is linked to one of the most urgent issues for global society: the need to transition to an energy matrix backed by renewable sources that do not emit greenhouse gases.

The energy transmission sector, of which ISA CTEEP is a leader, plays a central role in this journey. There is no transition, no transmission.

At ISA CTEEP, we have structured a strategic plan that drives the generation of sustainable value and our role in the decarbonization movement of the Brazilian electricity matrix. We are prepared to innovate and invest to build, operate, and maintain the lines, substations, and any other assets necessary to bridge the gap between the new renewable generation parks, which are growing rapidly mainly

in the Northeast of Brazil, and the large cargo consumer centers, in the South and Southeast of our country.

Brazil is rich in wind and solar resources and, therefore, has the potential to be a global leader in the development of essential solutions and innovations for the energy transition. Although extremely beneficial for not emitting carbon, the new renewable sources are not dispatchable like hydroelectric reservoirs and thermoelectric plants. This intermittency creates challenges for the stability and security of the entire national system, and our role is to help overcome them. Thus, one of the main contributions we made to accelerate the energy transition was the start-up, in 2022, of the country's first large-scale energy storage battery bank. The project, installed at the Registro Substation,

in the state of São Paulo, ensured energy reinforcement to meet the increased demand for energy on the coast of São Paulo. In addition, it avoided the emission of more than a thousand tons of carbon that would have occurred over a period of two years if, in place of this innovation, diesel generators had been installed.

For our company, the battery bank's implementation enables an increase of approximately R\$ 30 million in the annual revenue of Contract 059/2001, our concession model with the greatest opportunities for organic growth. This is how we materialize our strategy of generating value by creating positive social and environmental impacts, ensuring the longevity of our businesses.



Rui Chammas
CEO of ISA CTEEP

Our commitment to generating sustainable value was recognized with the company's inclusion in the B3 **Corporate Sustainability Index (ISE)**

In 2022, we also energized another five projects acquired in ANEEL auctions, adding another 1,210 km of transmission lines and more than R\$ 338 million in revenue. One of the main technological highlights is the Biguaçu Electric Interconnection (IE), an unprecedented undertaking in Brazil, as it is the only one to include transmission lines with aerial, submarine, and underground sections. This concession is essential to improve the energy supply to the island of Florianópolis, capital of Santa Catarina.

We also maintained the growth pace with the achievement of two new projects in auction No. 01/2022, which add up to an ANEEL investment of almost R\$ 4 billion – the Jacarandá and Piraquê projects.

In the financial area, we recorded a net operating revenue of R\$ 5,450.6 million (IFRS), an amount 1.5% lower than that recorded in 2021, mainly due to the impact caused by the update of the Extended National Consumer Price Index (IPCA), which showed deflation in the second half of the year in the remuneration of concession assets. Additionally, our results were impacted by the financial result variation due to borrowings from BNDES and debenture issues to cover the growing investments made by the company, and the net income for the year decreased by 23.6% compared to 2021, to R\$ 2,319.8 million.

The national expansion of our operations and the development of new businesses are a reflection of the excellence and quality of the work carried out by the team of more than 1,400 employees

at ISA CTEEP. Therefore, caring for people's health and safety always comes first, as a non-negotiable value of our company. In 2022, the accident frequency with our employees and third parties decreased by 39.4% in the annual comparison. However, in December, a fatal accident occurred while servicing electrical equipment. We are all sorry for the loss of this life and we are determined to make every effort to ensure that cases like this do not happen again, improving our processes, management systems, training, and technologies, in addition to communication and awareness campaigns.

We will also continue to evolve in managing the environmental impacts of our activities and operations. We assumed goals for the reduction of greenhouse gas emissions, especially those of insulating gas SF₆ (sulfur hexafluoride), and we will strengthen the Jaguar Connection, our main program for protecting biodiversity and combating climate change through recovery and preservation of forest areas.

Our commitment to an integrated management, which prioritizes both the generation of financial value and the positive socio-environmental

impact, was recognized with the selection of ISA CTEEP shares to compose the Corporate Sustainability Index (ISE), of B3 – Brasil, Bolsa, Balcão. It was the first time that our company was included in the portfolio.

With the operational excellence for which we are recognized and the increased maturity of ESG management, we are well positioned to compete in the transmission auctions scheduled for the year 2023. The expectation is that the projects to be offered will add up to almost R\$ 50 billion in investments, a challenging scenario in which only companies that are structured and effectively committed to the energy transition will be able to act.

With the trust of our shareholders, the engagement of employees, the support of suppliers and partners and the credibility we have gained in society, we are a company prepared to seize opportunities and contribute to the transmission sector's transformation and innovation in Brazil.

Rui Chammas
CEO of ISA CTEEP



Profile

Highlights in 2022



FINANCIAL

R\$ 5.5 billion

in net operating revenue
(according to IFRS)

R\$ 567 million

contracted in green
credits with BNDES

R\$ 1.9 billion

invested*

**R\$ 1.1 billion in greenfield projects
and R\$ 825 million in reinforcements
and improvements.*



GROWTH

**5
energized
projects**

1st large-scale
energy storage project
completed in Brazil

**2 new
concessions**
acquired at auction



CLIMATE CHANGE

Grade A-

on the CDP climate
change questionnaire

31% reduction

SF₆ emissions
(6,000 tCO₂e avoided)*

**Compared to 2021.*

Carbon neutral

certification for
Scopes 1 and 2



DIVERSITY

24.6%

representation
of blacks and browns
in the workforce

60%

of women on the
Executive Board

Adherence to the Empresa
Cidadã program, extending the
benefits of parental leave, including
for cases of adoption, legal
custody, and same-sex couples



PEOPLE MANAGEMENT

70.3 hours

of training, on average,
per employee (97%
increase in the year)

32%

of vacancies
filled via internal
recruitment

60%

reduction in the frequency rate
of recordable accidents among
employees (37% among third parties)

R\$ 5.6 billion

in value of contracts and
purchase orders with suppliers


R\$ 4.1 million
in social investments
with incentivized
resources



ESG Journey

For us at ISA CTEEP, sustainability is a way of acting to ensure value creation for business and society. Therefore, excellence in the management of environmental, social and governance (ESG) aspects is a pillar of our corporate strategy, accompanied and monitored by senior leadership and the Board of Directors.

The evolution of ESG management processes and systems is continuous in our company and permeates all areas. Improvements and advances have been systematically recognized by the market and society's organizations.

 [Click here](#) and learn more about our evolution and indicators on the ESG page of our institutional website

ISE B3 and ICO2 B3

ISE B3

ICO2 B3

Our company was included, for the first time, in the Corporate Sustainability Index (ISE) of B3, the Brazilian stock exchange. The theoretical portfolio, which brings together companies with the best practices for assessing ESG risks and opportunities, will be in force throughout 2023.

After evaluating the management policies and practices in six dimensions, we reached a score of 80.28%. With this rating, we ranked 18th in a group made up of 70 companies from 36 different sectors. In the energy sector, we are among the top five among generation, distribution, and transmission companies.

In addition to the ISE, we are part of B3's Carbon Efficient Index – ICO2 portfolio, an index composed of companies participating in the IBrX 100, with shares among the 100 most traded and that transparently promote and report their greenhouse gas emissions (GHG).

CDP



We voluntarily participate in the Carbon Disclosure Project (CDP), a global initiative that gathers information on climate change management from companies and governments around the world. In 2022, we achieved a leap, going from a C grade in 2021 to an A- grade in 2022, which reinforces our commitment to the transparency of our environmental information. The CDP is used by the ISE B3 to compose the final evaluation of the companies that apply to be part of the index.

■ Environmental, Social and Governance (ESG) Committee

In 2022, we structured and installed the ESG Committee, a non-statutory technical advisory body for the Board of Directors, which can be composed of up to five members (according to the company's internal regulations). Currently made up of three members, with a term valid for one year, the Committee is responsible for evaluating the application of best practices in sustainability management and ensuring compliance with the company's policies.

■ FTSE4Good



In 2022, our company was certified by the Financial Times Stock Exchange FTSE4Good. Comprised of publicly traded companies from around the world, the London Stock Exchange index evaluates more than 300 indicators and highlights companies that have differentiated corporate social responsibility practices.

■ TEVA Index Women in Leadership



The initiative is the first in Brazil aimed at creating an investment portfolio that selects companies with greater female representation in senior management positions, such as Board of Directors and Audit Board, Executive Board and Management Committees. At the end of 2022, we had a 60% participation of women in the Executive Board and 19% of women employed in leadership positions in the company.

■ 2023 GEI Index



Our company was included in the 2023 world ranking of the Bloomberg Gender-Equality Index (GEI). The index assesses the performance of publicly traded companies and their commitment to transparency in disclosing metrics related to gender equality. The GEI portfolio is made up of 484 companies, spread across 45 different countries. In Brazil, we are among the 16 companies that appear in the index.

■ Ethos Institute



Since 2021, we have been part of the Business Pact for Integrity and against Corruption and the Business Movement for Integrity, Transparency and Combating Corruption, of the Ethos Institute. Throughout 2022, we held courses on the ESG theme, participated in the Working Groups on the Environment and Integrity, Human Rights and People with Disabilities, and responded to the main indicators, namely: Survey of Diversity, Equity, and Inclusion – DEI; Ethos Questionnaire – 2021/2022 Cycle; Racial Equity Promotion; and Thematic Guide: Inclusion of People with Disabilities, among others.



GHG Protocol



We participate annually in the Brazilian GHG Protocol Program, with the preparation and voluntary disclosure of our greenhouse gas inventory. Since 2019, this mapping of our emissions has been classified with the Gold Seal, for presenting data on the three scopes of emissions and being verified by an external and independent company.

Green Loan Principles



In 2022, we were certified, as assessed by an independent company, to meet the Green Loan Principles (GLP) criteria, which endorses the issuance of green bonds. We were the first energy transmitter to collect energy with BNDES under GLP certification. The signed contract refers to raising up to R\$ 567.4 million in green credits to support more than 250 projects that provide for the expansion of energy transmission from low carbon sources, with disbursements starting in March 2022. Until December of last year, R\$ 227 million had already been released.

Neutral carbon certification



In early 2023, we received neutral carbon certification from the Colombian Institute of Technical Standards and Certification (Icontec), in scopes 1 and 2 (operation and maintenance of assets, excluding technical losses). This verification covers ISA CTEEP and 11 other ISA companies, totaling the scope of more than 48 thousand km of circuits, 7 thousand km of optical fiber and 714 km of routes of the Energy, Telecommunications and Highways businesses in five countries where ISA operates.

Global Compact



Since 2011, our company has been a signatory of the Global Compact and participates in movements encouraged by Rede Brasil in the initiative proposed by the United Nations. Through this participation, we incorporate the ten universal principles into our governance to guarantee respect for human rights, the fight against corruption, environmental preservation, and decent work promotion.

We also apply best practices to help achieve the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda. Through our business initiatives, we assess that we have effective contributions to seven priority SDGs, with SDG 17 – Partnerships and Means of Implementation considered a transverse axis.



[Click here](#) to learn about our contribution to achieving the SDGs



Business model

MANUFACTURED CAPITAL

With almost **21,600 km** of lines and **136** substations, we connect energy generating plants to the country's major consumer centers

5 new projects energized in 2022

HUMAN AND INTELLECTUAL CAPITAL

+ 1,400 people work to guarantee this service with quality, efficiency, safety, and innovation

24.6% black

32% of vacancies filled with internal recruitment

R\$ 2.6 million invested in training employees

NATURAL AND SOCIAL CAPITAL

With **programs and processes** to create positive social and environmental impacts for all of society

6,000 tCO₂e avoided (approximately)

22,000 carbon credits acquired for compensation in the Evergreen project

+ 135,000 hectares preserved by the Jaguar Connection

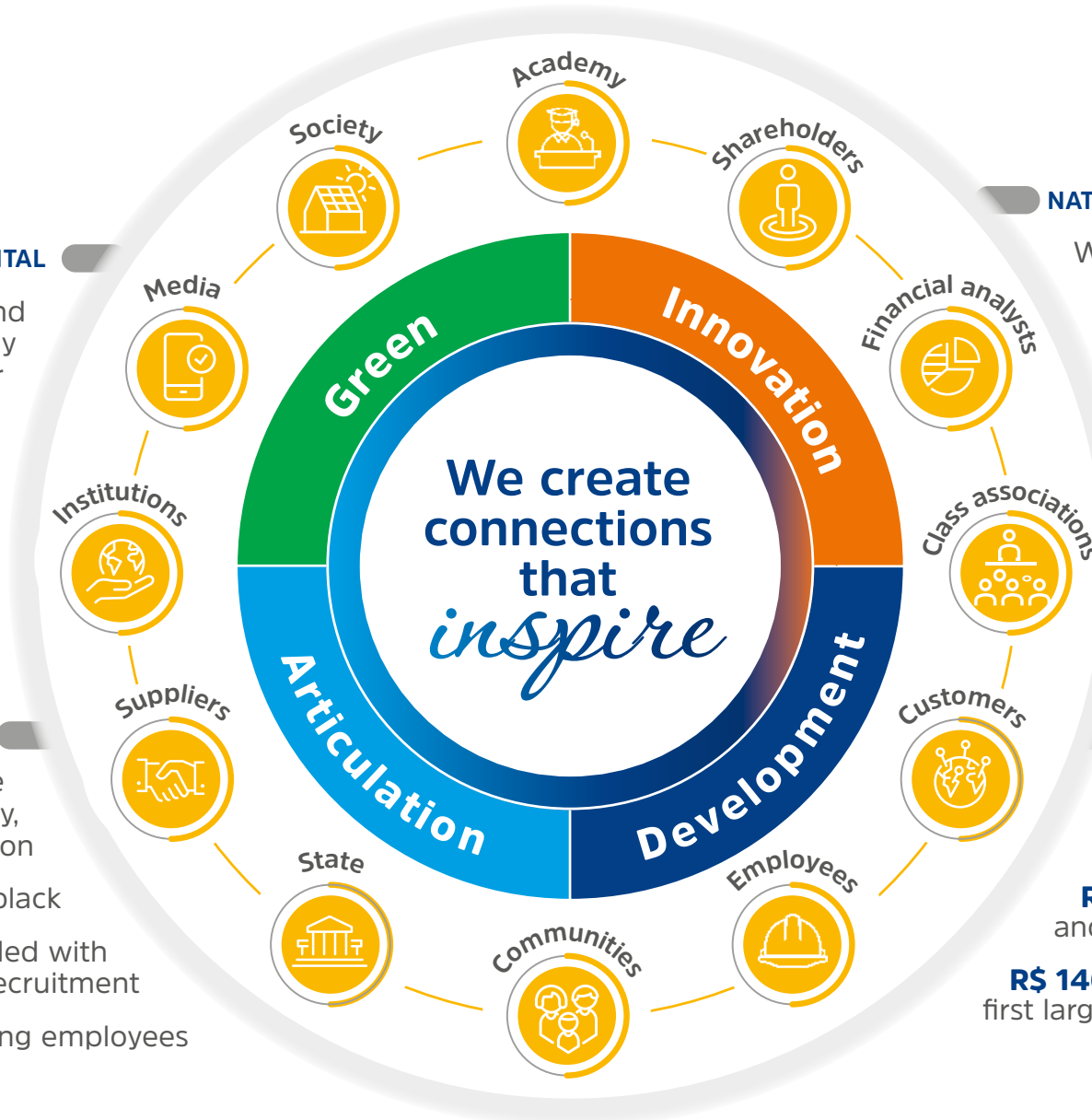
R\$ 4.3 million invested in social projects (own and incentive funds)

FINANCIAL CAPITAL

Investing in **reinforcements and improvements** to generate returns now and in the long term

R\$ 5 billion invested in reinforcements and improvements until 2027




R\$ 146 million invested in the country's first large-scale energy storage project



Comprehensive Risk Management

What we do

Our company, ISA CTEEP, is the national leading private company in the energy transmission segment. We manage 16.1 thousand kilometers of built lines, 126 substations in operation and 26 concession contracts, considering ISA CTEEP and 100% subsidiaries. We also have over 1,300 kilometers of lines and 7 substations under construction.

	Total	ISA CTEEP and 100% subsidiaries	Jointly controlled
Transmission lines (thousand km)			
 In operation	20.2	16.1	4.2
Under construction	1.3	1.3	0.0
TOTAL	21.6	17.4	4.2
Circuits (thousand km)			
 In operation	27.9	20.8	7.1
Under construction	1.5	1.5	0.0
TOTAL	29.5	22.3	7.1
Substations			
 In operation	129	126	3
Under construction	7	7	0
TOTAL	136	133	3

Since 2006, when the multi-Latin company ISA took control of our company (35.82% of the total capital), we have acted guided by the purpose of creating and strengthening Connections that Inspire. This means investing in and managing an infrastructure that accelerates the transition to a more renewable energy matrix, improves the Brazilians' quality of life and promotes economic and social development with respect and care for the environment and communities.

Since 2016, we have acquired 16 projects in transmission auctions, which add up to more than R\$ 10 billion in investments (Capex ANEEL) and generate an increase of approximately R\$ 1.1 billion in the Allowed Annual Revenue (RAP). Nine of these projects are already in operation, with RAP of R\$ 551 million.

Present in **17** states in Brazil, our transmission lines and substations fulfill the important role of connecting hydroelectric plants, wind farms, solar plants, and biomass plants to large energy consumer centers.

We operate a complex transmission network through which approximately

30%

of all electricity transmitted in Brazil and 94% in the state of São Paulo travel.



 [Click here](#) to see our institutional video



Tibagi Electrical Interconnection.

Our numbers

We transport approximately

30%

of the energy generated in Brazil

We are present in

17

states of Brazil

R\$ 4.9 billion

RAP¹

1. Allowed Annual Revenue (RAP) 2021/2022 cycle, proportional to ISA CTEEP's interest in jointly-owned subsidiaries.

+1.4 thousand employees

28 assets

under concession

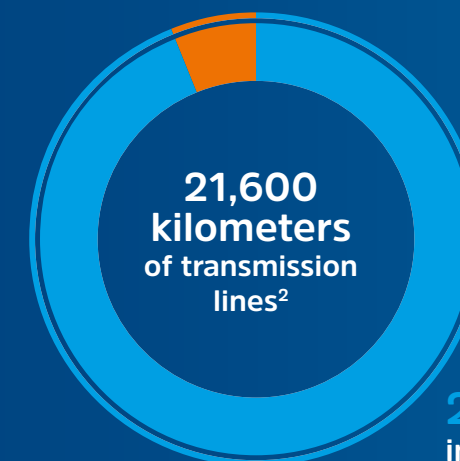
- **21 operational** (16 owned and 5 jointly)
- **7 under construction** (6 owned and 1 jointly)

84.2 thousand

MVA of transformation capacity

- **73.4 thousand operational MVA** (62.5 thousand owned MVA and 10.9 thousand MVA jointly)
- **10.8 thousand MVA** under construction (9.1 thousand owned MVA and 1.6 thousand MVA jointly)

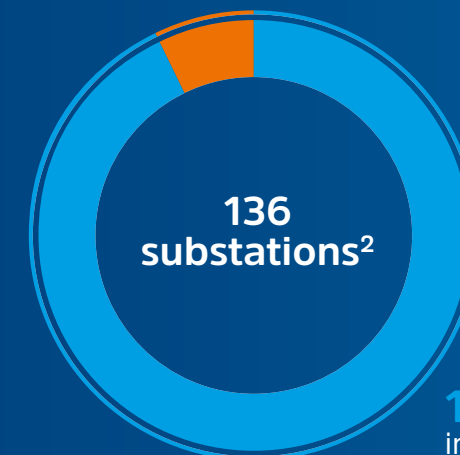
1,300 km under construction



20,200 km in operation

2. Considers companies 100% controlled by ISA CTEEP and those jointly controlled.

7 under construction



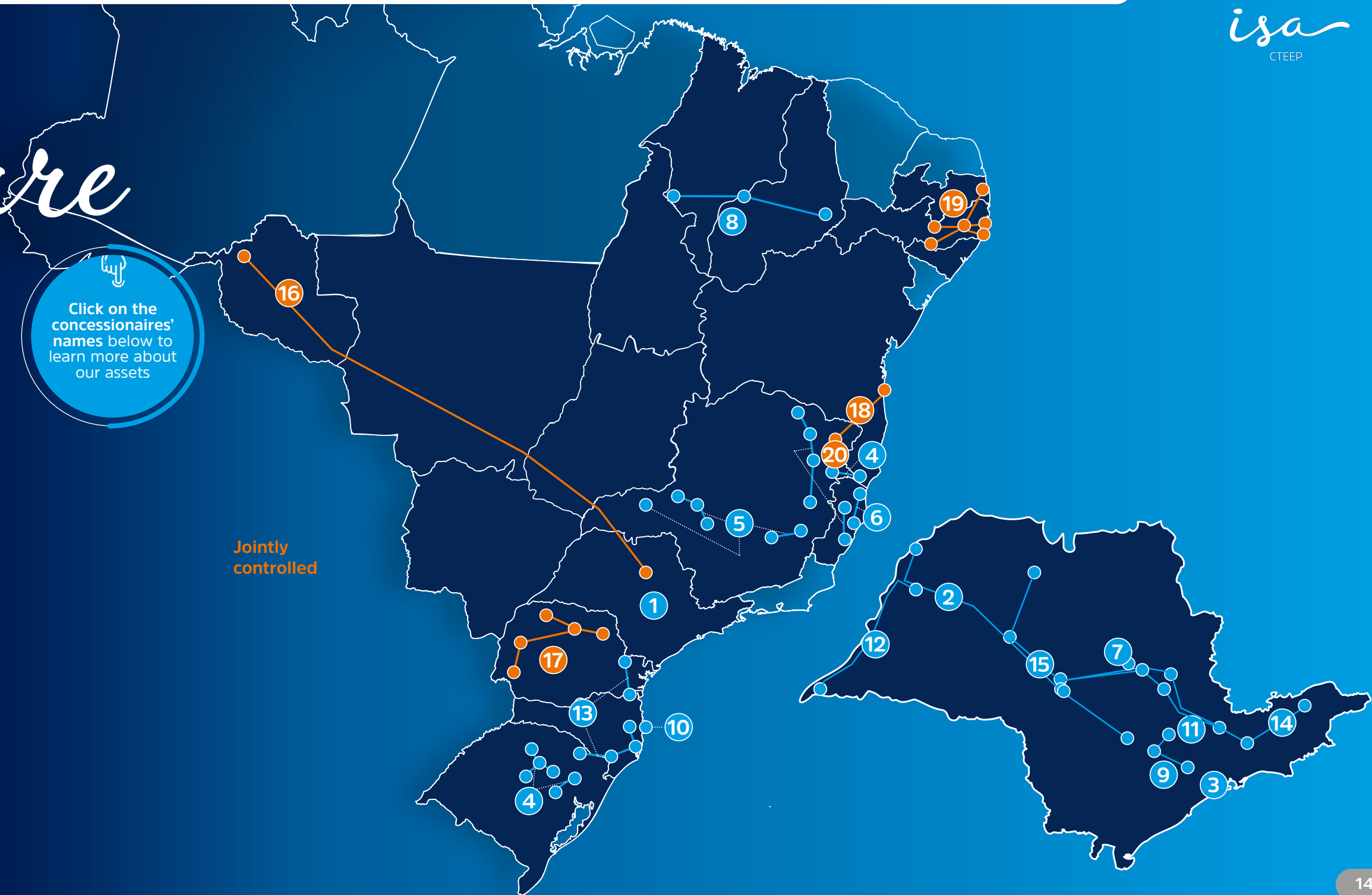
129 in operation

Where *we are*

ISA CTEP +
100% subsidiaries

Click on the
concessionaires'
names below to
learn more about
our assets

Jointly
controlled



Financial performance

To see the results in accordance with the rules of the Brazilian Securities and Exchange Commission (CVM) and the applicable Technical Pronouncements of the Accounting Pronouncements Committee (CPC) and in compliance with international accounting standards (IFRS), visit the [Investor Relations website](#).

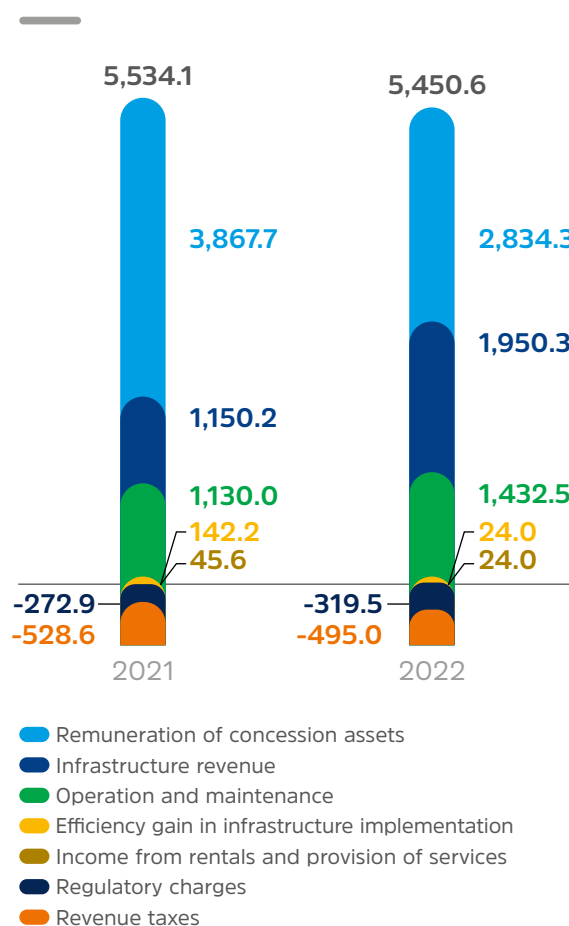
In fiscal year 2022, the company and its subsidiaries posted net income of R\$ 2,319.8 million, compared to the total of R\$ 3,037.8 million earned in 2021, a variation of 23.64%.

Net operating revenue decreased by 1.51% compared to the previous year.

The remuneration of concession assets totaled R\$ 2,834.3 million in 2022, compared to R\$ 3,867.7 in 2021, mainly due to: (i) extraordinary event of recognition of the gain of R\$ 497.3 million, in 2021, arising from the re-profiling of the financial component and complementary recognition of Ke in accordance with ANEEL Ratifying Resolution No. 2.851/21; in 2022 (ii) lower inflationary effect of updating the monthly IPCA*, generating a reduction of R\$ 809.6 million; and (iii) increase due to the restatement of the cash flow at the implicit rate of R\$ 273.5 million.

*IPCA 2022: 5.77%; 2021: 10.25%.

Net operating revenue (R\$ million)



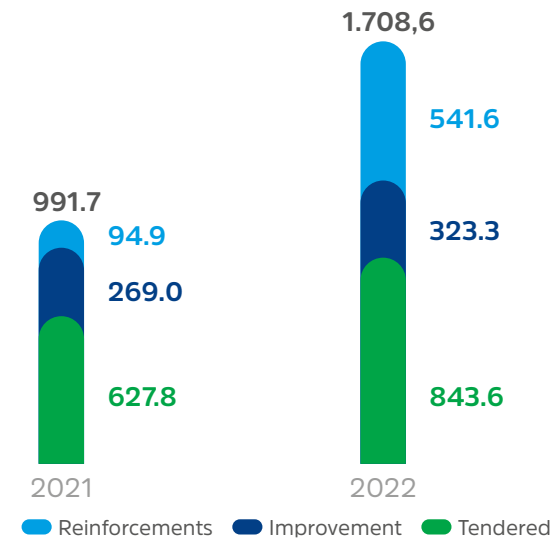
Infrastructure revenues totaled R\$ 1,950.3 million in 2022, an increase of 69.56% compared to R\$ 1,150.2 million in 2021. The positive variation is mainly explained by: (i) increase of R\$ 678.2 million in CTEEP, for new investments in reinforcement and improvement projects; (ii) added to R\$ 191.9 million, due to the progress of the works in subsidiaries, with the progress in the works of IEMG (Triângulo Mineiro), Evrecy (Minuano) and Riacho Grande, partially offset by the completion of the Tibagi (Três Lagoas) works, Itapura (Lorena), Aguapeí and Biguaçu, which entered into operation throughout 2021 and 2022.

Revenues from operation and maintenance totaled R\$ 1,432.5 million in 2022, compared to R\$ 1,130.0 million in 2021, the main factors being: (i) positive variation of R\$ 155.3 million, due to the monetary restatement of RAP by IPCA, 2022/2023 cycle; (ii) increase in the transference of

regulatory charges incorporated in the revenue of R\$ 51.2 million; and (iii) positive variation of the adjustment portion, prepayment and variable portion, totaling R\$ 96.0 million.

The costs of infrastructure implementation services accompanied the variation in revenue and increased by R\$ 716.9 million in 2022, mainly due to: (i) greater investment in the company's reinforcement and improvement works; (ii) progress in the works at IEMG (Triângulo Mineiro), Evrecy (Minuano), Riacho Grande, Itaúnas and Pinheiros (SE Mirassol II); and (iii) offset by the reduction due to the start-up of the subsidiaries Aguapeí, Itapura (Lorena), Tibagi (Três Lagoas) and Biguaçu.

Costs of infrastructure implementation services (R\$ million)



Operating and maintenance costs and services provided increased by R\$ 41.6 million in 2022, mainly due to: (i) increase in personnel, resulting from the 2022/2023 collective bargaining agreement; (ii) an increase in third-party services due to the greater performance of maintenance and conservation services for transmission lines and substations; and (iii) an increase in materials, mainly due to expenses with fuel and lubricants and with general maintenance equipment.

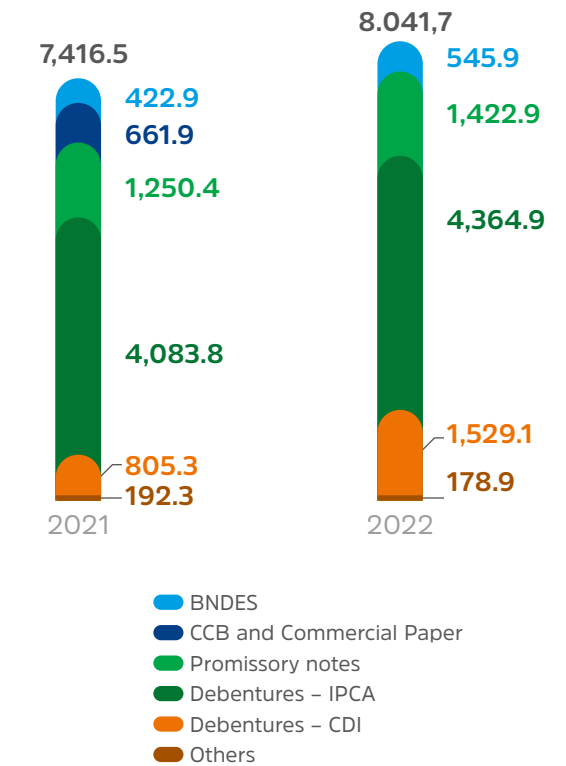
General and administrative expenses increased by 30.6%, totaling R\$ 292.5 million in 2022, compared to R\$ 224.0 million in 2021. This variation was mainly generated by: (i) increase in personnel due to the collective agreement of 2022/2023; (ii) supplement to the provision to cover the actuarial liability of the pension plan; (iii) increase in outsourced services, with a focus on consulting, auditing, and legal fees; and (iv) increase in contingencies due to the revision of predictions of IPTU and civil lawsuits.

The financial result showed a net expense, amounting to R\$ 812.2 million in 2022, compared to R\$ 631.0 million in 2021, a variation mainly due to: (i) increased expenses with monetary variations and charges on debentures and loans, due to funding that occurred in 2022; and added to (ii) the increase in yields on financial investments.

Consolidated gross debt totaled R\$ 8,041.7 million in 2022 vs. R\$ 7,416.5 million in 2021, increased by new funding from BNDES and issue of debentures, which, net of the CCB operation ended in the year, amounted

to R\$ 277.0 million, and restatement by the indexes to which the debt is indexed, mainly IPCA and CDI. The average cost of consolidated debt was 12.78% per annum in 2022, compared to 13.04% per annum in 2021.

Gross debt (R\$ million)



Added Value Distribution (DVA)¹

In 2022, the company found R\$ 4,914,648 in added value, compared to R\$ 5,726.6 million in 2021.

Consolidated Added Value Statement (DVA) (R\$ thousand)

	2022	2021	2020
Revenues	6,300,965	6,145,173	5,911,377
Operational	6,266,885	6,390,455	5,718,617
Other operational	34,080	24,718	192,760
Inputs purchased from third parties	(2,038,928)	(1,271,836)	(1,028,266)
Costs of services provided	(1,865,936)	(1,083,328)	(57,837)
Materials, energy, third-party services, and others	(172,992)	(188,508)	(970,429)
Gross added value	4,262,037	5,143,337	4,883,111
Withholdings			
Depreciation and amortization	(27,498)	(22,802)	(19,791)
Net added value produced by the entity	4,234,539	5,120,535	4,863,320
Received in transfer			
Equity income	510,888	518,548	472,525
Financial income	169,221	87,530	371,349
Total added value to be distributed	4,914,648	5,726,613	5,707,194

1. DVA and all the financial information requested in the manual were audited by independent auditors (Deloitte) and the complete report of the Financial Statements can be accessed in the Results Center of the Investor Relations website.

Distribution of added value (R\$ thousand)

	2022	2021	2020
Personnel	(350,118)	(311,040)	(276,998)
Direct remuneration	(197,340)	(179,049)	(191,638)
Benefits	(132,068)	(109,843)	(69,106)
FGTS	(20,710)	(22,148)	(16,254)
Taxes, fees, and contributions	(1,262,044)	(1,655,039)	(1,464,671)
Federal	(1,220,638)	(1,615,078)	(1,424,598)
State	(1,071)	(1,019)	(1,507)
Municipal	(40,335)	(38,942)	(38,566)
Remuneration of third-party capital	(982,695)	(722,726)	(582,875)
Rents	(6,357)	(6,369)	(3,265)
Interest and monetary and exchange variations	(976,338)	(716,357)	(579,610)
Equity return	(2,319,791)	(3,037,808)	(3,382,650)
Interest on equity and dividends	(700,000)	(1,309,030)	(1,670,630)
Retained earnings	(1,619,791)	(1,728,778)	(1,712,020)
Total added value distributed	(4,914,648)	(5,726,613)	(5,707,194)

Governance and

integrity

With shares traded on the B3, the Brazilian stock exchange, our company is managed with the objective of generating value in a sustainable way, based on the growth of business in energy transmission with efficiency and innovation. Transparency and ethics are the basis of the relationship we have established with all shareholders, who trust in our purpose and drive our growth.

Our common (TRPL3) and preferred (TRPL4) shares are listed on B3's Level 1 of governance, with the adoption of good practices and access to information by investors in addition to those required by law. Our majority shareholder is ISA, a multi-Latin company headquartered in Colombia and which exercises direct control through ISA Capital do Brasil S.A. (ISA Brazil).

Leonardo Mercês (Corporate Lawyer), at the Corporate Headquarters (SP).

In 2022, the average daily financial volume of our preferred shares (TRPL4) closed

14.6%

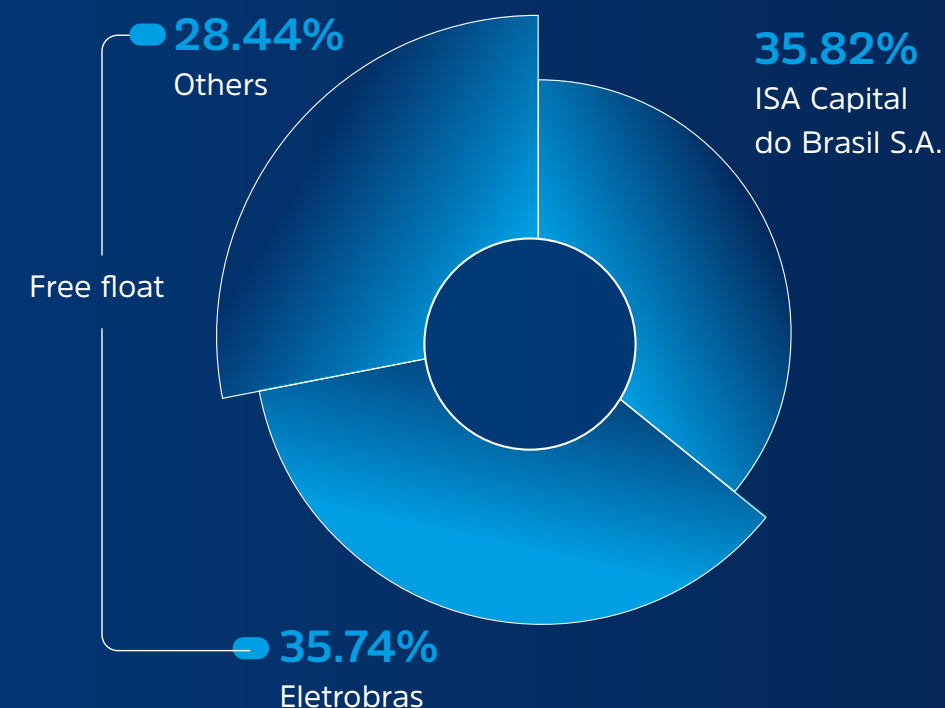
higher than in 2021,

reaching the milestone of

269 thousand

individual shareholders

SHAREHOLDING STRUCTURE (TOTAL COMMON + PREFERRED)



Shareholding structure of CTEP – São Paulo Electric Power Transmission Company

	TRPL3 (common)		TRPL4 (preferred)		Total (common + preferred)	
	Shares	%	Shares	%	Shares	%
ISA Capital do Brasil S.A.	230,856,832	89.50%	5,144,528	1.28%	236,001,360	35.82%
Management	-	0.00%	-	0.00%	-	0.00%
Free float	27,080,900	10.50%	395,801,044	98.72%	422,881,944	64.18%
Eletrobras	25,106,829	9.73%	210,399,836	52.48%	235,506,665	35.74%
Others	1,974,071	0.77%	185,401,208	46.24%	187,375,279	28.44%
Total	257,937,732	100.00%	400,945,572	100.00%	658,883,304	100.00%

ISA in the world

Our controlling shareholder is ISA (Interconexión Eléctrica S.A.), a multi-Latin company with more than 50 years of experience in the electricity, highways, and telecommunications sectors.

In addition to Brazil, the company has businesses in Colombia (where its headquarters are located), in Central America, Argentina, Bolivia, Chile and Peru.

With shares listed on the Colombian stock exchange and ADRs on the New York (United States) stock exchange, ISA has a solid governance system in line with the best international practices. The company is part of important ESG indexes portfolio – such as the Dow Jones Sustainability Index (DJSI), The Sustainability Yearbook – S&P Global and FTSE4Good.

ISA is part of the Ecopetrol Group, one of the largest in Latin America in the energy, oil, and natural gas field. Ecopetrol S.A. is a mixed capital company, with the Colombian government's participation and shares listed on the Colombian and United States stock exchanges.



Click here to learn
more about ISA



Click here
and watch the
video of the
ISA positioning
campaign

Presence in

6 countries in
South America
and in Central
America

4,713

employees in Latin America

50

controlled companies (in addition to
the parent company ISA) and equity
interest in 16 other companies

operations
in energy, highways,
and telecommunications

Event ISA CTEEP Day: Bruno Laurentys (Investor Relations Manager), Dayron Urrego, Carisa Cristal, Rui Chammas, Gabriela Desiré and Silvia Wada (Executive Board).

Conducting business responsibly and in line with best practices is a commitment expressed by ISA CTEEP's set of policies and regulatory instruments. Publicly available on our institutional website and widely disseminated to employees and other stakeholders, these documents explain the parameters of conduct required in our operations and of all those who relate to the company.

All provide for the attribution of those responsible for its implementation and the roles and responsibilities of the various areas involved, with the Board of Directors being responsible for approving the company's fundamental guidelines. Whenever relevant, they mention external standards and national and international references, valuing high levels of performance.

MEETING WITH INVESTORS AND ANALYSTS

On September 22, 2022, we held the ISA CTEEP Day, an annual public meeting aimed at capital market investors. With the participation of the Board of Directors, the event aims to deepen understanding of our company's growth and investment strategy, as well as market trends and opportunities.

In this edition, we address our commitment to excellent management of

ESG aspects and the advances we have achieved on fronts such as promoting diversity and combating climate change. We also had the participation of specialists from the market and the electricity sector and showed how operational excellence and innovation are levers for organic growth and the acquisition of new assets.

To expand its reach to all interested audiences, the 2022 ISA CTEEP Day was broadcast live on YouTube and has already had more than 2,200 views.



[Click here](#) to learn more about ISA CTEEP Day



Alignment with the precautionary principle is explicit in the Environmental Policy and the Policy for Comprehensive Risk Management, which determine assessment and monitoring mechanisms to prevent damage and negative impacts on the company, society, and the environment. Especially with regard to human rights, the Code of Ethics and Conduct, the Code of Conduct for Suppliers and the Code of Corporate Governance deserve special mention, which formalize ISA CTEEP’s commitment to guaranteeing fundamental labor rights. In addition, the Diversity and Inclusion Policy addresses other aspects of human rights that are relevant in the corporate environment, including the promotion of diversity and the fight against discrimination.

Our policies and guidelines strengthen our commitment to good management practices and respect for **human rights**

Main corporate policies and standards

	Approving body	Publication date
Code of Ethics and Conduct	Board of Directors	12/17/2021
Corporate Governance Code	Board of Directors	12/17/2010
Environmental Policy	Board of Directors	12/01/2020
Anti-Corruption Policy	Board of Directors	10/02/2018
Diversity and Inclusion Policy	Board of Directors	04/05/2022
Disclosure Policy	Board of Directors	08/09/2022
Asset Management Policy	Board of Directors	12/01/2020
Information Policy	Board of Directors	12/01/2020
Trading Policy	Board of Directors	08/09/2022
Occupational Health and Safety Policy	Board of Directors	12/01/2020
Service Policy	Board of Directors	12/01/2020
Related Party Transaction Policy	Board of Directors	06/14/1022
Policy for Engagement with Stakeholders	Board of Directors	06/14/2022
Policy for Comprehensive Risk Management	Board of Directors	12/01/2020



[Click here](#) to learn about the set of policies that guide our corporate governance



CAPACIDADES QUE NOS FORTALECEM

Governance structure

Our company's governance is exercised by structured bodies and guided by a set of policies and guidelines that ensure the conduction and growth of the business in line with the best market practices and focus on the generation of sustainable value. The Code of Ethics and Conduct

guides the actions of all managers and employees, establishing rules and standards of conduct to ensure respect for the ethical principles of integrity, responsibility, and commitment to life. The same principles are expanded to the entire value chain.

Direct management is carried out by the Board of Directors, a collegiate body whose members are appointed by the General Shareholders' Meeting to serve a one-year term. Board members can be re-elected and do not exercise executive functions in the company. The appointment process is regulated by

the Law of Corporations, by the Bylaws and by the Internal Regulation of the body. Currently, the Board of Directors does not have members from underrepresented social groups.

At the end of 2022, the Board of Directors consisted of six effective members, specialists in the electricity sector. Among them, we have two independent members and an employee representative.

The Board of Directors' performance, with regular bimonthly meetings, is supported by three Advisory Committees, permanent and non-statutory. The Committees have their own regulations and contribute to further analyzes and evaluations of topics related to their areas of activity. Among them, the Environmental, Social and Governance Committee (ESG) deserves to be highlighted, with the objective of carrying out a critical analysis of the corporate agenda in these aspects, as well as advising the Board of Directors and the Executive Board in conducting the sustainability strategy and in the management of social and environmental impacts.

The prevention of conflict-of-interest situations within the scope of the Board of Directors is provided for in the Internal Regulation of the body and in the Code of Ethics and Conduct. At the beginning of each meeting, once the matters for deliberation have been presented, any advisor who is in a situation of conflict of interest must declare that they have a conflict of interest and do not participate in the discussions on that topic. The condition is recorded in minutes and publicly disclosed on the Investor Relations website.

Also as established in the Internal Regulations and in accordance with good corporate governance practices, the Board of Directors and its Advisory Committees annually undergo a performance self-assessment process. This practice covers the individual performance of advisors and the collegiate as a whole, the frequency and relevance of the agendas discussed over the previous period and the participation of the Executive Board and the Governance Secretariat. The results are used for the continuous improvement of the highest governance body. For example, in 2022, the self-assessment resulted in the strengthening of sustainability, innovation and entrepreneurship guidelines in the annual agenda and in the creation of the ESG Committee.

The creation of the
ESG Committee,
in 2022, strengthened the
discussion of sustainability topics
by the Board of Directors



Carisa Cristal (Executive Director of Finance and IR), Silvia Wada (Executive Director of Strategy and Business Development), Dayron Urrego (Executive Director of Projects), Gabriela Desiré (Executive Director of Operations) and Rui Chammas (CEO).

CONEXÕES QUE INSPIRAM

Our company also has a permanent Fiscal Council, with independent members elected by the General Shareholders' Meeting for a one-year term. Comprised of five members and an equal number of alternates, the Fiscal Council is responsible for overseeing management acts and compliance with legal and regulatory duties, issuing opinions every fiscal year.

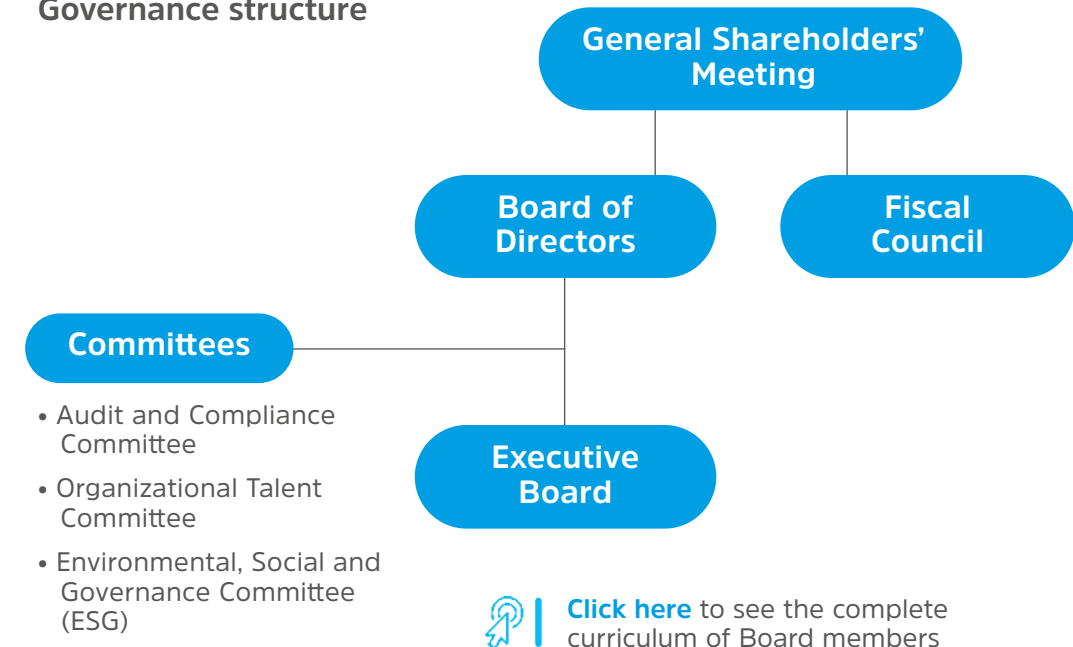
Based on the directions and strategic guidelines established by the Board of Directors, the Executive Board conducts the development of the company's businesses and investments. The collegiate comprises the CEO and four statutory directors responsible for leading and managing projects and strategic initiatives, in addition to four other non-statutory directors.

Senior management members remuneration is defined in accordance with legal and market parameters, with the support of research and consultancy specializing in the subject for the electricity sector. The entire process is supervised by the Organizational Talent Committee, and the global compensation of the Board of Directors and the Fiscal Council is approved at the General Shareholders' Meeting.

Board of Directors members receive fixed monthly compensation and are not eligible for variable compensation and benefit programs. The participation of advisors in Advisory Committees does not represent additional remuneration. As provided for in the Brazilian Corporation Law, Fiscal Council members receive remuneration equivalent to at least 10% of the average amount paid annually to the executive officers, and the body's alternate members are only remunerated when they replace effective members in Fiscal Council meetings.

Executive Board members receive, in addition to the fixed compensation and the benefits package, a variable portion according to the achievement of the goals established and approved by the Board of Directors, including short- and long-term incentives. There is no share-based compensation system. For more information on senior management compensation, including the amounts paid to members of the Board of Directors, Fiscal Council and Executive Board, see chapter 13.1 (Description of Compensation Policy or Practice, Including Non-Statutory Executive Board) of the **Reference Form**.

Governance structure



[Click here](#) to see the complete curriculum of Board members



Corporate Ethics and Compliance Program

Ethics and integrity are at the base of all the decision-making processes we adopt in our company. To ensure the alignment of governance and all employees with these principles, we have structured the Corporate Ethics and Compliance Program, which covers a series of procedures and tools designed to prevent, detect, and respond to situations that are in disagreement with the legislation and our corporate values.

The Code of Ethics and Conduct, revised and approved by the Board of Directors in 2022, presents the ethical principles that

we follow and that must be practiced by all leaders, employees, and business partners. In addition to it, we are guided by the Anti-Corruption and Anti-Bribery Policy, which establishes ethical criteria to prevent cases of conflicts of interest and combat fraud, cases of corruption and bribery in all its forms. In early 2022, we also launched the Code of Conduct for Suppliers, approved by ISA and its companies. The disclosure of all these guidelines is broad and unrestricted, through the institutional website and internal communication channels, reaching 100% of our stakeholders.

Learn more
about our
compliance policies

-  | Code of Ethics and Conduct
-  | Corporate Anti-Corruption and Anti-Bribery Policy
-  | Code of Conduct for Suppliers

Our ethical principles

Commitment to life *Integrity* *Responsibility* *Respect*

In 2022, due to the majority elections for representatives of various political positions (including that of President of the Republic), our Corporate Ethics and Compliance Program reinforced training and awareness raising on the importance of compliance with anti-corruption laws in Brazil and other countries (Foreign Corrupt Practices Act – FCPA –, of the United States, for example). Throughout the year, the topic was discussed in meetings with leaders and directors and in Coffees with Compliance, meetings lasting approximately 30 minutes in which the Business Ethics and Compliance Program is discussed more informally with small groups of employees.

Training actions were also focused on dealing with mechanisms for preventing bribery payments and other types of corruption, cases of conflict of interest and dealing with situations that may involve employees classified as politically exposed persons. Compliance training held annually covers all employees and third parties who represent the company in interactions with government bodies and public agents. In 2022, 97.3% of employees completed these training courses.



*Priscila Sobral Fernandes
(Project Control Analyst)
and Aline Blanco (Board
Secretary), at Corporate
Headquarters (SP).*

Corruption-related risk assessment is integrated with corporate risk management (learn more on page 29). Currently, we have 16 risk events related to the topic, grouped into six corporate risk categories. For each of them, mitigation measures are implemented as provided for in the corporate risk management model.

97.3%

of employees
completed the
Business Ethics and
Compliance Program
training in 2022

The most sensitive aspects are the performance of contracted companies or representatives on behalf of ISA CTEEP in the relationship with the public administration, potential situations of conflict of interest, favoring third parties and improper performance of contracted parties. Among the mitigation actions, we highlight the training of the Business Ethics and Compliance Program, the disclosure of the Code of Conduct for Suppliers, the review of compliance procedures and policies and the publication of a new guideline for the management of fraud risks. In this context and in the wake of the digital transformation, automatic compliance indicators were created in order to monitor transactions that may pose risks to our company.

The Corporate Ethics and Compliance Program also has the Ethics Line, a channel that all stakeholders can consult to clarify doubts or report situations that are at odds with the law or with our ethical principles. The Ethics Line is an exclusive channel, available via the internet and by telephone and completely confidential for secure and, if desired, anonymous

communication. The registered information is managed by an external company, and the protesters can follow the complaint's progress through a protocol number.

Cases received by the Ethics Line are analyzed and investigated internally, under the Ethics Committee's supervision, an executive-level body, and monitored by the Audit and Compliance Committee and the Board of Directors. In 2022, we received 63 manifestations, of which 16 were considered valid, 7 were still under investigation at the end of the period and the other 40 were considered unfounded, inconclusive, or out of scope. Among the confirmed cases, seven were classified as violations of internal rules, six as misbehavior, two as misappropriation of materials and one as a conflict of interest. There were no confirmed cases of corruption, fraud, bribery, money laundering, discrimination, or competition issues, nor legal proceedings related to these topics. All 63 manifestations were communicated to the Ethics Committee and the Audit and Compliance Committee and reported to the Board of Directors.

HOW TO ACCESS THE ETHICS LINE



Telephone

0800 777 0775
Monday to Saturday, from
9 a.m. to 5 p.m.



Website

[https://www.
canalconfidencial.com.br/
linhaeticaisacteeep/](https://www.canalconfidencial.com.br/linhaeticaisacteeep/)



E-mail

linhaetica@isacteeep.com.br



Mobile app

GRUPO ISA Línea Ética
iOS and Android

*Tulio Villanacci Pereira
(Asset Integration
Engineer), at Corporate
Headquarters (SP).*

Risk management

The integrated management of corporate risks is one of the main fronts of our corporate governance to ensure the continuity of value generation and the creation of positive socio-environmental impacts in the long term by our company. The processes and tools we adopt in this area follow the guidelines established in the Comprehensive Risk Management Policy and in the Risk Management Manual of ISA CTEEP and its subsidiaries.

In addition, our procedures are in constant evolution and continuous improvement. In 2022, we started a broad front of evaluation and adequacy of internal controls and audit procedures to align our management model with

the standards of the Sarbanes-Oxley Act (SOx), implemented in the United States and considered a reference in the improvement of controls and financial statements.

This advance will bring even more robustness to our internal controls environment, improving process documentation and disseminating this culture throughout all areas of the company. For our business partners, adopting these high standards adds transparency and assurance about the integrity of our financial controls. The entire system will be periodically evaluated by Ecopetrol, which is responsible for public accountability of the adherence of the companies that make up the group.

We started implementing **SOx standards** in our operations, strengthening the internal controls environment

Cabreúva Substation (SP).

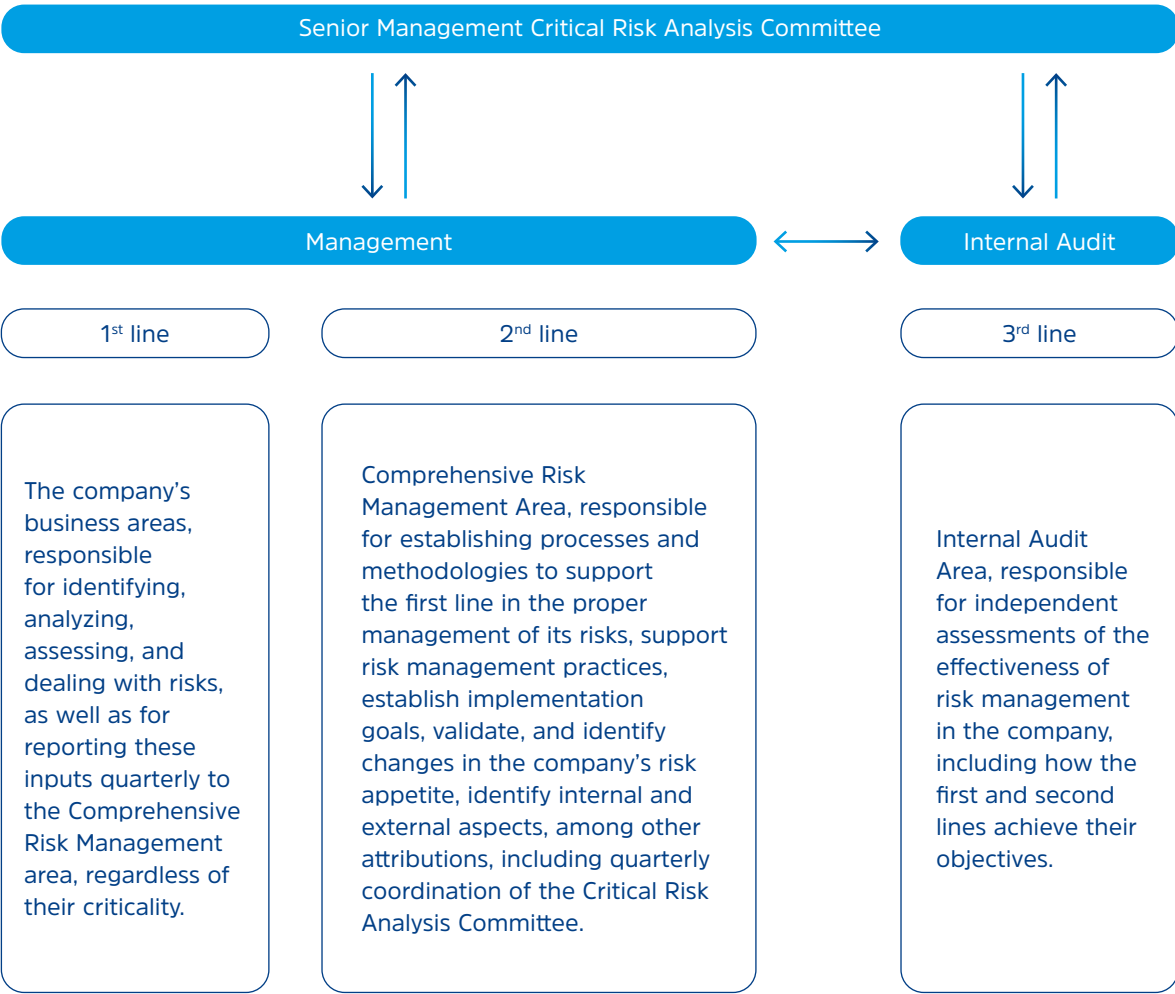
Our structure for risk management is in line with the concepts of the ISO 31000 standard and the Three Lines Model of the Institute of Internal Auditors (IIA). This approach involves all business areas, which are responsible for identifying, analyzing, and dealing with risks as a first line of defense. In addition, the Comprehensive Risk Management area acts as a second line by supporting the different areas with the establishment of processes and methodologies, in addition to monitoring the implementation of internal controls according to targets and schedules. Finally, the Internal Audit represents the third line of defense, being responsible for the independent assessment of the effectiveness of

the risk management mechanisms, contributing to the continuous cycle of improvement.

At the executive level, this work is monitored by the Critical Risk Analysis Committee, which brings together directors and those responsible for managing the risks mapped and prioritized in the Corporate Risk Matrix. We also have a Business Continuity Committee, whose objective is to establish management standards for responding to emergencies and crises, guaranteeing the continuity and recovery of operations in the event that mapped risks materialize.

Our risk management structure is in line with the concept of the **three lines of defense** and the ISO 31000 standard

Risk management governance



Jonathas José dos Santos (Real Time Potential System Operator), at the Bom Jardim (SP) office.

In 2022, we prepared Operational Continuity Plans (PCOs), in response to the main risks related to disaster and emergency situations. Currently, we have eight PCOs, related to operation, maintenance, network supervision, telecommunications, infrastructure, and information systems. Based on these, in 2023 we will start training teams and carrying out tests to verify the effectiveness of the PCOs and propose improvement measures. In addition, we have Environmental Emergency Preparedness and Response Plans, within the scope of the Environmental Management System, to prevent and mitigate environmental impacts associated with occurrences of fires, explosions, leaks, or other types of accidents.

The Board of Directors follows up and monitors the evolution of risk management processes continuously, with the support of the Audit and Compliance Committee. In addition to business risks, this structure evaluates and monitors a series of externalities and macro trends of changes that may have an impact on the company, with the aim of reorienting the business strategy to optimize the generation and protection of value.

In our integrated vision, since 2021 we have been working to assess risks and opportunities for our businesses associated with climate change. In the last year, we advanced in this assessment and disclosed the main evolutions in the CDP platform (learn more on page 80). In 2023, our goal is to expand and strengthen this work.

CYBER RISK MANAGEMENT

The growth in the digitization of ISA CTEEP's operations and assets significantly increases efficiency in the management of power transmission assets, but also increases business exposure to cyber risks. In this context, one of the most relevant topics on which we have worked is the promotion of cybersecurity.

Digital security requires both the acquisition and implementation of equipment and other systems to protect digital environments and the strengthening of digitally safe behaviors by all employees. For this, we invest in training and continuous communication campaigns, covering 100% of employees.

In 2022, the effectiveness of our cybersecurity model was tested in the Guardiã Cibernético 4.0 exercise, a simulation of hacker attacks on the country's main infrastructure, organized by the Brazilian Army's Cyber Defense Command.

The objective was to evaluate, for three days, the mechanisms of communication and response to cyberattacks on electricity structures. The Cyber Guardian is the largest cyber defense event in the Southern Hemisphere. As a result, the processes implemented in the company were considered satisfactory.





Strategy and

performance

Purpose and Values

Connections that Inspire

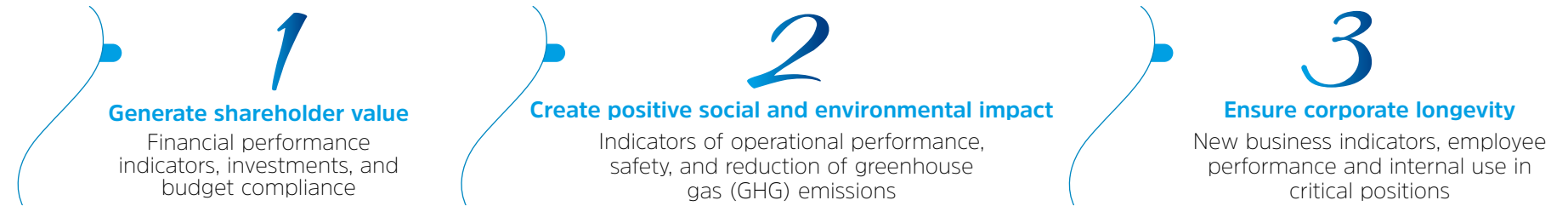
Our values are translated into our Manifesto, which guides our 2030 Strategy and our decisions to promote Connections that Inspire, beyond electricity transmission.



Click here to watch the video about our Manifesto

Our strategy is to generate sustainable value

Three strategic pillars guide our operation and performance monitoring in operations



Four dimensions underpin our growth vision with long-term sustainability (acronym V.I.D.A.)



Green

- Minimize the environmental impacts of operations
- Promote initiatives that generate a positive environmental impact

Innovation

- Take advantage of business opportunities arising from technological evolution and trends in the electricity sector

Development

- Develop organizational capabilities to face long-term challenges
- Contribute to the development of communities and the entrepreneurship ecosystem

Articulation

- Establish alliances to achieve strategic objectives

With a population that reached 8 billion people in 2022 and continues to grow, our planet needs more sustainable businesses so that all people have their basic needs met. The availability of electricity is essential for human life and, therefore, we work at ISA CTEEP guided by a strategy that prioritizes solid growth, creating positive environmental and social impacts and consistent results for the company's longevity.

Within this context, accelerating the transition to a clean energy matrix with more renewable sources is one of the most urgent needs for sustainable development. Transforming the electricity sector is essential for reducing greenhouse gas emissions and mitigating the impacts of climate change. In addition, as an adaptation measure, it is necessary to guarantee a robust electrical infrastructure that is resilient to extreme weather events that may become more frequent, in addition to strengthening competitiveness so that we can advance in gaining new businesses, with innovation, consolidation of new technologies and increased continuous improvement in operational efficiency.

This growing demand, associated with the reduction in equipment costs, has accelerated the construction and installation of projects to take advantage of the renewable energy potential in the country's new frontiers. The Energy Research Company (EPE), linked to the Ministry of Mines and Energy, estimates a growth of 150% in the energy export capacity of the Northeast Region between 2021 and 2026*. Southeast Region states, in turn, are the largest consumers, accounting for about 50% of the country's electricity consumption in 2022.

In view of this rapid expansion and considering the difference in construction deadlines for smaller renewable plants (up to three years) and transmission lines (about five years), EPE estimates that the 2023 transmission auctions will surpass the mark of R\$ 50 billion in investments, almost 3 times greater than in 2022 and one of the largest in the 21st century, aimed at expanding and accelerating the flow of this energy and ensuring security of supply for the electricity sector.

**EPE's Ten Year Energy Expansion Plan 2031.*

Investment in
the transmission
sector is essential
to accelerate
the transition to
an even more
renewable energy
matrix in Brazil.
**With no
transmission,
there is no
transition**

Parallel to this global journey of less dependence on fossil fuels, the expansion dynamics of Brazil's electrical system has been rapidly changing. The Free Contracting Environment (ACL), in which industries and large businesses connected to the medium and high voltage network negotiate contracts for the purchase of energy and can choose to access only renewable sources, already accounts for more than 35% of all electricity consumed in the National Interconnected System (SIN)*.

The trend is that, with the modernization of government regulations, more companies and even final consumers connected to low voltage can be part of the so-called free energy market or even invest in distributed generation systems (DG). This protagonism of consumers will exponentially increase the complexity in planning and operating the electrical system. In this new environment, providing operational flexibility will become a fundamental activity for network operators and will increase the demand for new technologies and services associated with transmission.

+35%

of the energy consumed in the National Interconnected System (SIN) is traded in the Free Contracting Environment (ACL)

Investment in energy transmission assets that allow greater integration of renewable sources and operating flexibility is essential to accelerate the energy transition and the competitiveness of the energy sector. Thus, in the countryside and in the cities, industries, businesses, and homes can be safely supplied to carry out activities that promote the country's growth and socioeconomic development.

THE 5 "DS" CONCEPT

According to ISA and its companies, investments in electricity aim to support the construction of safe, equitable and environmentally sustainable systems, forming a balanced and carefully managed tripod between the three dimensions.

Therefore, the company's priority is to maintain this balance in the context of a rapid energy transition to decentralized, decarbonized, digital, deregulated and demand-driven systems – attributes known as the 5 "Ds."

*2022 Balance Sheet of the Electricity Trading Chamber (CCEE).

Operational excellence

Excellence in the management of energy transmission assets is one of the main pillars of our strategy for sustainable growth and value generation. Considering the implementation of good practices and an asset management culture, we prepare and execute plans for the operation, maintenance, and modernization of assets with a focus on operational efficiency and guaranteeing the supply of energy to society. The principles to support decisions, activities and behaviors consider an integrated view of the life cycle of each piece of equipment and the optimization of cost, risk, and performance, with the aim of maximizing our delivery of value.

Committed to this purpose, in addition to the technical and psychosocial certification required by the National System Operator (ONS), we participate in important international references, such as The International Transmission Operations

& Maintenance Study (ITOMS). We also have five Regional Offices installed in the country (Cabreúva, Taubaté, Bauru, São Paulo, and Expansão Nacional), a Transmission Operation Center (COT) in Jundiaí that fully manages all the installations and a Rear Operation Center (COR) in Cabreúva.

We carry out asset maintenance planning at the strategic, tactical, and operational levels, ensuring early coordination of interventions with the ONS and other agents, minimizing risks and costs, and improving the performance of our assets. Through reinforcement projects and equipment improvements, we modernize the transmission infrastructure installed more than 30 years ago. Investments in reinforcements and improvements are concentrated in Contract 059/2001, a renewed concession by ISA CTEEP and responsible for approximately 60% of our potential Annual Permitted Revenue (RAP) in the 2022/2023 cycle.

Reinforcements include replacing or renovating existing equipment, or adapting installations to increase transmission capacity. Improvements are the works carried out for the installation, replacement, or renovation of equipment in existing infrastructures, or the adaptation of these facilities.

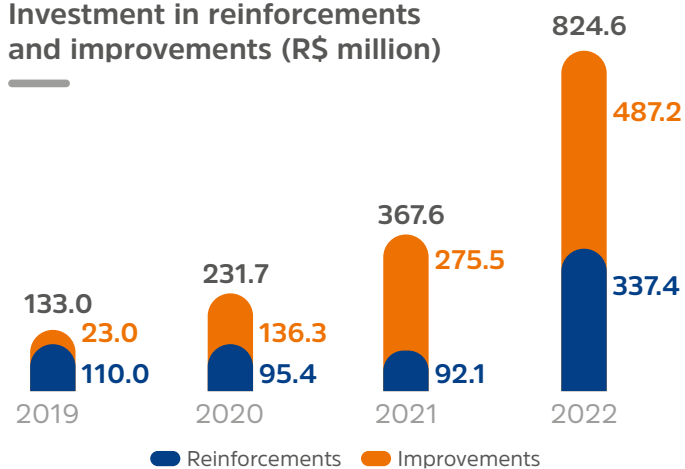
The planning of these investments is carried out by the company in line with the Decennial Energy Expansion Plan (PDE), prepared and updated annually by the Energy Research Company (EPE) and which guides the investments necessary for the modernization and expansion of the National Interconnected System (SIN) in the next decade. Projects are prioritized according to a risk matrix that takes into account possible risks and impacts and the criticality of asset depreciation.

In addition to the benefits for society – such as more security in the energy supply and reduction of SF₆ emissions –, investments in reinforcements and improvements promote the company's organic growth, increasing the revenue of Contract 059/2001, calculated by the National Energy Agency (ANEEL) with criteria other than the RAP discount on projects won at auctions.



With the concession renewed until 2042, Contract 059 covers 14.6 thousand kilometers of transmission lines and 110 substations in the state of São Paulo. The reinforcement and improvement plan that we structured for these assets foresees an additional investment authorized by ANEEL of around R\$ 5 billion, until 2027, for the replacement of equipment (improvements) and increase in transmission capacity (reinforcements). In 2022, we invested approximately R\$ 825 million, a significant increase of 124% compared to the previous year. Approved by ANEEL, reinforcement and improvement projects are remunerated by the granting authority and strengthen the company's cash flow from its entry into operation (large size) or according to the five-year tariff review cycles (small size).

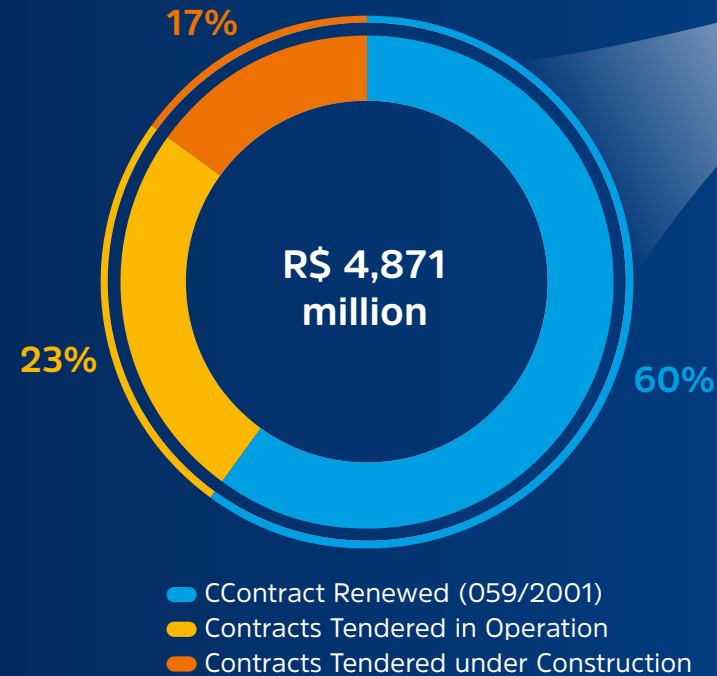
Investment in reinforcements and improvements (R\$ million)



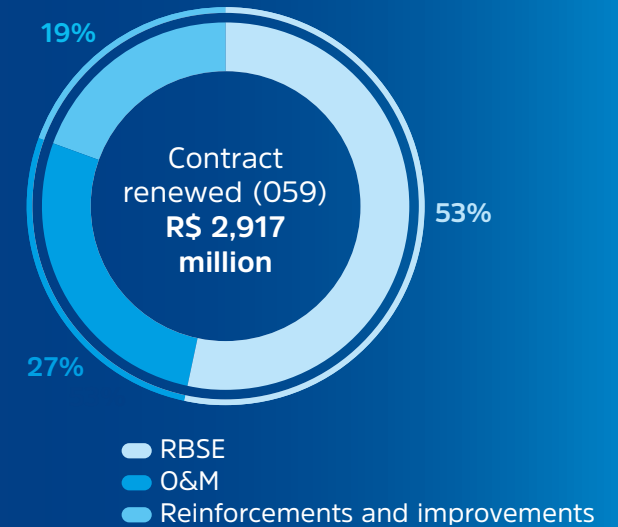
The RAP of Contract 059/2001

represents 60% of the Potential RAP of ISA CTEEP - Cycle 2022/2023 and has a high potential for organic growth from the materialization of the investment plan for reinforcements and improvements.

ISA CTEEP Potential RAP - Cycle 2022/2023¹



1. Cycle from July/22 to June/23, considering Adjustment Portion (PA) and revenue proportional to ISA CTEEP's share.



Almost
20%
of RAP

is made up of additional remuneration for **reinforcements and improvements**, with new equipment and strengthening of transmission capacity and reliability.

Asset management

The company's Asset Management Policy, approved by the Board of Directors, guides decisions, activities, and behavior in asset management, considering an integrated life cycle view and the optimization of cost, risk, and performance.

We adopt good asset management practices based on regulatory requirements to ensure the reliability of services provided to society, as well as maximize the availability rates of equipment, substations, and transmission lines, which mark the receipt of the RAP.

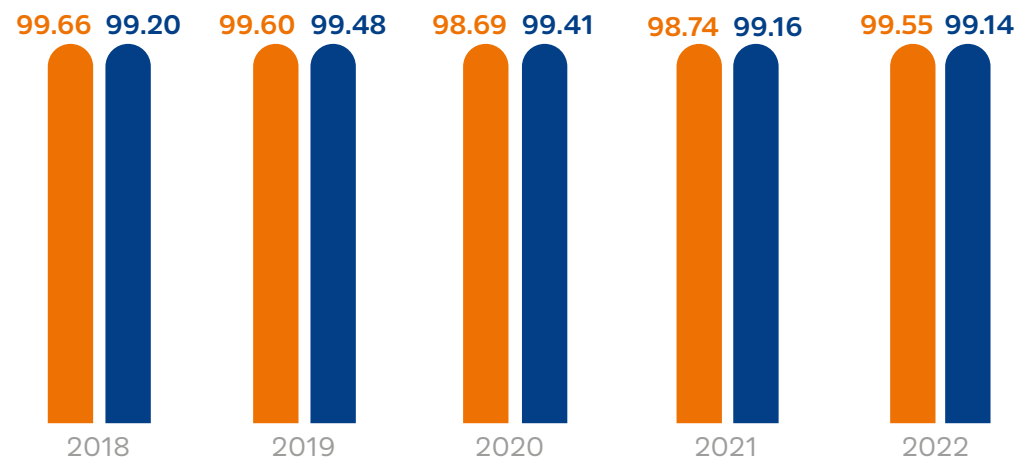
In prioritizing the replacement of assets, the use of the decision matrix stands out, which considers aspects of criticality and life expectancy. Among the evaluated criteria, the risks and systemic, safety, financial, environmental impacts and reputation of the company are considered.

Claudio Telles de Freitas Junior (Substation Installation Technician), Taini Pavanelli Anes (Maintenance Coordinator) and Luigi Lembo (Telecom Controls Maintenance Technician), at the Centro Substation (SP).

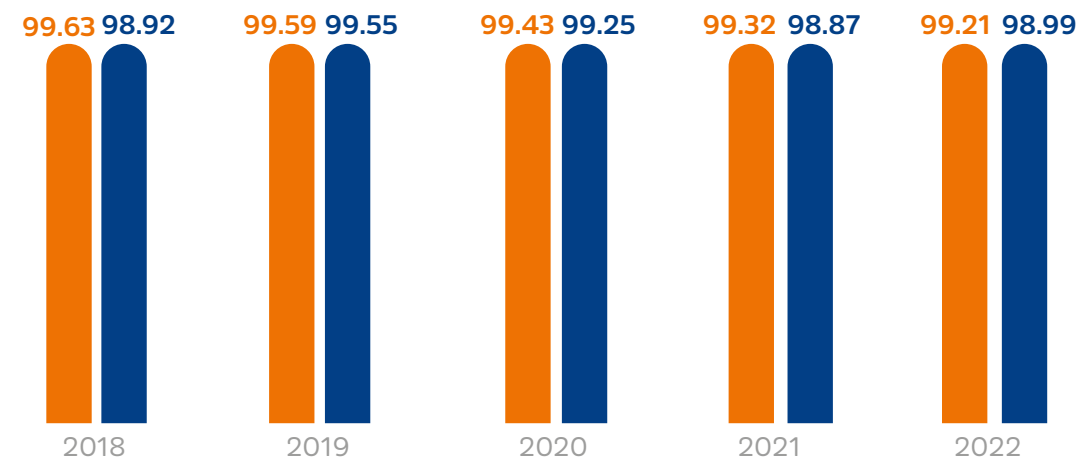




Average availability of transmission lines**

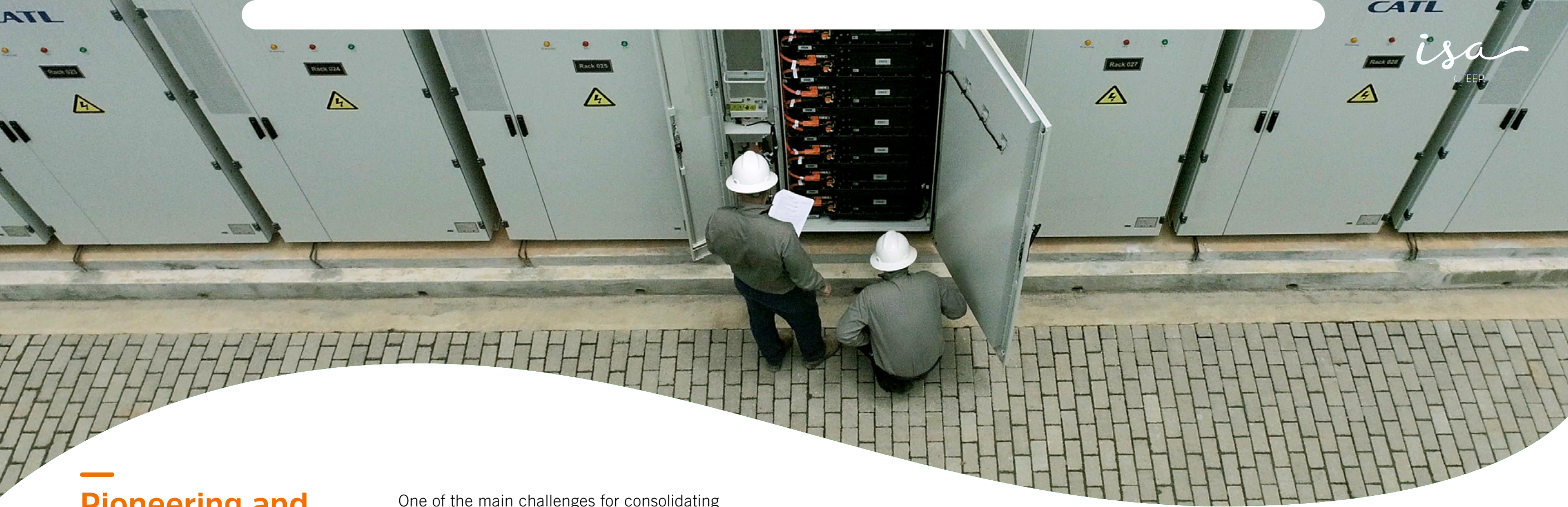


Average availability of transformers*



ISA CTEEP ANEEL Reference

*Only core network assets are considered. In 2022, there was a change in the methodology for calculating ISA CTEEP's availability rates, which now rely on the numbers made available monthly by the ONS. Until 2021, these numbers were calculated based on an internal methodology by ISA CTEEP. In 2022, data up to October were considered, since the SIN/ONS reference values were not available until the completion of this report. For the ANEEL reference, the result average for the equipment families of the entire basic network was used.



Pioneering and innovation for energy storage

One of the main challenges for consolidating the energy transition to a cleaner and more renewable matrix is the impossibility of controlling intermittent generation from wind and solar power plants, as occurs in hydroelectric and thermoelectric plants. Therefore, one of the central aspects for the electricity sector is the energy storage capacity for on-demand dispatch.

In 2022, we energized Brazil's first large-scale energy storage project. The initiative is part of the reinforcement and improvement program

of Contract 059/2001 and is important to guarantee energy availability to the population of the South Coast of São Paulo during the consumption peaks in vacation periods and high season.

Installed at the Registro Substation, the system has 180 racks of lithium batteries that use the most modern technology available on the market. With 30 MW of power, the complex occupies an area of 5 thousand

square meters (half a football field) and has the capacity to supply up to 2 hours of peak consumption, totaling 60 MWh of additional energy in that period. Thus, the reinforcement helps to avoid supply failures during the increase in consumption due to the holiday period, benefiting around 2 million people. The project is already bearing fruit, having carried out its first discharge of stored energy (peak shaving) on December 31, 2022.

Another advantage is the mobility and reuse capacity of the infrastructure for other regions, when reinforcement is no longer necessary in the current installation location due to structural improvements that will increase the transmission capacity.

The energy storage project was proposed to ANEEL as an alternative to the initial sectoral planning of installing and activating diesel-powered energy generators to supply the additional demand in the region. It is estimated that, in two years of operation, the emission of more than a thousand tons of greenhouse gases (tCO₂e) will be avoided without the use of fossil fuels and logistical operations to supply the generators.

The work to install the battery bank at the Substation was carried out in just 12 months, a record period for an installation of this size. The investment authorized by ANEEL (R\$ 146 million) enables an increase of approximately R\$ 30 million in the annual revenue of Contract 059/2001.



Large-scale energy storage project.



180
lithium battery
racks installed

5,000 m²
of area

60 MWh
of additional energy*
*Enough to supply up to 2 hours
of peak consumption.

30 MW
of power

1,194 tCO₂e
avoided
in two years

250 jobs
generated during the
construction phase

R\$ 146 million
in ANEEL
investments

R\$ 30 million
RAP¹, approximately
1. June 2021 values, according
to ANEEL Authorizing Resolution
10.892/2021.

Regulatory context

The directives and guidelines of regulatory bodies in the electricity sector, in particular those of the National Electric Energy Agency (ANEEL) and the Ministry of Mines and Energy (MME), have a significant impact on our activities and operations. For this reason, in our business strategy, the management of the relationship with the granting authority and autarchies is one of the fronts on which we operate, with the objective of building innovative solutions and strengthening the entire electric energy sector.

Our way of acting includes participation in associations that bring together peer companies in Brazil and participation in thematic forums on the most relevant topics for the sector's development. Among these associations, the Brazilian Association of Electricity Transmission Companies (ABRATE) and the Brazilian Association of Base Industries Infrastructure (ABDIB) stand out, in which we participate in different thematic chambers.

At ABRATE, we coordinate the Transmission Systems Expansion Committee, contributing to the evolution of regulation and criteria that involve planning and sectoral development; we participate in the Regulatory Committee, contributing with technical subsidies for updating concession guidelines, tariff regulation, asset remuneration and transmission quality; and we participate in the Institutional Relations Committee, contributing with proposals to improve legislative matters for transmission lines and energy storage.

Within the scope of the sustainability agenda, focusing on the issue of energy transition, we operate in the Working Group on Climate Change and in the Environmental Committee of ABRATE, in the Working Group on the Environment of the Ethos Institute of Social Responsibility and in the Technical and Business Council of the Pact for National Infrastructure and Logistics Efficiency – Besc Institute of Humanities and Economy.

As health and safety is a value of our company, we dedicate efforts to participate in ABRATE's Health and Safety Committee and ABDIB's Infrasocial Committee. In these forums, we discussed and made contributions to improve sectoral actions aimed at the physical, professional, and mental health of professionals in the electricity sector, and also for the promotion of health, education, and national public safety, driven by Training and Capacity Building, Diversity and Inclusion, Social Entrepreneurship and Local Development initiatives.

In our governance, we adopt the best business practices to promote ethics and compliance. That is why, in 2022, we also participated in the Integrity Working Group of the Ethos Institute of Social Responsibility, integrating the Business Movement for Integrity, Transparency and Fighting Corruption.





Rui Chammas, Helen Vendrameto, Layane Fernanda Lira, Ricardo Pereira (former Secretary of Electric Energy of MME), Gabriela Desirê, Taini Pavanelli and Samantha da Cruz Avila.

300
professionals

of the industry participated
in the 17th Meeting for
Debates on Operational
Issues, held by ISA CTEEP, and
promoted by ONS and the
Brazilian Committee of CIGRE



Focused on valuing excellence in planning and operation, we support the holding of events of great significance and importance for the electricity sector. Among them, the National Meeting of Power Sector Agents (ENASE) and the II International Seminar on Electric Power Transmission (SINTRE) stand out. We also organized the 17th Meeting for Debates on Operational Issues (EDAO), promoted by the ONS and the Brazilian Committee of CIGRE, which welcomed more than 300 professionals from the sector and promoted the presentation of 35 technical papers on challenges and opportunities in the generation, transmission, and distribution segments' integration in the country.

In 2022, we also focused on preparing the company for the new Periodic Tariff Review (RTP) cycle of the concession covered by Contract 059/2001, which will take place in 2024. We dedicate efforts to the evaluation and preparation of preliminary calculations in order to identify opportunities for improvement and ensure compliance with the agency's guidelines and regulations for the process.

Centro Substation

On October 4, 2022, ANEEL approved an amendment to concession contract 059/2001. According to it, the Centro Substation (CTR) was removed from the scope of the concession and included as a bidding object in auction 02/2022, on December 16, 2022. On January 18, 2023, the ministers of the Federal Court of Accounts (TCU) decided, unanimously in a judgment session, to invalidate the rebidding of the asset, maintained as part of the ISA CTEEP concession contract. However, ANEEL appealed against the decision. We will continue to monitor any developments on the subject.

Reprofiling of RBSE

The reprofiling of the financial component of the Basic Network Existing System (RBSE) was defined by ANEEL in 2021, after judgment of the administrative appeal filed against Ratifying Resolution No. 2714/2020 on the result of the company's 1st Periodic Tariff Review.

That year, the regulatory body rescheduled the payment of the RBSE from five to eight

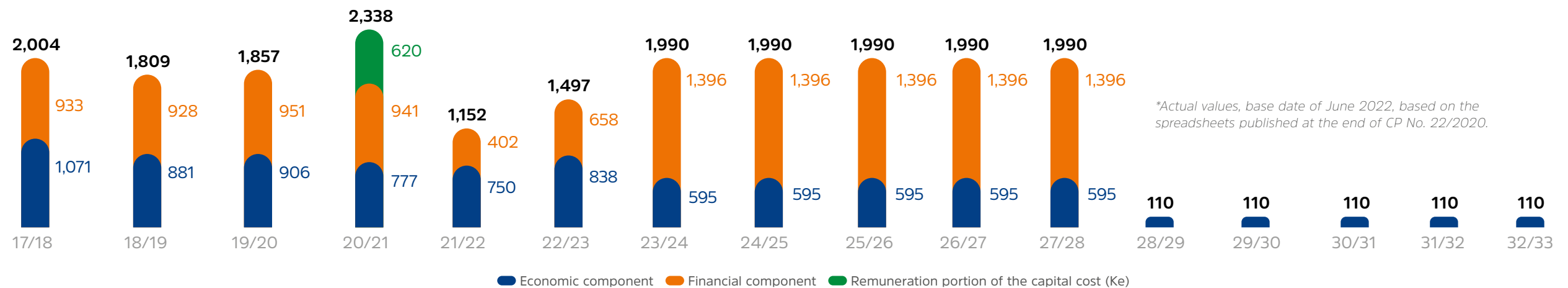
years (until 2028), maintaining the criteria previously established in ANEEL Normative Resolution No. 762/2017. The new RBSE financial flow impacts the cash flow in the 2021/2022 and 2022/2023 cycles. As of the 2023/2024 cycle, the payment flows forecast by ANEEL return to levels similar to those approved in Ratifying Resolution No. 2.714/2020.

Therefore, the measure did not alter our strategy of sustainable growth, investment, and austerity in costs, in the quest to maximize the generation of value for our shareholders and stakeholders.

During 2022, ANEEL accepted the request for analysis of requests for reconsideration of the payment of the RBSE's financial component, established by Ratifying Resolution No. 2.258/2017. ABRATE and the

broadcasters presented a manifestation contrary to the arguments presented in the requests for reconsideration and also, through a lawsuit, requested space to present a new position in view of the suspension of the monocratic order that disregarded the 2017 Resolution. Thus, ISA CTEEP has been actively trying to demonstrate that administratively exhausted decisions should not be changed and that the current rights and calculations are correct.

RBSE receipt flow after reprofiling (R\$ million)*



Solidity and growth

The asset portfolio's diversification, through the acquisition and development of new assets, is another aspect of sustainable growth for our company. The energization of new transmission lines contributes to expanding the national demand's supply for new electrical connections and guaranteeing the safe supply of energy, strengthening the capacity to generate value for our shareholders and for society.

In 2022, we energized five new projects, one of them (Ivaí) partially. Two of them are 100% controlled by ISA CTEEP and add RAP of R\$ 56 million. Three other projects, in partnership with TAESA, have a RAP of R\$ 300 million, weighted by ISA CTEEP's participation (50%). By September 2022, approximately R\$ 1.1 billion had been

invested by the company, its own companies 100% and jointly controlled companies.

One of the main energized assets, from a technological point of view, was **IE Biguaçu**, a wholly-owned subsidiary in the state of Santa Catarina. Finished one year before the deadline established by ANEEL, the project materializes the delivery of Lot 1 of transmission auction 002/2018.

IE Biguaçu

is the first transmission project in Brazil that integrates overhead, underground, and underwater transmission lines. The project covers 54 kilometers of circuits and a new substation

We also concluded the **Três Lagoas Project**, corresponding to Lot 6 of ANEEL transmission auction 002/2019. The project is part of the assets of IE Tibagi, a wholly-owned subsidiary in the state of São Paulo.

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

IE Paraguaçu and **IE Aimorés** (Lot 3 and Lot 4 of transmission auction 013/2015-II) were energized in the last year, strengthening the capacity to transport energy generated from renewable sources in the Northeast to the Southeast of the country. **IE Ivaí** (Lot 1 of auction 005/2016), in turn, interconnects 41 municipalities in the state of Paraná and includes the Guaíra Substation, with forecast for energization in 2023.



Rui Chammas (CEO), Silvia Wada (Executive Director of Strategy and Business Development) and Dayron Urrego (Executive Director of Projects), at B3's headquarters.

New assets

The year 2022 was marked by the achievement of two new deals in one of the largest energy transmission auctions ever held by ANEEL. We won Lots 3 and 6 of auction no. 01/2022, with an expected investment (Capex ANEEL) of R\$ 3.9 billion.

This amount is the highest made by the company in a single auction since 2016. The projects include the construction of 1,100 kilometers of circuits and 3 substations, with a RAP of R\$ 299 million. During construction, the projects should generate almost 8,000 direct jobs.

The **Piraquê Project** (Lot 3) consists of the construction of five 500 kV transmission lines and one 345 kV transmission line, in addition to 2 new substations. The asset will increase the flow capacity of energy generated from renewable sources in the northern region of the state of Minas Gerais.

The **Jacarandá Project** (Lot 6) provides for reinforcements at the Água Branca Substation,

located in the municipality of Guarulhos (São Paulo). The investments aim to meet the demand for cargo in one of the main industrial centers in the metropolitan region.

In 2023, sectoral planning foresees holding up to three transmission auctions, with an estimated investment of more than R\$ 50 billion. Our management and planning capacity are relevant competitive advantages for gaining new business and continuing the company's growth.

Our participation in auctions and offers for new lots is carried out based on previous studies that aim to enhance value generation for shareholders, the creation of positive socio-environmental impacts and the contribution to the expansion and safety of the electricity sector. We evaluate potential partnerships that generate synergy gains or minimize technological, socio-environmental, land, financial and security risks, among others.

Since 2016, we have won 16 new projects, totaling more than

R\$ 10.2 billion

in investments (Capex ANEEL, weighted by ISA CTEEP's share) and

R\$ 1.1 billion

in RAP increase

We have relevant competitive advantages that strengthen our ability to win new assets in auctions:

- Differentiated and positive relationship with suppliers for management and organization of costs in carrying out recurring and growing investments in reinforcements and improvements;
- Specialized human capital, capable of presenting competitive technical engineering solutions;
- Ability to anticipate processes such as negotiations with suppliers and licensing;

- Solid capital structure to leverage projects with competitive costs;
- High potential for operational synergies with current assets.

We also monitor and evaluate opportunities for carrying out mergers and acquisitions (M&A) in the transmission sector, considering assets of strategic interest, which present a risk and return ratio adequate to the asset's profile.

Construction

In 2023, we will continue with the construction of other projects sold at ANEEL auctions.

IE Itaúnas (Lot 21 of auction 13/2015) is in the final phase of obtaining the operating license, and its start-up in Espírito Santo is scheduled for 2023.

In Rio Grande do South, where we operate IE Sul, we obtained, in 2022, a prior environmental license for the **Minuano Project** (Lot 3 of the 02/2019 auction), which consists of installing a substation and 115 kilometers of lines to serve the State's mountain region.

In Minas Gerais, we continue with the works of the **Triângulo Mineiro Project** (Lot 7 of the 02/2019 auction), of great importance for serving the municipalities in the region of Triângulo Mineiro and Alto Parnaíba. The works include the construction of 3 new substations, 2 transmission lines of 158 kilometers and 300 towers, in addition to the expansion of SE Nova Ponte, which belongs to another company.

In the state of São Paulo, we advanced with the construction of **IE Riacho Grande** (Lot 7 of the 01/2020 auction), a 60-kilometer stretch of circuit lines and a new substation.

Map of new assets

In 2022, we energized five projects, advanced in the construction of another four assets and won two new lots in the ANEEL auction. To learn about all the company's assets, see the "Where we are" section, on page 14.

IN OPERATION 100% ISA CTEEP

- 1 IE Biguaçu**
RAP¹: R\$ 49.7 million
Investment²: R\$ 472.5 million
In operation since September 2022
- 2 Três Lagoas Project – IE Tibagi**
RAP¹: R\$ 6.5 million
Investment²: R\$ 86.9 million
In operation since June 2022

IN OPERATION 50% ISA CTEEP

- 3 IE Paraguaçu**
RAP¹: R\$ 71.4 million
Investment²: R\$ 333.4 million
In operation since July 2022
- 4 IE Aimorés**
RAP¹: R\$ 47.8 million
Investment²: R\$ 197.5 million
In operation since May 2022
- 5 IE Ivaí**
RAP¹: R\$ 180.8 million
Investment²: R\$ 926.4 million
In partial operation since November 2022



UNDER CONSTRUCTION 100% ISA CTEEP

- 6 IE Itaúnas**
RAP¹: R\$ 63.4 million
Investment²: R\$ 335.4 million
- 7 Minuano Project – Evrecy**
RAP¹: R\$ 46.5 million
Investment²: R\$ 312.3 million
- 8 IE Riacho Grande**
RAP¹: R\$ 81.8 million
Investment²: R\$ 105.6 million
- 9 Triângulo Mineiro Project**
RAP¹: R\$ 40.5 million
Investment²: R\$ 361.9 million
- 10 Piraquê Project**
RAP¹: R\$ 285.7 million
Investment²: R\$ 51.1 million
Lot tendered in 2022
- 11 Jacarandá Project**
RAP¹: R\$ 13.4 million
Investment²: there was not
Lot tendered in 2022

1. 2022/2023 Cycle.
2. Until 12/31/2022.

Innovation management

The incorporation of new technologies and processes in management and operations increases our company's competitiveness and efficiency. Innovation, as well as operational excellence and gaining new business, is a central theme of our 2030 Strategy, aimed at promoting growth and generating positive impacts throughout the value chain.

From the adoption of construction methods with lower environmental impacts to structured

interaction for open innovation with startups and educational institutions, our goal is to find solutions that contribute to the Brazilian electricity sector to accelerate the energy transition to a matrix with a greater presence of renewable sources, guaranteeing security and reliability to society. We are also looking for new opportunities to strengthen competitiveness in auctions, expand the generation of financial value and boost our employees' culture of innovation and entrepreneurship.



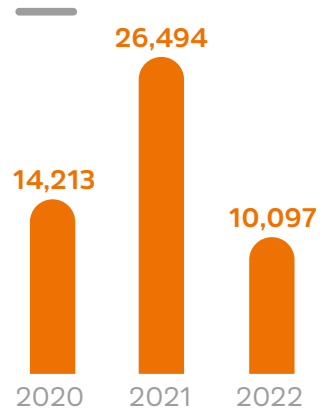
COT – Transmission
Operation Center.

The Research and Development (R&D) Program, regulated by ANEEL, is an important lever for innovation in our business. Through this front, we allocated R\$ 10.1 million in 2022 to different projects developed in partnership with universities, research centers and startups. The 48% reduction in R&D investments compared to 2021 reflects the project portfolio maturation cycle, in which financial efforts vary in each phase. In addition to this amount, we allocated approximately R\$ 4 million to support measures to respond to the Covid-19 impacts, through the Energy Development Account (CDE), in accordance with Law No. 14.120/2021, maintaining the historical average investment of R\$ 14 million. In 2022, the

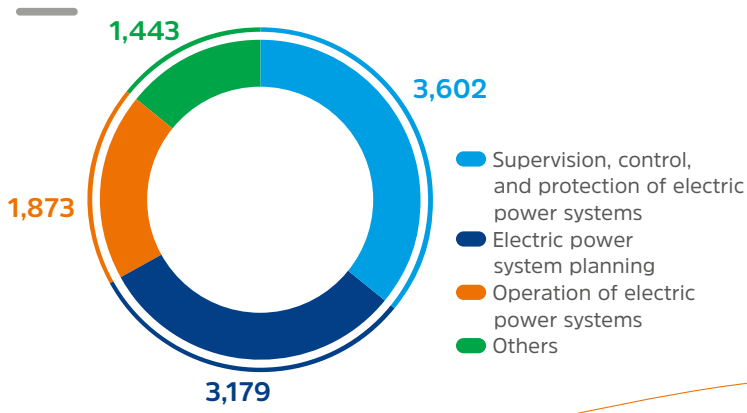
Innovation Committee approved R\$ 23.8 million in investments in R&D, which will be carried out between 2023 and 2024.

Our Innovation Management System organizes decision-making and ensures the connection of investments to the objectives of the 2030 Strategy, with a comprehensive view of innovation in our business and opportunities in new markets. With this structure and way of acting, we have driven the execution of outstanding projects in the national electricity sector and developed an innovation culture among our employees.

Investments in R&D (R\$ thousand)*



Investments in R&D in 2022 by ANEEL research line (R\$ thousand)*



*Considers ISA CTEEP and 100% controlled companies.

We will invest **R\$ 47 million** in innovation, until 2025, through the ANEEL R&D Program



Line inspection by drone.

How we manage innovation





Large-scale energy storage project.

Large scale energy storage

The project for the construction of a battery bank at the Registro Substation, energized in 2022, is the first of its kind on a large scale carried out in Brazil. Pioneering on this front adds competitive advantages to our company, allowing us to participate in the emerging energy storage market. According to the study “Battery Storage – Applications and Relevant Issues for Planning,” by the Energy Research Company (EPE), the expectation is that the global storage market will receive investments of US\$ 660 billion by 2040.

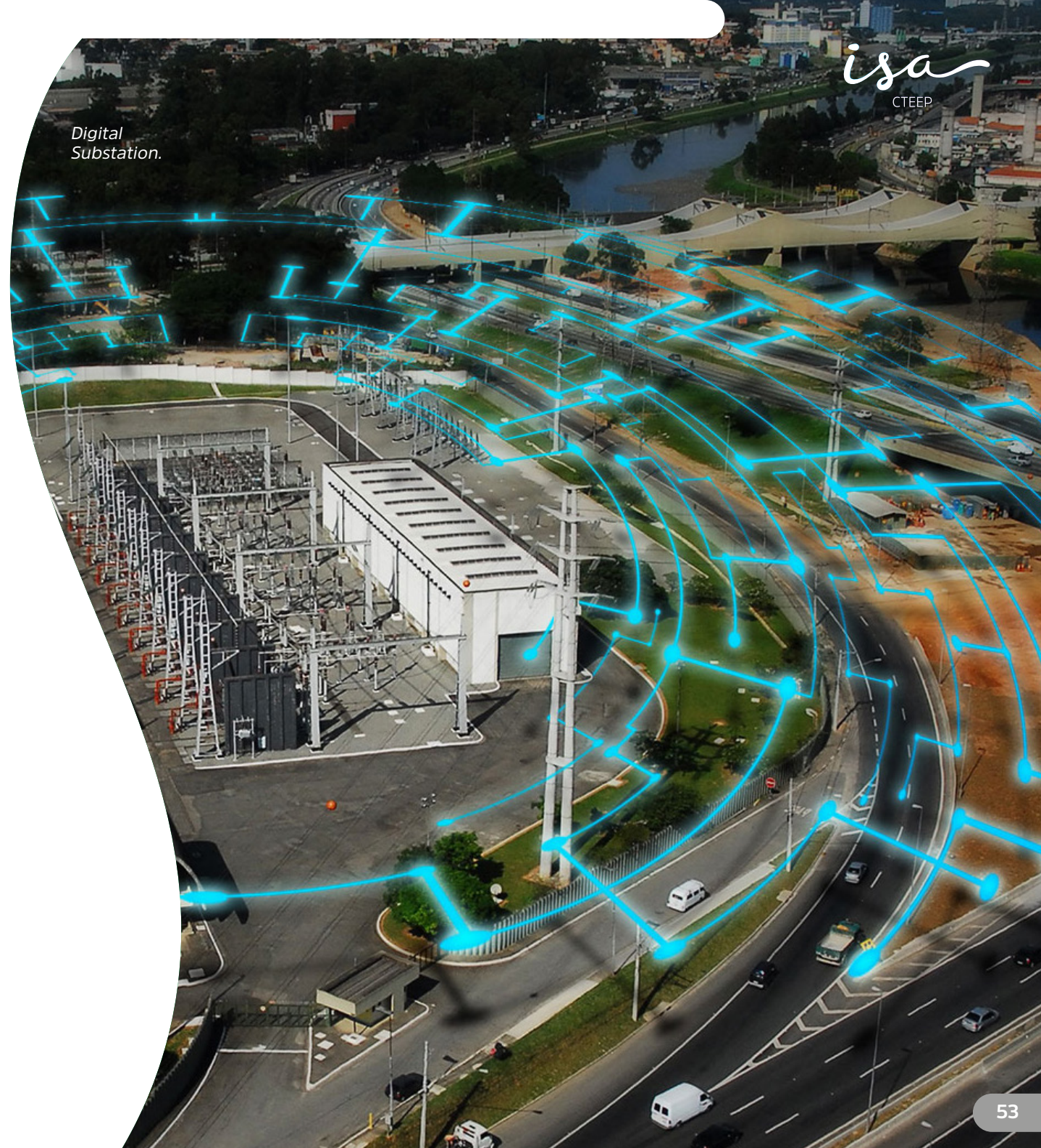
Made possible through the reinforcement and improvement plan of Contract 059/2001 (without the use of resources from the R&D Program), the project reduces the demand for fossil fuels, as it

replaces the application of systems that require diesel generation. Batteries store energy during light load and inject power into the transmission system during heavy load – a function known as peak shaving.

The use of battery banks to reinforce the National Interconnected System (SIN) still depends on advances in the regulatory agenda and greater competitiveness in equipment costs. In this sense, our unprecedented project plays an important role as a sectoral laboratory, and its results will contribute to the promotion of public policies focused on greater efficiency in the national electricity grid.



Click here and read more about this project on page 40.

Digital
Substation.

Substation 4.0

We will invest around R\$ 10 million to modernize and digitalize the Jaguariúna Substation, located in inland São Paulo. This asset is part of the electrical load supply system in the metropolitan region of Campinas, and the reinforcement will strengthen the service to an important production center of technology, telecommunications, medicines, and food.

Overall, 72 pieces of equipment and the entire Substation protection and control system will be replaced. As part of this effort, ANEEL's R&D project follows the Substation 4.0 concept, integrating digital communication and processing technologies, fiber optics, Wi-Fi networks, in and IoT (Internet of Things) for a more autonomous and intelligent operation. The initiative has a partnership with the Polytechnic School of the University of São Paulo (USP) and Hitachi Energy, for the development of architecture.

Substation 4.0 is an even greater advance than the Digital Substation, which we put into

operation in 2021, at Lorena Substation. The technology allows the centralization of control and protection systems, processed in a robust unified computational platform. Thus, we can provide and execute protection, control, automation, monitoring, communication, and asset management functions in the same place, in a simplified way, with redundancy and reliability.

In addition, replacing copper cables with fiber optics allows the devices to operate in an intelligent and integrated network, using digital circuits for data traffic. With expressive operating gains, Substation 4.0 also adds environmental value to our operation. The asset allows the use of smaller equipment in its operation, which enables a 50% reduction in the physical space used and less waste generation.

Other digital substations will be implemented and will start operating between 2023 and 2024.



Biguaçu Electrical Interconnection.

Integration of transmission solutions

The completion of IE Biguaçu in 2022 is a milestone for the construction of transmission projects in Brazil. The subsidiary reinforces the supply of energy to the municipality of Florianópolis and the cities in the metropolitan region, with a 230 kV transmission line with two circuits of 28 kilometers each.

The main innovation in this project is the integration of transmission lines with air, submarine, and underground sections. The submarine segment is 13 kilometers long and crosses the mainland to the island of Santa Catarina, having adopted construction techniques to reduce the disturbance and dispersion of sediments and guarantee the restoration of the morphological bed conditions in the North Bay.

The solutions adopted in the IE Biguaçu project gain even more relevance in a context of opportunities for the construction of offshore wind farms, based on the evolution and adequacy of the Brazilian regulatory framework. With this asset, our company acquires even more know-how for the development and operation of transmission projects of this nature.

Open innovation

Our open innovation program promotes relationships with startups and the formation of partnerships with the aim of identifying opportunities and presenting solutions that strengthen sustainable value generation. Through the 100 Open Startups platform, we launch challenges, map the innovation ecosystem, and support the development of new ideas and projects connected to our business strategy.

The use of drones to remove and incinerate objects that fall down transmission lines, such as kites and balloons, is one of the innovations that have been developed from

the open innovation program. We also invested, in partnership with startups, in a proof of concept for digital inspection of substations, using computer vision, artificial intelligence and machine learning technologies.

In 2022, our company was among the ten companies that performed the most open innovation in the Electric Energy and Renewables category in the 100 Open Corps Ranking, which evaluates the relationship of companies with startups and scaleups in the innovation ecosystem.

In 2022, ISA CTEEP was in the Top 10 of the 100 Open Corps Ranking, in the category

Electric Energy and Renewables



Drone being used for object incineration.

Open innovation program

6 innovation challenges launched

116 connections with startups

10 proofs of concept (POCs) in progress

Sector development

Within the ANEEL R&D Program, we have developed two projects aimed at strengthening the electricity sector and energy transmission capacity in the country. The initiatives aim to improve planning and analysis capacity in a new environment influenced by the growth of variable renewable energy sources and distributed generation.

In 2022, we started the SIASE-T project, an initiative that we lead within the scope of the Brazilian Association of Electric Energy Transmission Companies (ABRATE) in cooperation with ten other transmission companies, in order to develop a solution requested by ANEEL. Its objective is to create a communication, information management and analytical intelligence system for the transmission segment in the electricity sector. The platform seeks to promote the digitization and optimization of the information systems used by ANEEL and regulated companies, in their

regulation and inspection process, with a focus on reducing ambiguities and redundancies, to allow for a simpler and faster flow of processes between the companies, the agency and society as a whole.

The “Integrated and Flexible Planning of Transmission Systems” project, started in 2021 and concluded in 2022, in cooperation with the Energy Research Company (EPE), was developed to create methodologies and improve computational tools that help in planning the system’s expansion. Through them, this planning adapts to the new operating conditions demanded by a new electrical system that is less dispatchable, decentralized and with a greater role for consumers in load management. This new planning system will allow the prioritization of a technologies portfolio that maximizes the flexibility of transmission networks. The investment in this initiative was around R\$ 5 million.



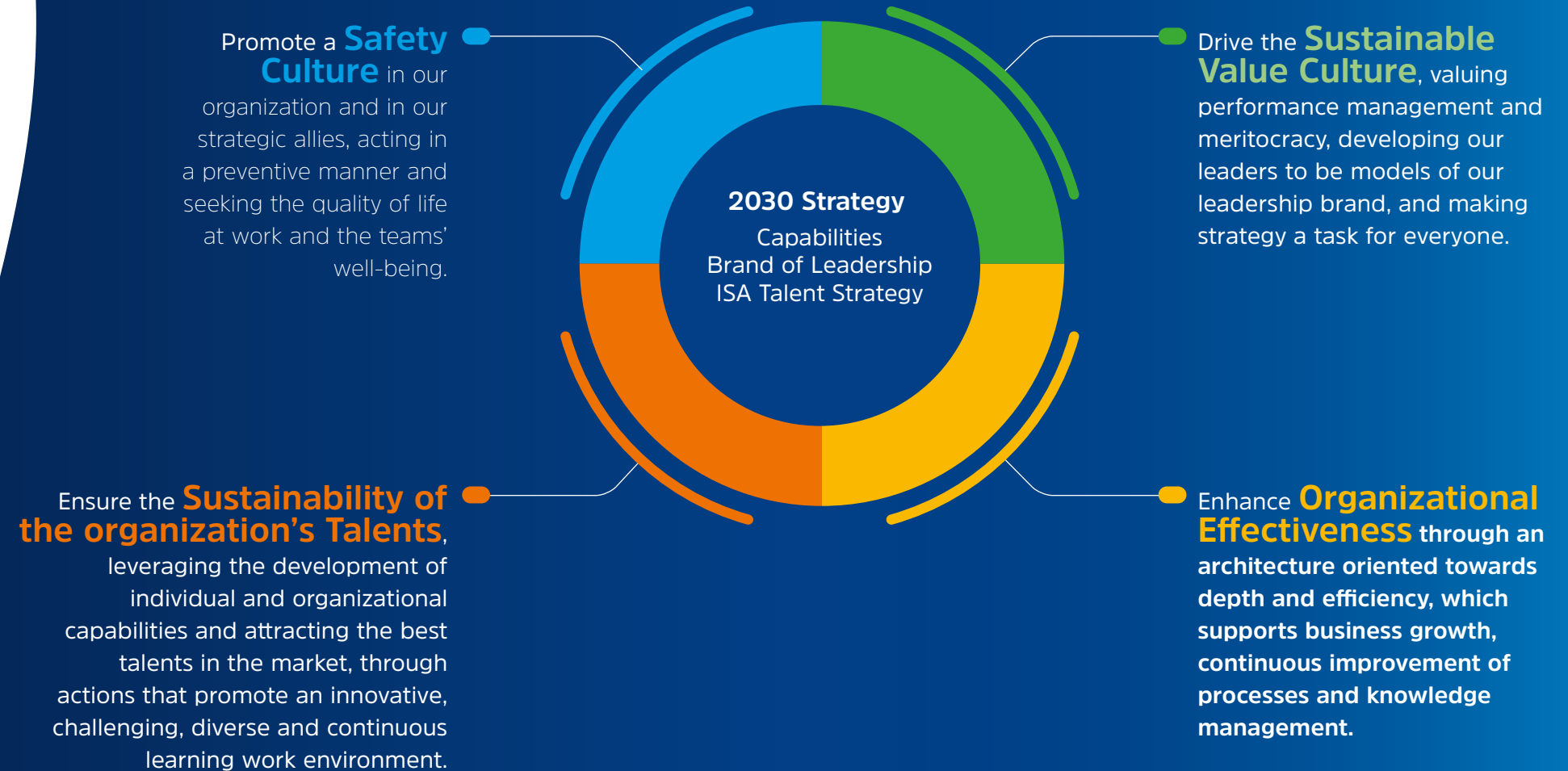
Talent

management

People are the essence of our strategy. They are the ones who dedicate themselves daily to making ISA CTEEP increasingly efficient, innovative, responsible, and connected to society's challenges.

Attracting, retaining, and developing these talents is at the heart of organizational talent management, supported by four strategic objectives. This approach has been strengthened in recent years, ensuring the connection between human capital development practices with business strategy, leadership training and ISA's global strategy.

Strategic objectives in the management of organizational talents



Safety culture

Our people management begins with a non-negotiable value: safety. The Connected to Life Program turns this commitment into reality. Launched in 2021 and guided by the Occupational Health and Safety Policy, the program covers both our employees and third parties working on our assets and consolidates policies and practices in line with legal requirements and the parameters of the ISO 45001 standard to ensure a safe and healthy work environment for everyone.

In 2022, we reviewed processes and tools to strengthen the company's safety culture and, within the scope of leadership, established safety walks. In these activities, company directors, managers, coordinators, and specialists visited the operations to assess occupational health and safety (OSH) aspects and proposed corrective measures. With this, we strengthen the message



that OSH is not something just for the technical area, but a commitment for everyone.

The recording of safety walks, which is also part of the criteria for the variable leadership remuneration, is one of the indicators continuously monitored by the OSH governance. In weekly meetings with project managers and monthly with the Boards and the Presidency, indicators such as accident frequency and severity rates and absenteeism rates are discussed. This practice ensures shared governance between the different areas and especially with the locations that are under construction.



Nicolas Felix Matiusso, Maressa Barros Steagall do Valle, Carlos José da Silva Lopes, Alex Soares Lima, Paula Fernandes Verderame Casanova and Daniel Pereira Barros.

Attention to projects under construction was one of the priorities throughout 2022, with the review of procedures and the improvement of monitoring practices to avoid risk situations to the physical integrity of workers. We intensified the presence of safety technicians in the works, who act as partners with the project teams to guarantee the necessary safety conditions to carry out the activities. Through a Logbook, these professionals plan and report daily activities, which contributes to the effectiveness of actions and transparency in this management, in addition to proposing improvement measures.

We monitor the participation of employees and third parties in OSH training on a

daily basis. For the first group, training is provided virtually or in person, depending on the nature of each course, and recorded in a specific system. Contractors responsible for third parties must guarantee the validity of their professionals' certificates in accordance with the regulations provided by ISA CTEEP. The control over this documentation is carried out prior to the entry of third parties in the units and locations under construction, not allowing the entry of people who are not properly trained. Once cleared for access to the company's facilities, all third parties are qualified in Security Integration.



Continuous improvement of processes, engagement of leaders and training of employees and third parties strengthen our **safety culture**



An internal ISA CTEEP application is used by the teams to record checklist documentation and safety analysis, such as the Preliminary Risk Analysis (APR), which must always be done before starting any activity. The application also allows employees to report unsafe conditions through the Safety Report tool, which establishes a follow-up flow for the person responsible for the area to take measures to resolve the reported case. In addition, everyone is trained to identify risk situations and exercise the right of refusal if a given activity does not meet the necessary safety conditions.

The data consolidated by the application is processed in a management panel of the main indicators, available to all employees on our intranet's Security Portal. To increase the transparency and involvement of all employees and third parties, we also revised the approach of the Weekly Safety Dialogues (DSS) and Daily Safety Dialogues (DDS). With the inclusion of themes that are more transversal to OSH management,

and not specific or focused on certain activities, we expanded people's engagement and managed to increase the number of participations in these moments. In April 2022, on the International Day for Health and Safety at Work, we also held our first Safety Parade, when we gathered all operational and administrative leadership in the field to address the issue and raise awareness among employees and third parties.

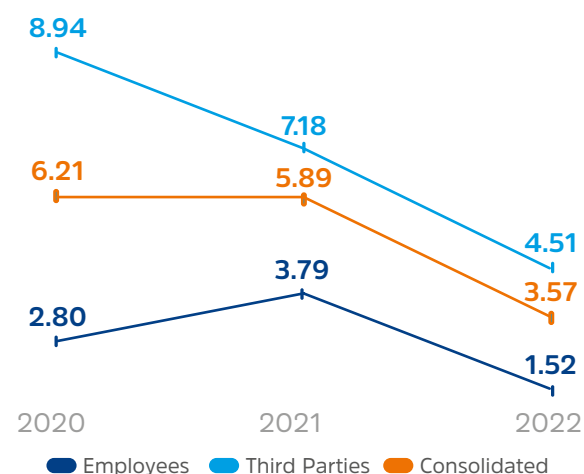
Another important measure in the period was the definition of Critical Activity Requirements (RACs) for eight activities that are more critical for the occurrence of fatal accidents. Based on an extensive study of risk scenarios not only in the company, but also in the electricity sector and in the civil construction sector, we identified these eight critical activities and defined safety requirements for each one of them, which exceed legal requirements. The RACs started to be adopted internally and in all new contracts with third parties.

All accidents involving employees and third parties on assets in operation and on construction sites are recorded, analyzed, and investigated in accordance with applicable legislation and corporate guidelines. A multidisciplinary committee identifies the causes of each event and shares lessons learned with all stakeholders, ensuring the implementation of process and structure improvements to prevent further occurrences.

In 2022, we achieved a reduction in the frequency rates of accidents with and without leave, both for employees and third parties. However, among the 30 accidents during the period, one of them led to the death of one of our employees, at the Registro Substation, in December 2022. Immediately, comprehensive follow-up actions were established for the employee's family, suspension of activities and establishment of an Accident Investigation Committee, with the objective of defining its basic causes, critical factors, and action plan. After investigating the accident, a series of actions and blockades were carried out to prevent the event from happening again in the company's activities and facilities.

The other incidents recorded in 2022, for the most part, involved injuries to the hands and fingers and were related to failures in the application of the Preliminary Risk Analysis or in the use of personal protective equipment (PPE). For this reason, during the period, we publicized a wide awareness campaign on hand care, reaching more than 1,500 employees and third parties.

Frequency rate of accidents with and without lost time



Main health and safety indicators in 2022

	Employees	Third Parties	Consolidated
Number of accidents with and without lost time	4	26	30
Number of fatal accidents	1	0	1
Accident frequency rate ¹	1.52	4.51	3.57
Accident severity rate ¹	2,306.22	24.10	740.23

1. Rates calculated with the factor of 1 million man-hours worked. It covers only 100% ISA CTEEP operations, that is, it does not include jointly controlled companies.

Health care

The safe return to offices after almost two years of the Covid-19 pandemic was one of the priorities in 2022. The measures implemented for this, such as the adaptation of corporate spaces, hygiene protocols and awareness campaigns, once again evidenced the care that we had throughout this period with our people.

In order to learn new ways of working, we adopted a hybrid model for this return, in which our employees spend three days a week in person at the offices and remain in home office for two days. This approach was tested in 2021 and contributes to the balance between the face-to-face and virtual interaction of the teams.

Main measures taken to combat Covid-19

- Implementing remote work when possible
- Redistribution of shifts in substations and control centers
- Implementation of programs aimed at promoting mental health
- Telemedicine application
- Portal to disseminate information on health, safety, and quality of life
- Monitoring the vaccination rate (vaccinometer)
- Biweekly monitoring by the Board of Directors and senior leadership in an internal committee
- Monitoring of professionals with disabilities, in order to guarantee a safe return, as most fit into a risk group

Julio Cesar Leandro de Souza and Paulo Marcio Viana Carbone (both Real Time Potential System Operators), at the Bom Jardim (SP) office.



Our actions in the Life 360° Program promote the **integral health** of employees

The search for balance and work models that promote the well-being and quality of life of employees is at the heart of the Life 360° Program. Through awareness-raising initiatives, lectures and specialized monitoring, the program encourages the adoption of healthy habits and an integral view of physical, mental, financial, and professional health.

Among the initiatives promoted by the program in 2022, the following stand out:

- Nutritional services and ergonomic blitzes for employees
- Second edition of the Internal Soccer Championship
- Gympass benefit at accredited gyms to encourage the practice of sports and physical activity by employees
- Disclosure of health issues in campaigns and in the Weekly and Daily Safety Dialogues (DSS and DDS)
- Lectures on mental health in the hybrid work model
- Lectures on personal finances and launch of the Super Rico application, which assists in individual financial planning
- PASS support (psychological, legal, social, and financial telecare), extended to dependent family members
- Psychosocial care in cases of critical incidents, for professionals with emotional complaints or undergoing psychological treatment

- Circles of conversations mediated by a psychologist
- Follow-up of entry-level program professionals (Young Talents, Internship, Young Apprentice), through monthly sessions with a psychologist
- Launch of the Happiness Survey
- Second year of application of the Psychosocial Questionnaire. In 2022, the questionnaire incorporated questions with the aim of carrying out a preventive mapping of significant risks of moral harassment, sexual harassment, racism, homophobia, transphobia, and other forms of prejudice against minority groups

We also continued with occupational health management practices, such as carrying out periodic examinations, updating the Occupational Health Medical Control Program (PCMSO) and monitoring contractors to comply with Regulatory Standard No. 07 of the Ministry of Labor and Employment, which defines the legal requirements applicable to this topic.



2nd ISA CTEEP Football Cup, with the Regional Taubaté team, in São Paulo (SP).

People

development

Valuing meritocracy, investing in qualification, and setting the example of good leaders are key levers for an inspiring work environment and continuous learning for all our employees. For this reason, we have been working hard on preparing leaders and structuring succession plans. In 2022, we concluded the mapping of potential successors up to the coordination level, identifying and training employees so that they are prepared to occupy new positions and face the challenges of leading teams.

We prioritize internal use in selection processes. This practice contributes to valuing the talents that already make up our teams and strengthens ISA CTEEP's corporate culture. Last year, 32% of

vacancies were filled internally, an increase of 84% over the previous year.

In addition, we invest heavily in ISA CTEEP entry programs, which attract professionals at the beginning of their careers and contribute to the strengthening of our corporate culture. In this context, it is worth mentioning the Young Talents Program, aimed at people with at least three years of higher education, and the Internship Program, for those who are still in college, in addition to the Young Apprentice Program. These initiatives have annual selection cycles, in addition to being a lever for promoting diversity and inclusion in the company.



Rafaela da Silva (Auditor Engineer), Lethicia Aldevino (Resource Planning Analyst) and Priscila Bernardeli Miranda (Electric Engineer), at Corporate Headquarters (SP).

Systematic performance evaluation is another important front to promote meritocracy. Through an annual cycle of evaluation, feedback, and the Individual Development Plan (PDI), we promote continuous qualification and drive the career development of employees. In 2022, 94% of the professionals on our teams went through the performance evaluation cycle. Only employees on leave for more than six months and those with less than three months of experience at the company do not participate in the evaluation (the cut-off date is for those hired up to September 31).

Each employee's alignment with the company's strategic objectives and priorities is also strengthened by the variable compensation strategy. In the last year, we revised our approach on this front, extending a model similar to the one applied to managers and directors to coordinators and specialists.



*Taini Pavanelli Anes
(Maintenance Coordinator),
at the São Paulo Regional
Office (SP).*

Monitored internally through a Comprehensive Management beacon, our variable compensation structure is based on our strategy's **three pillars**

Learn more
on page 33

ORGANIZATIONAL CLIMATE

Employee compensation is defined based on market surveys, reflecting the attributions of each position in an impartial and balanced manner. In addition to the fixed salary, variable compensation based on goals and the additional payments provided for by legislation (13th salary, vacation, overtime, premium for dangerous work, etc.), we offer a range of benefits. These include, among others, medical and dental care, meal vouchers, food stamps and private pension plans. All employees are guaranteed the free right to union association and collective bargaining.

Among the pension plans available, we had a defined benefit plan (PSAP), established before the concessions were privatized and inherited by ISA CTEEP. In this modality, the plan has established contributions for the company and employees and offers a lifetime income. Balancing these inflows and the payment of the retirement benefit in this model has become unsustainable in several

sectors, including for our company, mainly due to the increase in the population's life expectancy, the rise in the readjustment index of lifetime income and the fluctuation of the rate discount for evaluating commitments.

Acting responsibly and seeking to eliminate risks for plan participants and the company, we decided to discontinue ISA CTEEP's sponsorship of the PSAP/CTEEP supplementary pension plan. Current participants will be able to withdraw funds or transfer them to another pension plan. In addition, we announced the offer of a new plan (ISA CTEEP PREV), this one in the defined contribution modality, more modern and sustainable to support the employees' future retirement planning. The measure was carefully studied and widely disseminated to the internal public, with leadership training to clarify the context and impacts of the change. The withdrawal process is the subject of discussion with union entities in the judicial sphere.



Guilherme Soares Gurgel
do Amaral (Innovation
Specialist), at Corporate
Headquarters (SP).

Listening to employees through the annual organizational climate survey is an important tool for us to understand the level of engagement and satisfaction of professionals, the main levers for pride in belonging and what should be worked on corporately for the continuous improvement of the work environment.

In 2022, the climate survey's edition had 96% adherence and resulted in an overall favorability index of 82%. The results, in line with the levels obtained in the previous cycle (95% adherence and 83% favorability), show the effectiveness of organizational talent practices.

+101 thousand hours
invested in training

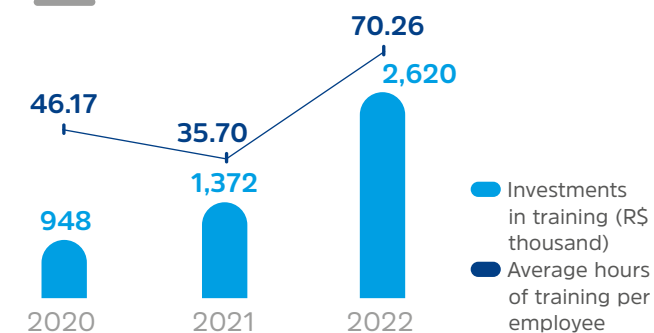
R\$ 2.6 million
invested in training

Throughout the year, we maintained initiatives to qualify and develop employees, both face-to-face and on our online learning platform, which brings together digital content for training and sharing knowledge. We also offer programs to financially support the participation of employees in language, technical, continuing education, and higher education courses, in addition to conferences, seminars, events and short courses. The training actions are programmed according to the Training Plan, which brings together the technical and health and safety courses necessary for carrying out the activities in each function, and the Individual Development Plan (PDI) defined based on the performance evaluation.

The number of training hours applied more than doubled in the yearly comparison, mainly due to the resumption of learning initiatives with the return of administrative employees to the office and application of

specific training for each function. In all, we invested R\$ 2.6 million in these actions, totaling more than 101,000 hours of training (76,400 in mandatory training, such as Regulatory Standards and ONS certifications, and 25,400 in other training). In addition, we are working on structuring our corporate university, Campus ISA, with launch scheduled for 2023.

Training and qualification indicators




Danielle Evelyne Barros Maia
(Accounting Coordinator), at
Corporate Headquarters (SP).

Diversity and inclusion program

The Outros Olhares Program guides our strategy and our actions to promote a diverse and inclusive environment, which reflects the multiplicity and cultural richness of the Brazilian population and promotes a more innovative company in which everyone feels free to express themselves and be who they are.

Governance over the program is the responsibility of the Diversity Strategic Committee, created in 2021 and made up of executives and directors, and the Affinity Groups, established last year. Everyone acts guided by our Diversity and Inclusion Policy, launched in 2022.

The Affinity Groups, focused on each of the program's pillars, have the support of an executive sponsor, leader, and co-leaders responsible for the activities and the engagement of volunteer employees in the development of actions. Throughout 2022, these groups' first task was to define the 2030 ambitions, with the design of the respective action plans to achieve them.

 [Click here](#) to access our Diversity and Inclusion Policy



Juliana Sousa, Noemi Passos, Milena Almeida, Jofrancis Modesto, Beatriz Amorim, Matheus Caires and Rafael dos Santos, at Corporate Headquarters (SP).

Program pillars

Gender equity

Attractiveness and retention, talent development and new work models and flexibility policies.

Ambitions

- **100%** women in the Young Talents Program and **60%** in the Internship Program (short term)
- Achieve at least **30%** representation of women in staff and leadership positions and **25%** of women in STEM – Science, Technology, Engineering and Mathematics positions by 2030

Race and ethnicity

Attractiveness and retention, talent development and development of partnerships for social impact projects.

Ambitions

- **Develop** anti-racist education program (short term)
- Achieve **40%** representativeness of blacks and browns in the workforce (medium term) and in leadership (by 2030)

Persons with disabilities (PWDs)

Physical and digital accessibility, attractiveness and retention, and development of partnerships for social impact projects.

Ambitions

- Have **5%** of the staff and leadership formed by PWDs and guarantee 1 PWD on the shortlist of selection processes (short term)
- **Advance** in the transversal distribution of PWDs by the company (medium term)
- Achieve **equal representation** of 5% of PWDs in each of the areas, including technical vacancies, in addition to ensuring physical and digital accessibility (long term)

LGBTI+

Attractiveness and retention, engagement of allies and review of policies and processes.

Ambitions

- **Develop** the Social Welfare Program, aimed at LGBTI+ people



Ynae Chaves (seated), Pedro Victor Rodrigues, Marcos Serafim, Aline Nobre (seated), Thaine Alves, Cassiana Resende and Ana Giulia Lopes, at Corporate Headquarters (SP).

Race and ethnicity

2022 HIGHLIGHTS

- Effectiveness of affirmative measures in entry programs, with **100%** of participants in the Young Apprentice Program and **35%** of black and brown Internship Program members
- 24.6%** representation of blacks and browns in the workforce at the end of the year (challenge of advancing in leadership, in which this group occupies 7.9% of positions)
- Celebration of Black Consciousness Day with a **special video** starring our employees
- Affinity Group** launch



Click here and watch our Black Consciousness Day video

MAIN ACTION PLANS

Affirmative entrance programs, blind selection processes, partnerships with schools and colleges, leadership training, review of internal policies for the subject, promotion of exchanges with ISA companies and adaptation of the training incentive policy.

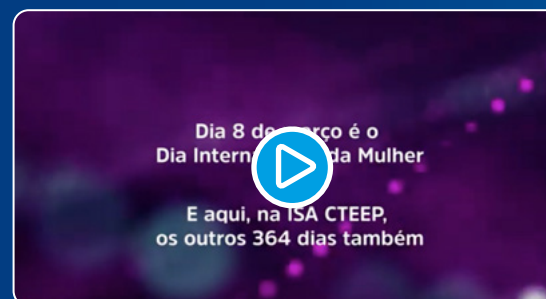
Gender equity

2022 HIGHLIGHTS

- Effectiveness of affirmative measures in entry programs, with **60%** of women in the Young Talents Program, **87%** in the Young Apprentice Program and **50%** in the Internship Program
- Partnership with Senai** (Pirituba Unit – Jorge Mahfuz) to train female electricians (learn more on page 93)
- Affinity Group** launch
- Permanence in the **Teva Women in Leadership Index**, which recognizes companies with the highest representation of women in management positions
- 60%** of women in Executive Board positions, the highest participation among companies in the electricity sector
- Celebration of International Women's Day with a **special video** starring our employees
- Participation in the Bloomberg **Gender-Equality Index** (GEI)



Students of the electrician course for women, in partnership with SENAI Pirituba, at the Pirituba Substation.



 [Click here](#) to watch our International Women's Day video

MAIN ACTION PLANS

Affirmative recruitment and selection processes, with the support of specialized consulting, adherence to voluntary commitments, technical qualification and leadership development initiatives, and coaching and mentoring actions.

LGBTI+

2022 HIGHLIGHTS

- We joined the **Empresa Cidadã** program, extending the benefits of maternity leave and paternity leave to **6 months and 20 days**, respectively, including cases of adoption, legal guardianship, and same-sex couples

- **Affinity Group** launch

MAIN ACTION PLANS

Affirmative recruitment and selection processes, definition of guidelines for the subject and voluntary commitments, awareness raising actions, development and mentoring for the training of LGBTI+ leaders.

Persons with disabilities (PWDs)


2022 HIGHLIGHTS

- Signing of the Pact for the Inclusion of Employability of Persons with Disabilities in the Labor Market (REIS), which establishes **5 commitments** assumed by the signatory companies
- Celebration of the International Day of Persons with Disabilities with a **special video** starring our employees
- **Exclusive recruitment** for people with disabilities in administrative and technical positions
- **Structural accessibility study** for the return of professionals with disabilities to the hybrid work model
- **Affinity Group** launch
- Building a **talent bank** for vacancies

MAIN ACTION PLANS

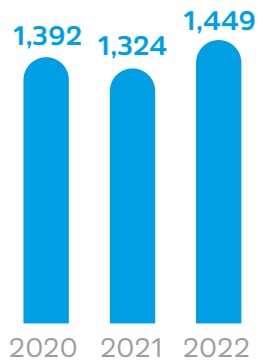
Affirmative recruitment and selection, including entry programs, strengthening of awareness actions and conversation circles, focused career and succession planning, and adherence to voluntary commitments.



 **Click here** and watch our video of the International Day of Persons with Disabilities

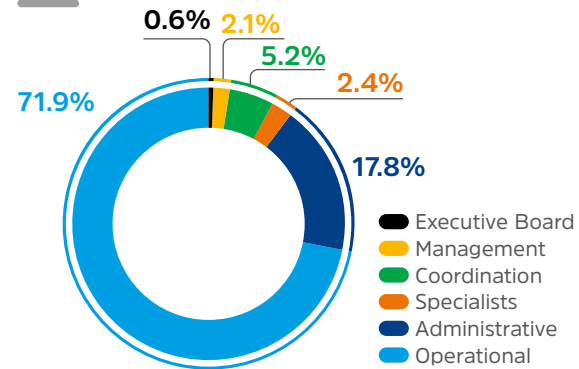
Employee profile

Total employees*

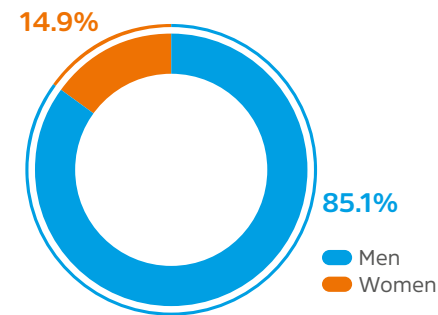


*Does not consider apprentices, interns, and advisors

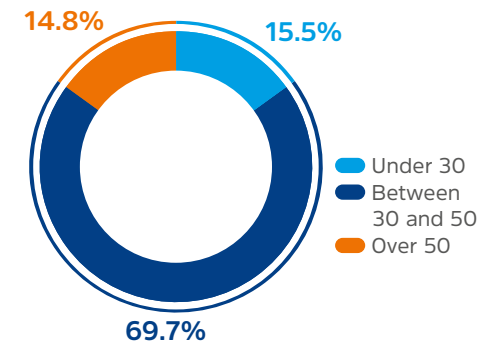
Distribution of employees by functional level in 2022



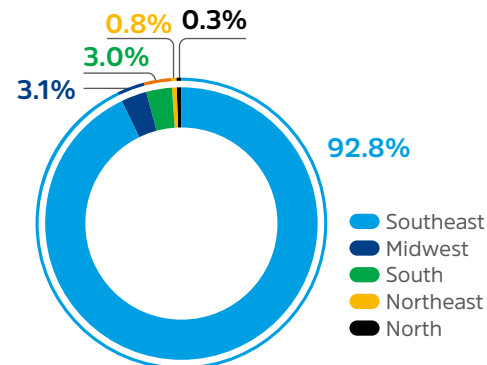
Distribution of employees by gender in 2022



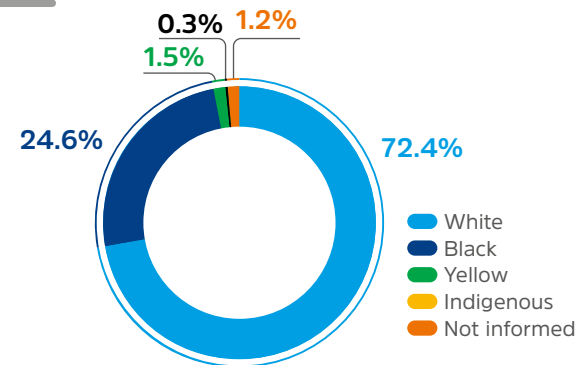
Distribution of employees by age group in 2022



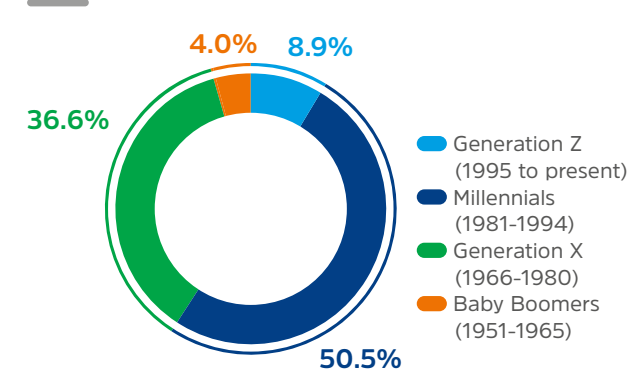
Distribution of employees by region in 2022



Ethnic-racial diversity in 2022



Diversity by generation in 2022



37.5%

of women in governance bodies (Board of Directors and Fiscal Council)

21.1%

of women in leadership positions*

*It considers the entire board (executive and others), managers and coordinators.

24.6%

of blacks in the staff

99.7%

of employees covered by collective bargaining agreements (does not include statutory directors)

Our suppliers



Ana Carolina David (Communication, Sustainability and Institutional Relations Manager), Dayron Urrego (Executive Director of Projects), Carisa Cristal (Executive Director of Finance and Investor Relations), Jesus Navarro (Procurement Manager) and Rui Chammas (Chief Executive Officer).

The management of our suppliers values the establishment of long-term partnerships and the alignment of these partners with our values and levels of sustainable performance.

We have a strategic matrix of supplies, which allows the evaluation of the 83 categories of purchases in quadrants of criticality (critical, restrictive, relevant, and routine). This analysis considers aspects such as representativeness of expenditures, relevance to the business strategy and market complexity in each category. Based on this matrix, our suppliers are classified as strategic or tactical, which triggers specific evaluation and monitoring measures for each group.

Social and environmental aspects are considered in all stages of relationship with suppliers and were applied to 71.05% of our partners, and projects arising from auctions have detailed due diligence and financial analysis in a process different from pre-qualification. The difference for those considered

strategic is that, for this group, we adopt more sophisticated systematics, such as on-site audits and strengthening and development programs.

To be able to participate in contracting processes, all suppliers must be approved in the pre-qualification stage, except those intended for our participation in energy transmission auctions, cases in which the Supply Management defines, together with the Executive Board, specific strategies. At that time, we analyzed various aspects of socioeconomic and environmental compliance, such as negative certificates of tax, labor and fiscal debts, restrictions pointed out by national bodies (IBAMA, Ministry of the Environment, Ministry of Labor, etc.) and presence on international alert lists, such as the SARLAFT/SIPLA system (global platform for verifying involvement in drug trafficking, money laundering and terrorism). These queries cover more than a thousand sources of information, and any non-compliance recorded in the system can prevent participation in the company's quotations.



Suppliers classified in the matrix in the critical, restrictive, or relevant quadrants (that is, all strategic and part of the tactical suppliers) are part of the Performance Assessment program. Routine suppliers whose nature of contract is related to services and products critical to environmental and occupational health and safety aspects, such as waste disposal, functional transport, line maintenance and weeding services, are also involved in this practice.

At least annually, or always at the end of the contract, these partners are evaluated via the system in terms of quality, deadlines, documentation, occupational health, and safety (OHS), environment and compliance. When the assessment results in a grade lower than 80 (on a scale of 0 to 100), an improvement plan is requested from the supplier, validated, and monitored by ISA CTEEP.

In 2022, we started a complementary monitoring front of our suppliers – the Sustainability Audits program. Partners are evaluated in the three ESG (environmental, social and governance) dimensions to verify the level of maturity of their practices and controls. Based on the results, joint improvement plans are discussed.

Overall, 155 suppliers were monitored throughout the year through the Performance Assessment and Sustainability Audit programs. Of these, 20 had some real or potential impact identified (in most cases, the absence of adequate policies and internal controls, recommended from the audits). In all cases, action plans were requested, nine of which were delivered, and the others are being followed up to send the plan. No contracts were terminated.

The creation of the
Sustainability Audits
program drives the evolution of our
suppliers in the ESG agenda

We value the protection and promotion of human rights in our supply chain, especially those related to fundamental labor rights. The guarantee of respect for the right of association and collective bargaining and the fight against degrading forms of work, such as child, forced or slave labor, are basic premises for any contract signed with our partners.

In the supplier approval stage, we verify these companies' compliance with the payment of labor taxes, presence on alert lists for slave labor and the existence of controversies related to human rights, through the consultation sources involved in this process. All contracts have clauses related to decent work and adequate health and safety conditions, in addition to requiring formal acceptance of the ISA CTEEP Code of Conduct for Suppliers.

For contracts involving the outsourcing of services, we have a Third-party Management check system. This approach verifies

compliance with the requirements set out in the contract, especially those related to health and safety, and the contracted company's tax and labor obligations.

We do not admit any deviation related to ethical conduct, violation of human rights or violation of competition and free enterprise. In the Performance Assessment program, any non-compliance related to aspects of conduct, human rights and anti-corruption is forwarded for treatment, investigation, and application of disciplinary measures by the Audit and Compliance areas. In addition, complaints and concerns related to our suppliers' conduct are received and handled by the Ethics Line channel, for verification and application of disciplinary measures.

With this cross-sectional approach and throughout the entire relationship period with our suppliers, we ensure the mitigation of significant risks to the violation of human rights and fundamental labor rights.

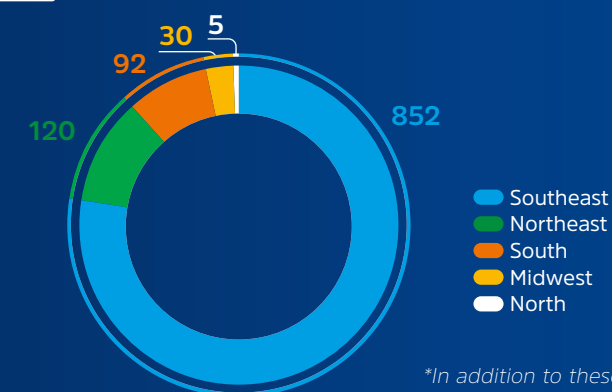
OUR SUPPLIERS

1,115
partners hired
in 2022

99.8%
located in Brazil
(considered local)

R\$ 5.57 billion
in value of contracts and
purchase orders

Number of suppliers in 2022 by region of Brazil*



*In addition to these, in 2022 we had 16 suppliers from abroad.

2,226
third parties working for the
company, mainly in support
activities, such as cleaning,
surveillance, mowing
and civil construction

97.5%
of them in assets in operation

An aerial photograph captures three individuals—two women and one man—engaged in harvesting fresh produce on a lush, green hillside. They are positioned around several large wooden crates filled with leafy greens. The woman on the right, wearing a pink shirt, is holding a bunch of lettuce. The man on the left, in a striped shirt, is reaching into a crate. The woman in the center, wearing a yellow top, is also working with the vegetables. The landscape is a patchwork of green fields and rolling hills, with a winding road and power lines visible in the distance. The sun is setting in the upper left, casting a warm, golden glow over the entire scene. In the bottom right corner, a small cluster of buildings is visible. The text 'Environment and communities' is overlaid on the lower half of the image, with 'Environment and' in a clean, white sans-serif font and 'communities' in a large, elegant, white script font. A white swoosh line underlines the word 'communities' and extends towards the left.

Environment and *communities*

The creation of positive environmental and social impacts through our businesses and innovations is one of the pillars of our Strategy 2030. In the view of our stakeholders, the company's growth and ability to create long-term value are accompanied by a real contribution to sustainable development, through practices that promote environmental conservation and benefits for the communities in which we operate.

This commitment is formalized in our corporate governance, mainly by the guidelines of the Environmental Policy and the Policy for Engagement with Stakeholders. The evolution of social and environmental programs and projects is continuously monitored by the Board of Directors, with the support of the Environmental, Social and Governance (ESG) Committee, established in 2022.

With the evolution of the management of sustainability aspects in our strategy, we began to include performance goals related to social and environmental themes in the composition of the variable remuneration pertinent to the company's directors, leaders, and specialists. Since 2021, the reduction of our CO₂ emissions has become an item of this variable.

The achievement of goals associated with ESG indicators comprises up to 25% of our leaders' variable compensation.

- Reduction in the accident frequency rate
- Physical progress of new projects
- Reduction in the rate of energy not supplied
- Reduction of CO₂ emissions



Climate change

GRI 3-2 | 3-3 | 201-2

Climate change is a central theme in the management of environmental aspects that we carry out in our company. The energy transition to a cleaner matrix with a greater presence of renewable sources, one of the main actions needed to prevent the planet's average temperature from rising by more than 1.5°C in the coming years, creates opportunities for new business and innovation identified and worked on in our Strategy 2030.

Conversely, climate change also pose risks to the business, as it can intensify the occurrence of extreme weather events that negatively affect the availability of assets and impact the ability to generate revenue. These risks include the possibility of greater occurrence of fires, wind gusts greater than projected, atmospheric discharges, and soil erosion processes.

Our assessment of the risks and opportunities associated with climate change has been reported, since 2021,

in a transparent and voluntary manner through the Carbon Disclosure Project (CDP) platform, a global initiative to encourage companies to incorporate this theme into their strategic decisions.

In 2022, we
were rated

A-

on the CDP
climate change
questionnaire



Click here
to learn more

The process for assessing climate risks is part of the Integrated Risk Management model that we adopt in our governance (learn more on page 29) and which includes an annual review of emerging risks. In the most recent round, held in 2022, the risk of inability to implement effective actions against the climate crisis was maintained on the list of risks mapped and classified as having a high impact on the business model. This work will be strengthened through independent advisory support in 2023.

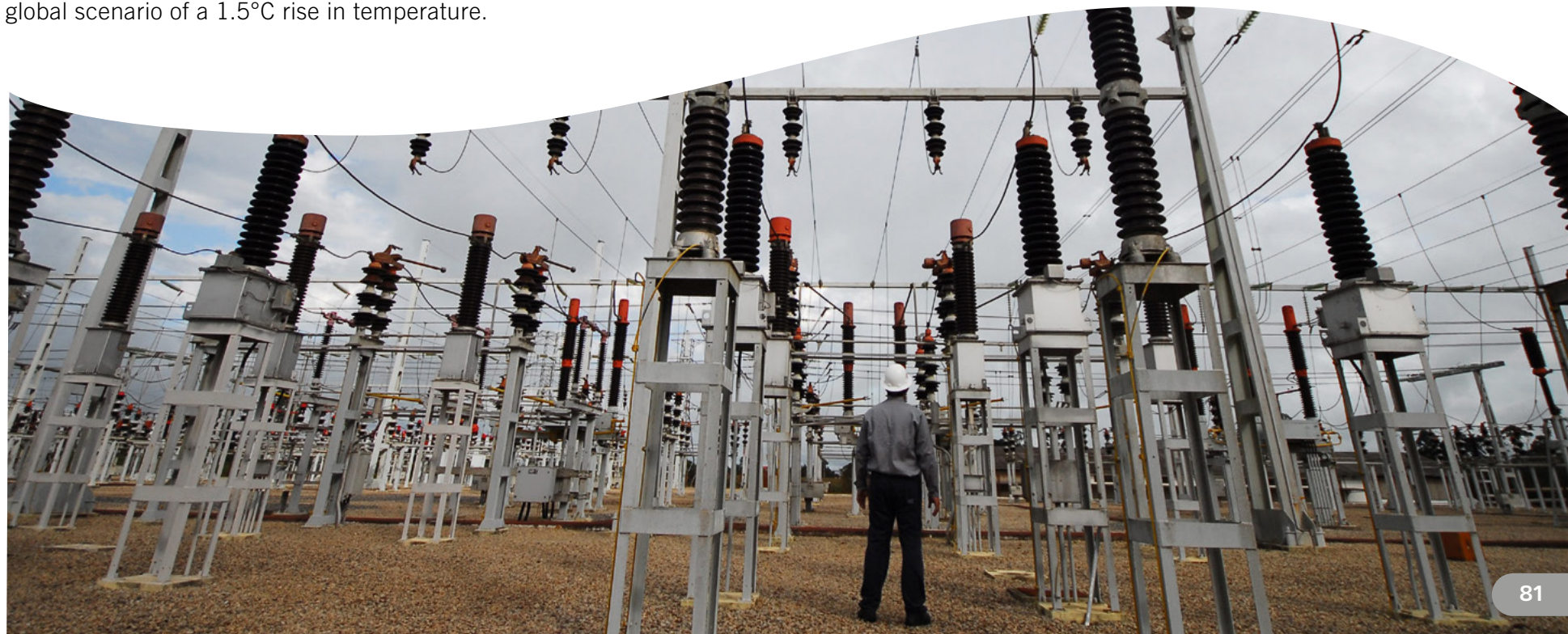
As part of the action to address these risks, we pursue eco-efficiency goals in our operations that aim to reduce the consumption of water, energy, waste and SF₆ gas (sulfur hexafluoride) and which, since 2021, make up the variable compensation of our executives. We also made investments in reinforcements and improvements that, in addition to guaranteeing the safety and modernization of the energy transmission infrastructure, aim to strengthen our systems' resilience to the occurrence of extreme weather events (learn more on page 36).

Similarly, we identified opportunities related to the context of climate change, such as the development of energy storage systems and technologies that facilitate the integration of intermittent renewable sources into Brazil's National Interconnected System

(Sistema Interligado Nacional – SIN). In 2022, we energized Brazil's first large-scale energy storage project (learn more on page 40) and directed investments in innovation, research and development towards solutions that contribute to accelerating the energy transition in the Brazilian electricity sector.

We are in the process of restructuring our climate strategy, in order to fully follow the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), such as adapting our targets to the SBTi initiative (Science-Based Targets Initiative), with the aim of implementing a transition plan that is in line with a global scenario of a 1.5°C rise in temperature.

The management of climate risks and opportunities is integrated into our business strategy





Clodoaldo Morais
Pinto (Telecom
Control Command
and Maintenance
Technician), in the
Cabreúva Regional
Unit, in São Paulo (SP).

Reducing emissions

To create positive environmental impacts through our actions, we are committed to reducing greenhouse gas (GHG) emissions in our operations.

In the energy transmission sector, SF₆ gas (sulfur hexafluoride) is one of the main causes of Scope 1 GHG emissions. This gas has characteristics and properties for insulating electrical equipment and is used, for example, in armored substations. Nevertheless, its loss is one of the main sources of emissions that we mapped, due to its high global warming potential (GWP). One metric ton of SF₆ emitted has the same effect as 23,500 metric tons of CO₂ in the atmosphere.

In 2022, we set a target of 16% reduction in emissions of this gas compared to 2021 emissions. We achieved a 31% reduction, equivalent to approximately 6,000 tCO₂e,

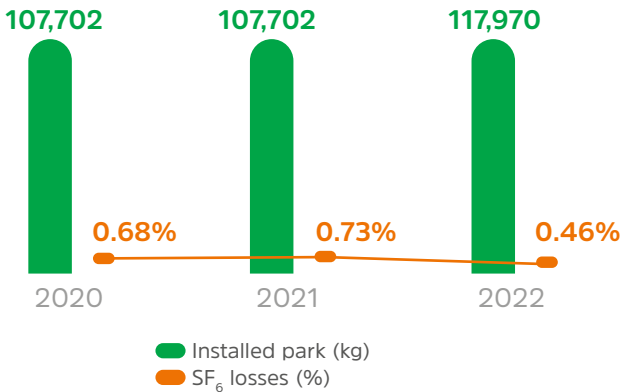
reinforcing the company's commitment to generating value for society and for the planet through actions to minimize and mitigate its environmental impacts.

To improve our performance, we reinforced the preventive maintenance of GIS substation components and developed loss containment solutions, such as pipe clamps, as well as continuing to use an SF₆ gas regeneration machine in armored substations, which, in addition to further reducing emissions, will provide gains from lower unavailability and tighter control of asset performance. Additionally, workshops were held with the O&M (Operation and Maintenance) teams in order to reinforce the importance of the theme, make employees aware of the need for immediate action, and ensure continuous improvement in process management.

31% reduction

in SF₆ emissions in 2022,
avoiding the equivalent of
approximately 6,000 tCO₂e

Installed park vs. SF₆ losses



Inventory of greenhouse gas (GHG) emissions

GHG emissions in our operations are controlled in accordance with the best practices adopted. Each year, we voluntarily prepare our emissions inventory in accordance with the guidelines of the Brazilian GHG Protocol program and make the results available on the Public Emissions Registry platform. Since 2019, our inventory has been recognized with the Gold Seal, meaning that the data presented is verified by an independent external company.

In 2022, our Scope 1 emissions, which comprise those directly generated in our operations, totaled 14,500 tCO₂e, a 28% reduction in the annual comparison, mainly due to the reduction of SF₆ losses, which account for 90% of Scope 1.

Scope 2, which includes emissions resulting from the acquisition of electricity and technical losses in transmission, totaled 315,500 tCO₂e, a 65% reduction compared to 2021, due to the update of the average emission factor of the National Interconnected System (SIN). The greater share of renewable sources in the Brazilian energy matrix led to a decrease in this factor (from 0.1264 tCO₂/MWh in 2021 to 0.0426 tCO₂/MWh in 2022). Transmission losses represent 99.95% of our Scope 2 emissions.

Scope 3, related to emissions in our value chain, reported a reduction of 99.99%, due to the reassessment of the technical

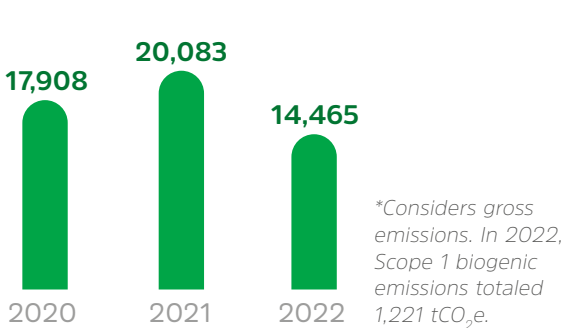
understanding of the category “Fuel- and energy-related activities not included in Scope 1 or Scope 2.” In previous years, this category included the total energy transmitted by the company. Starting in the 2022 inventory, we no longer report energy transmitted in Scope 3. The main justification is that the company is compensated for the availability of assets, as opposed to the energy transmitted through its networks, that is, it does not have control over the amount of energy that is transmitted, which is decided by the National System Operator (Operador Nacional do Sistema – ONS). Therefore, it is not possible for ISA CTEEP to take any action to reduce these emissions. The

trend is that, with the entry into operation of new assets, there will be a gradual increase in the amount of transmitted energy. This category represented 99.99% of Scope 3 emissions in the 2021 inventory.

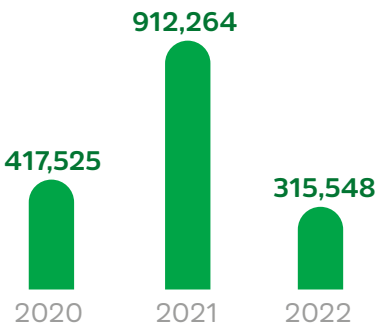
Our emission intensity, measured in metric tons of CO₂ from Scopes 1 and 2 per megawatt-hour of transmitted energy, was 0.0018 tCO₂e/MWh, a 66% reduction compared to 2021, due to the decrease in Scope 1 and Scope 2 emissions.

 [Click here](#) to see our emissions inventory.

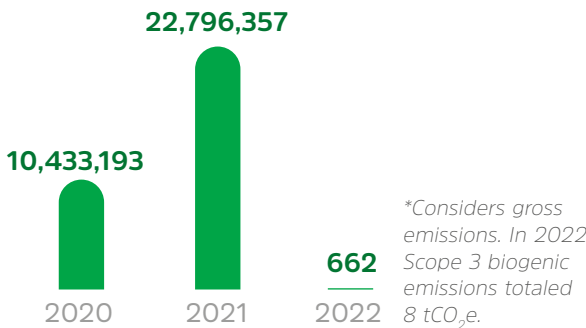
Scope 1 emissions (tCO₂e)*



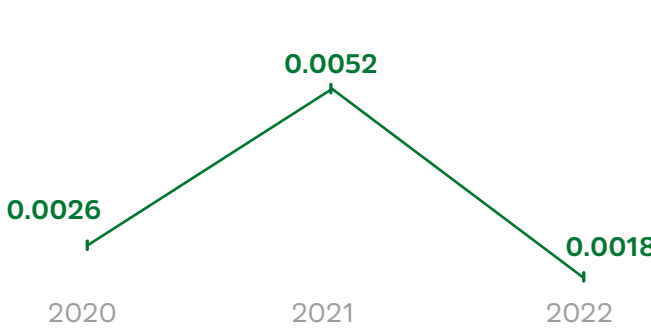
Scope 2 emissions (tCO₂e)



Scope 3 emissions (tCO₂e)*



Carbon intensity (tCO₂e/MWh of transmitted energy)



Carbon neutral

In addition to seeking to reduce GHG emissions, since 2019, we have promoted compensation for the amount of carbon equivalent emitted into the atmosphere through our operations. Our commitment involves fully offsetting Scope 1 (direct) and Scope 2 (indirect) emissions, excluding technical transmission losses. In 2022, we invested R\$ 1 million to offset GHG emissions.

In 2022, we acquired and retired 22,000 carbon credits in the Evergreen project, certified by Verra under the world's main carbon credit program, the Verified Carbon Standard Program (VCS).

We also purchased 33,487 I-RECs, which are certificates that prove the source of renewable energy purchased on the free market. These certificates were retired and serve to offset indirect emissions related to the purchase of electricity (Scope 2, excluding technical transmission losses).

Combating wildfires

Wildfires in areas close to transmission lines are one of the main factors that cause interruptions and shutdowns in energy transmission systems, according to the ONS. In addition to operational damage, fires cause carbon emissions and may damage biodiversity.

Therefore, combating wildfires is a priority of the environmental management carried out by us. We invest in awareness campaigns for the population, with the aim of preventing the occurrence of potentially dangerous behaviors – such as lighting fires, releasing balloons and throwing cigarette butts on the ground. We maintain an **institutional website** with information on this topic and rely on the work of our field teams.

In 2022, we reinforced the prevention campaign with the release of an advertising video that emphasized the risk of releasing balloons. On YouTube, the video had about 117,000 views.



 [Click here](#) to watch the campaign video.

Through digital monitoring platforms (Climatempo), we periodically monitor weather conditions and identify fire outbreaks along our transmission lines, seeking to take mitigating actions as quickly as possible.

In São Paulo, we started a dialogue to support the state government's Operation Corta-Fogo, an action that promotes prevention, monitoring and firefighting programs throughout the years. In the municipalities where we operate, we collaborate with the dissemination of information materials and reinforcement of guidelines in municipalities with the highest incidence of fires.

R\$ 10.5 million
were invested in fire prevention actions
near our transmission lines in 2022



The Conexão Jaguar promotes the preservation of more than

135
thousand
hectares

in the Serra do Amolar
region, in the Brazilian
Midwest

GRI 3-2 | 3-3

Conexão Jaguar

The Conexão Jaguar (Jaguar Connection) program is our main platform to promote biodiversity conservation and create positive environmental impacts. The initiative is coordinated by ISA and seeks to:

- **Contribute** to the **mitigation of climate change** by reducing atmospheric emissions of greenhouse gases (GHG).
- **Contribute** to the **conservation and restoration of areas** of importance for biodiversity and connectivity between the main populations of jaguars in Latin America and pumas in Chile.
- **Contribute** to **improving the living conditions** of rural inhabitants in the project communities and strengthen their social organizations.
- **Sensitize and raise awareness** about the degradation of the environment and the loss of biodiversity on the planet.

The implementation of forest preservation and recovery projects in priority areas for the conservation of the jaguar's habitat also contributes to the mitigation of climate change, as it encourages and strengthens the capture and storage of carbon. Therefore, one of the objectives of Conexão Jaguar is to promote the development of projects in the categories REDD+ (reducing emissions from deforestation and forest degradation); ARR (afforestation, reforestation, and revegetation), and sustainable land management, with potential for the generation and commercialization of credits of carbon, which promote programs at the economic level for the protection of these ecosystems and biodiversity corridors.

Conexão Jaguar, carried out in partnership with Instituto Homem Pantaneiro (IHP) in Brazil, contributes to the protection of the biodiversity of the Pantanal, one of the Brazilian biomes most threatened by deforestation. The region is one of the natural habitats of the jaguar, an animal present in 18 other countries in the Americas and whose population has been reduced by almost half in the last 100 years.

CONEXÃO JAGUAR | isa

By the year 2030, Conexão Jaguar has set the goal of supporting 20 forest conservation and restoration initiatives along the Jaguar Corridor in Latin America, with which it hopes to contribute to the reduction of 9 million metric tons of CO₂ equivalent on the planet.

To broaden awareness of the program and promote community involvement, in 2022 we sponsored, through the Cultural Incentive Act, the Jaguar Parade, an urban artistic intervention with stylized sculptures of jaguars. The pieces were customized by plastic artists, and the public was able to follow the entire creative process in an open studio installed at the Shopping Cidade São Paulo mall.

Once ready, the sculptures were on display in public spaces in the city of São Paulo between June and July 2022. In September and October, they were taken to New York (United States), where they were on display during the 77th Session of the United Nations (UN).

After this event, the jaguar sculptures were auctioned. All proceeds from the event were

allocated to projects to preserve the species in Latin America. Of the total of 40 works auctioned, 11 were customized by artists invited by ISA CTEEP.

Additionally, in 2022, we presented the program at COP-27, in Egypt, through a panel organized by ISA, with the theme “Jaguar conservation as a nature solution,” with the presence of strategic partners of ISA CTEEP.

The Jaguar Parade
sculpture auction raised
R\$ 520,000
earmarked for biodiversity
preservation projects in
Latin America



Jaguar Parade exhibition at the 77th Session of the United Nations (UN).

Environmental *management*

We manage the environmental impacts of our assets with the same level of excellence dedicated to aspects of equipment operation and maintenance. Throughout its life cycle, from the planning stage to the implementation of transmission lines and substations, we prepare social and environmental impact studies based on government agency guidelines, in line with existing best practices, to map potential risks and mitigating actions.

During the construction phase of our developments, we carry out a series of management programs that meet the conditions mapped out by the environmental licenses, aimed at reducing risks and creating positive social and environmental impacts. Among these programs, actions to recover degraded areas, wildlife displacement and rescue, and social communication programs stand out, which raise awareness in the communities close to our projects regarding the appropriate use of security lanes and the fight against wildfires.

We study and practice, whenever possible from a financial and technological standpoint, construction techniques that have a lower impact on biodiversity and the environment, with an emphasis on initiatives such as laying cables with the aid of drones and installing higher towers, which contribute to reducing the need for plant suppression.

Focusing on the operation and maintenance of our transmission assets, the Environmental Management System (EMS) aims to ensure compliance with applicable environmental legislation, promote increased efficiency in the use of natural resources, and minimize the environmental impacts of operations. By 2030, we have the ambition to expand the scope of this management, covering 100% of our substations.



R\$ 13.1 million
were allocated to
environmental investments in
2022, aimed at complying with
licensing conditions



Biodiversity

We identify impacts on biodiversity caused by our assets and operations in accordance with Environmental Impact Assessment (EIA) criteria and guidelines. Based on this interdisciplinary methodology, we detected that the main impacts occur in the implementation phase of the projects, in which the volume of works carried out is greater.

In general terms, the installation of a new transmission system can change the natural landscape, with the introduction of infrastructure such as towers, cables, and substations, permanent or temporary reduction of forest areas, loss or reduction of natural habitats, and development of erosion processes. The occurrence, intensity and duration of these impacts vary according to the physical and geological conditions of each location where the project is to be carried out.

To minimize these effects, we carry out Environmental Impact Studies, in which

alternatives for preventing, reducing and mitigating environmental impacts are evaluated, such as the search for alternative areas for the installation of projects.

From this perspective, we carry out the planning of management actions, which include the definition of mitigation measures, plans and programs for environmental control and initiatives to enhance positive impacts. On this front, we carry out, for example, programs for reforestation and forest enrichment, fauna and flora conservation, environmental education for workers, and social communication with the neighboring population.

Different operational measures are defined according to the licensing process and conditions and are implemented with the goal of mitigating impacts on biodiversity. These include:

- Changing the layout of lines and substation locations to avoid interference in conservation areas or areas of interest to traditional communities;
- Raising towers and laying cables by drones to minimize the need for vegetation suppression;
- Technical management and monitoring of contracted suppliers for the execution of works and infrastructure services;
- Execution forest recovery and replacement projects;
- Execution of local fauna monitoring programs before, during and after the implementation of projects;
- Adoption of environmental programs to raise the awareness of local communities and populations.

Waste

One of the main environmental aspects managed in our activities is the generation and appropriate disposal of waste. Our regional offices have waste centers, where these materials are segregated, packaged and prepared for correct disposal with the lowest possible environmental impact. Additionally, a corporate area is dedicated to identifying and marketing waste with commercial value (referred to as valuable waste) in reverse logistics chains. In the offices and administrative areas, domestic waste is generated, separated into recyclable, and organic waste.

The largest volume of waste comes from maintenance activities in our network and consists of waste oil, scrap equipment, and light bulbs. All waste is disposed of by duly licensed companies that are assessed before and during the contract period, with the issuance of Waste Transportation Manifests and Waste Disposal Certificates, as applicable. There is no record of environmental incidents or non-compliance related to waste in the company.

In 2022, we set a corporate goal to reduce waste generation. Waste disposal throughout the year occurred only for administrative facilities, which totaled 31.2 metric tons, and for the category of recoverable waste, which added up to 1,951.9 metric tons. The sale of recoverable waste generated R\$ 1.36 million in revenue. In the other units, the destination added up to 0.44 metric tons in the period. In 2022, there was no availability of a contract with a company to carry out the disposal of waste, which was temporarily stored in the waste centers of each region.

In 2023, the contract will be completed and, subsequently, the final destinations in each location will be scheduled.

Throughout 2022, we continued the equipment treatment process for the appropriate disposal of PCB oil, ending the period with 22.5% of the total equipment decontaminated. Our goal is to complete the decontamination process by 2025, in accordance with current legislation. To do this, we are awaiting the authorization process from the Brazilian Electricity Regulatory Agency (ANEEL) for the purchase and effective installation of new equipment.

92.6%
of waste
destined in 2022
was directed to
reuse methods
(recycling,
refining, and
co-processing)

Waste disposal by type and method (metric tons)¹

	2022			2021			2020		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recycling ²	88.7	1,747.8	1,836.5	465.7	2,932.6	3,398.3	348.6	1,083.4	1,432.0
Refining ²	0.3	0.0	0.3	0.0	0.0	0.0	2.6	0.0	2.6
Coprocessing ²	0.0	0.0	0.0	27.5	1.3	28.8	26.5	0.6	27.1
Landfill ³	0.2	115.5	115.7	0.1	170.3	170.4	16.1	330.4	346.5
Incineration ³	0.0	0.0	0.0	14.5	0.0	14.5	0.0	0.0	0.0
Other destination methods ³	0.0	31.2	31.2	0.3	0.5	0.8	0.0	0.0	0.0
Total	89.1	1,894.5	1,983.6	508.1	3,104.7	3,612.8	393.8	1,414.3	1,808.1

1. Considers waste destined by waste centers and administrative offices and recoverable waste.

2. Methods that divert waste from final disposal (GRI 306-4).

3. Final disposal methods (GRI 306-5).

Water and effluents

Our operations are not water-intensive, as we do not use this natural resource in our operational processes. The water is supplied by the supply network to the administrative offices and substations, and in some cases, there is underground collection from duly licensed wells. Each month, we calculate the volume consumed at each installation and monitor this evolution using corporate indicators and targets.

Similarly, the generation of effluents does not cause significant impacts, as it refers only to administrative (non-industrial) sewage. Our effluents are disposed of by local sanitation networks, with septic tanks and chemical toilets in some operations.

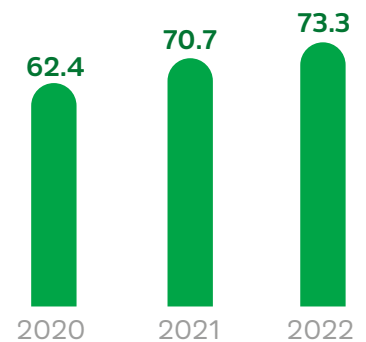
Additionally, we act preventively in our operations to avoid leaks that could contaminate the soil or bodies of water. To do this, we have transformer oil containment systems, emergency response kits and oil-water separators in our facilities. Field teams are trained to act in the event of an incident, avoiding negative impacts on the environment.



In 2022, we mapped our locations in relation to the potential for water stress, based on the Aqueduct Water Risk Atlas platform, from the World Resources Institute (WRI). According to the platform's assumptions, 29 of the 125 substations in the 100% controlled concessionaires are in an area with a high general risk of water stress, all in the state of São Paulo. No location is in an extremely high risk area.

In the period, our water withdrawal totaled 73,300 cubic meters (megaliters), an increase of 3.7% in the annual comparison. This growth reflects the return to face-to-face work, in May 2022. Compared to the pre-pandemic period (in 2019, the year in which consumption totaled 78,300 cubic meters), we achieved a reduction of 6.4%. Of this total, 42,800 cubic meters were captured in areas with water stress.

Total water withdrawal
(thousand cubic meters)



Energy

Energy consumption in our operations comes from three main sources: fuel consumption, electricity purchased from distributors and electricity from substation auxiliary services.

Regarding fuels, mostly used in the operational fleet, we recorded a consumption of 41,700 GJ in 2022, a volume 3.4% higher than in the previous year. Of this total, 38% were related to ethanol consumption.

Electricity purchased from concessionaires totaled 13,200 GJ, an increase of 7.5% in the year-on-year comparison, due to the energization of a new substation and the return to on-site work in administrative areas as of May 2022. Compared to the pre-pandemic period (in 2019, the year in which consumption totaled 15,400 GJ), the purchase of electricity from concessionaires was 14% lower in the last year.

As of 2022, we began reporting electricity consumption through the auxiliary service at substations. This energy is used in substations for internal consumption of equipment, such as transformers, totaling 129,700 GJ in 2022. This volume is equivalent to 36,000 MWh of electricity consumed in the year, with 3,650 MWh acquired from distributors and 32,390 MWh for the substation auxiliary service.

Fuel consumption (GJ)¹

	2022	2021	2020
Gasoline	795.2	763.0	294.4
Ethanol ²	15,950.7	15,077.1	14,583.8
Diesel	24,961.6	24,494.6	18,546.1
Total	41,707.6	40,334.6	33,424.4

1. Consolidated data for all operations 100% controlled by ISA CTEEP. The values in gigajoules were calculated based on the volume consumed in liters and the conversion factors of the 2022 National Energy Balance.

2. Fuel from renewable sources.

33,487

I-RECs

were acquired and retired in 2022 to offset GHG emissions resulting from electricity consumption in our operations

Lorena Substation (SP).



Eco-efficiency in operations

We seek to ensure the continuous improvement of our processes in order to ensure the responsible and optimized use of natural resources. In addition to monitoring the various initiatives for a cleaner production model, in 2022, we defined the goal of reducing 1,972 tCO₂e of GHG emissions compared to the base year of 2019 (a comparable reference year for calculating the goal, since 2020 and 2021 were impacted by the context of the COVID-19 pandemic). This goal is linked to the variable compensation of executives and allows us to measure our progress in actions to reduce energy and water consumption, waste generation and SF₆ losses, and the environmental benefits of adopting remote work (emissions avoided with

remote work twice a week). At the end of the period, we achieved a reduction of 4,800 tCO₂e, 243% above the established target, mainly thanks to initiatives to reduce SF₆ emissions.

One of the highlights of the year was the development of the Eco-Efficiency Indicators Management Standard, which standardizes the reporting of eco-efficiency data, contributing to the reliability, traceability and governance of this topic. The standard establishes the parameters for entering data in our system of sustainability indicators and the methodologies and calculation assumptions, as well as the flows, deadlines and persons responsible for

these processes. To publicize it, we promote awareness-raising and training meetings for the teams involved.

Additionally, we invested approximately R\$ 1.7 million in the acquisition of mobile equipment to recycle the oil used in transformers – an essential item to keep the equipment refrigerated and insulate electrical parts, ensuring its full operation. The equipment has the capacity to regenerate approximately 20,000 liters of oil per day and avoid the disposal of approximately 600,000 liters of oil per month. Throughout its service life, the insulating and cooling oil loses its initial chemical

characteristics. When it undergoes recycling, these characteristics are restored, avoiding the need to discard and replace it with new oil.

For 2023, we set a goal to reduce fuel consumption in the fleet of light and heavy vehicles, the second largest source of emissions, and to promote sustainable mobility, which aims to reduce emissions on the journey to and from work. There are also plans to review and improve waste management, including the development of circular economy solutions, and the structuring of the emissions reduction plan, alongside the expansion of the scope of ISA CTEEP's environmental management system.



Mobile oil recycling equipment.

Other initiatives for the efficient use of natural resources

- Gradual replacement of conventional light bulbs with LED bulbs
- Installation of self-closing faucets in offices
- Composting of organic waste during the construction stage of projects
- Monitoring the generation of organic and recyclable waste
- Use of drones for inspection and laying of cables (contributing to the reduction of pruning and suppression of vegetation)



Project by the Guga Kuerten Institute.

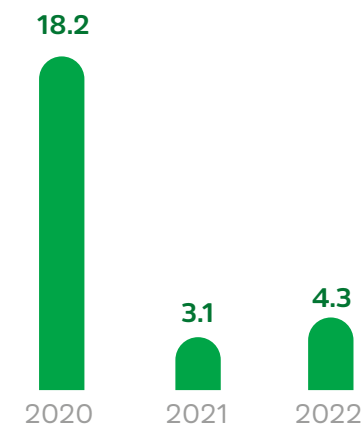
Social development

The Conexões para o Desenvolvimento (Connections for Development) initiative aims to capitalize and expand the resources intended for projects that focus on inclusive education, through incentive and own resources. The program reaffirms our commitment to **Sustainable Development Goal (SDG) 4: Quality Education**, which is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

In 2022, as part of our Private Social Investment (PSI) strategy, we invested more than R\$ 4.3 million in initiatives for the benefit of society, with R\$ 4.1 million in incentives for carrying out different projects throughout Brazil. The amount of resources made available made it possible to carry out ten projects, eight of which in partnership with different institutions, through the Culture Incentive Act, the Sports Incentive Act, the Elderly Fund and the Child and Adolescent Support Act, and two with own resources.



Private social investment
(incentivized and own)
(R\$ million)



CONEXÕES PARA O DESENVOLVIMENTO | isa

Among the social projects encouraged with investment in 2022, the following stand out:

■ **Year 14 – Sports Program (Instituto Gustavo Kuerten) – Campeões da Vida (Champions of Life)**

It promotes the personal and social development of children and adolescents through educational and sports actions, contributing to the construction of a broader view of the reality in which they are inserted and, thus, exercising citizenship.

■ **SDG Circuit in Schools**

The Conhecendo os ODS (Learning about the SDGs) project took a series of activities on the 17 SDGs to public schools, institutions, and cultural centers. Through the circuit, children were able to learn how everyday attitudes can reflect in a more conscious world.

■ **Memorial Mata Ciliar – Museu do Meio Ambiente (Environment Museum)**

The goal of this project is to build a space entirely dedicated to environmental culture, which will host, develop and disseminate artistic activities or activities related to art education, theater, environmental education, and appreciation of indigenous culture, seeking to use existing elements in the nature as a raw material.

Additionally, projects supported since 2020 were carried out throughout the year, with an emphasis on:

■ **Sustainable Development Goals (SDGs) Truck**

Promoted the dissemination of the 17 SDGs proposed by the United Nations (UN) within the scope of the Agenda 2030. Carried out in partnership with the NGO NTICS Projetos, in total, 13 cities in seven different states hosted the initiative, which also promoted visits to public schools for the engagement of students and teachers.

■ **Instituto Esporte e Educação (Sports and Education Institute)**

This project seeks to democratize access to educational sports through an integrated training model for managers, coordinators, pedagogues and teachers in municipal schools. The initiative covers the qualification of physical education and sports classes, favoring comprehensive education and quality of life in several municipalities in the Brazilian states of Maranhão, Piauí, and Tocantins. In 2022, over 200 education professionals from public schools were selected by the Secretariat of Education and trained free of charge.



Sustainable Development Goals (SDGs) Truck



■ **Para Sempre Meio Ambiente
(Forever Environment)**

Combining theater and music, the project promoted reflections on various aspects of environmental preservation, such as recycling, the circular economy, forest protection, and the importance of avoiding fires and preserving water and air to ensure the survival of future generations.

■ **Xadrez Mentas Brilhantes
(Bright Minds Chess)**

This action has the following objectives: training and comprehensive development of young students in the public school system, including spatial and logical-mathematical intelligence; development of reasoning and concentration; creating and encouraging healthy habits; improving health conditions; and promoting respect for others and the learning of behavioral discipline. The project was encouraged through the Sports Incentive Act and serves 256 students from the public school system in the municipalities of Florianópolis, Biguaçu, both in Santa Catarina (SC), and Caxias do South, Rio Grande do South (RS).



Para Sempre Meio Ambiente (Forever Environment) Project

Private social investment in 2022 by line of action (R\$ thousand)

	Own	Incentivized	Total
Education	0.0	980.0	980.0
Institutional strengthening	65.0	0.0	65.0
Community living with infrastructure	164.4	0.0	164.4
Support for culture and sports	0.0	3,140.0	3,140.0
Total	229.4	4,120.0	4,349.4

 [Click here](#) to learn about all the projects encouraged by the Conexões para o Desenvolvimento program.

EMPREGA MAIS PROGRAM

In partnership with the Pirituba Unit – Jorge Mahfuz, of the National Service for Industrial Learning (Serviço Nacional de Aprendizagem Industrial – SENAI), we promoted a special class to provide training for women in the career of installation electrician. Seventy-five scholarships were offered for the course, exclusively for women and without the need for previous technical training. With a course load of 160 hours, classes started in December 2022 and will be held until July 2023, in the city of São Paulo.

Emcena Brasil

Transforming adapted containers into a stage, the group toured several cities in the state of São Paulo. The initiative provided the public with leisure, popular culture immersion and appreciation of Brazilian artists through theater presentations, movie sessions, recreational and circus activities, and *mamulengo* shows, featuring typical puppets of the Brazilian Northeast.

Integra Exhibition

Multimedia and interactive exhibition with the aim of addressing seven sectors of socioeconomic development in Brazil (SDGs, Field, Habitat, Mining, Energy, Transportation, and Creative Industry), in line with global trends. The project included guided visits, which combine leisure and learning and contribute to reflection and the generation of knowledge for a better and more sustainable future.

Senior/Intergenerational Entrepreneurship

The project promoted an entrepreneurial training cycle with a specific focus on the elderly, mixing the participation of young people, in the city of Belo Horizonte, Minas Gerais (MG), contemplating the training of 60 groups.

Main projects executed in 2022¹

Project	Benefited public ²	Influence area	Flagship program
Year 14 – Sports Program (Instituto Gustavo Kuerten) – Campeões da Vida (Champions of Life)	200 children and adolescents aged 6 to 18 years, of which approximately 12% are PwD	IE Sul and IE Biguaçu	Conexões para o Desenvolvimento
SDG Circuit in Schools	14,000 people, including students and teachers	IENNE and ISA CTEEP	Conexões para o Desenvolvimento
Memorial Mata Ciliar – Museu do Meio Ambiente (Environment Museum)	There is no specific number as the memorial is still under construction.	ISA CTEEP	Conexão Jaguar
Instituto Esporte e Educação (Sports and Education Institute)	1,500 people	IENNE	Conexões para o Desenvolvimento
Xadrez Mentas Brilhantes (Bright Minds Chess)	320 public school students	IE Sul and IE Biguaçu	Conexões para o Desenvolvimento
Sustainable Development Goals (SDGs) Truck	29,102 people	Evrecy and ISA CTEEP	Conexões para o Desenvolvimento
Emcena Brasil	21,000 people	ISA CTEEP	Others
Para Sempre Meio Ambiente (Forever Environment)	15,000 people	ISA CTEEP	Others
Integra Exhibition	50,000 people served directly	ISA CTEEP	Others
Senior/Intergenerational Entrepreneurship	1,500 people, 70% senior citizens and 30% below this age group Organization of 2 entrepreneurship fairs	IEMG	Conexões para o Desenvolvimento
Jaguar Parade	4 institutions benefited from the collection of works auctioned, intended for projects to preserve the species	ISA CTEEP	Conexão Jaguar (learn more on page 86)

1. There was no voluntary work by ISA CTEEP employees in the communities in 2022.

2. The number of recipients is an estimate made by the organizer for the full execution of the project.



About the

report

ISA CTEEP's 2022 Annual Sustainability Report discloses our challenges, achievements and results for the year in a transparent manner and in line with the best market practices, in addition to commitments and the company's strategic vision for the future.

This document was prepared in accordance with the GRI 2021 Standards and the requirements of the Electricity Sector Accounting Guide, as well as fulfilling the role of ISA CTEEP's Annual Social and Environmental Responsibility Report within the scope regulated by the Brazilian Electricity Regulatory Agency (ANEEL).

The information presented throughout this publication was collected by different areas of the company and is supported by a management system dedicated to monitoring sustainability indicators. The 2022 Annual Sustainability Report was approved by the company's Board

of Directors, Audit Committee and Board of Directors and submitted to external verification by PwC, as in previous years. Economic and financial data are presented on a consolidated basis (wholly-owned subsidiaries), in line with our Financial Statements, which have been audited by independent auditors and made available in our Results Center on the [Investor Relations website](#).

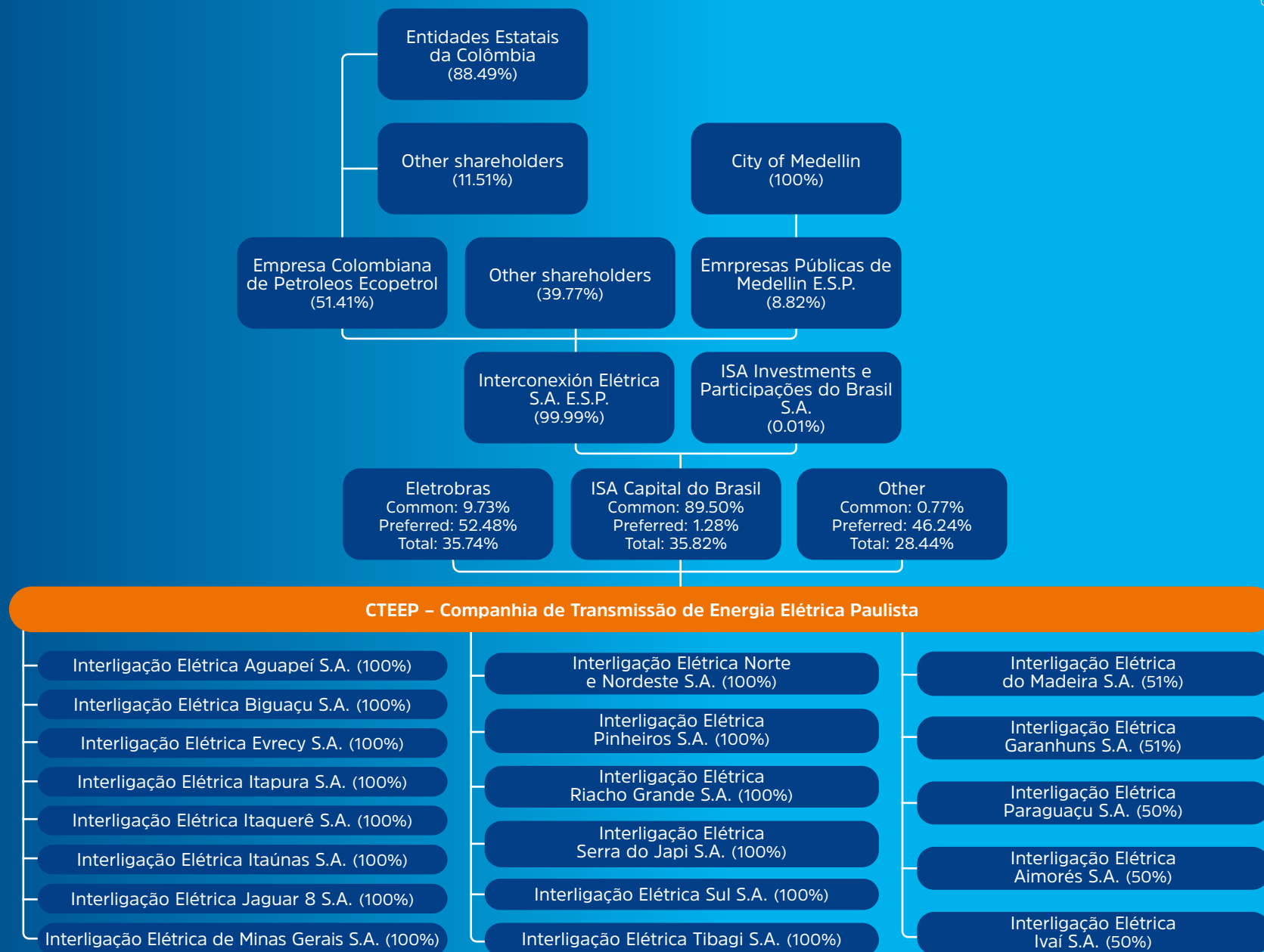
The reported GRI disclosures were prioritized according to our materiality matrix (learn more on page 100) and cover ISA CTEEP and all wholly-owned subsidiaries in operation and, where applicable, under construction (see the corporate organization chart on the next page). Any exceptions are identified in the respective footnotes. The period covered by the report ranges from January 1 to December 31, 2022. Questions, comments and suggestions about the report may be submitted by email to sustentabilidade@sacteep.com.br.

Henrique Bonato de Azevedo (Full Equipment Engineer).



Corporate organization chart*

*On October 31, 2022, the company conducted a corporate reorganization involving its controlled companies, with the goal of improving operational, financial and budgetary management by reducing operating, logistical and personnel costs. Thus, the concessions held by ISA CTEEP in the state of São Paulo, including those recently acquired in ANEEL Auction 01/2022, were geographically grouped according to the distance criterion, in respective concessionaires, with the subsequent capture of synergies in the management of the companies involved. The operation consists of the partial spin-off of IE Pinheiros, IE Japi, and IE Itapura, as well as the subsequent transfer of the portion of its equity related to transmission assets to the companies IE Itapura, Jaguar 9, Jaguar 8, and Jaguar 6, which are entities controlled by ISA CTEEP.



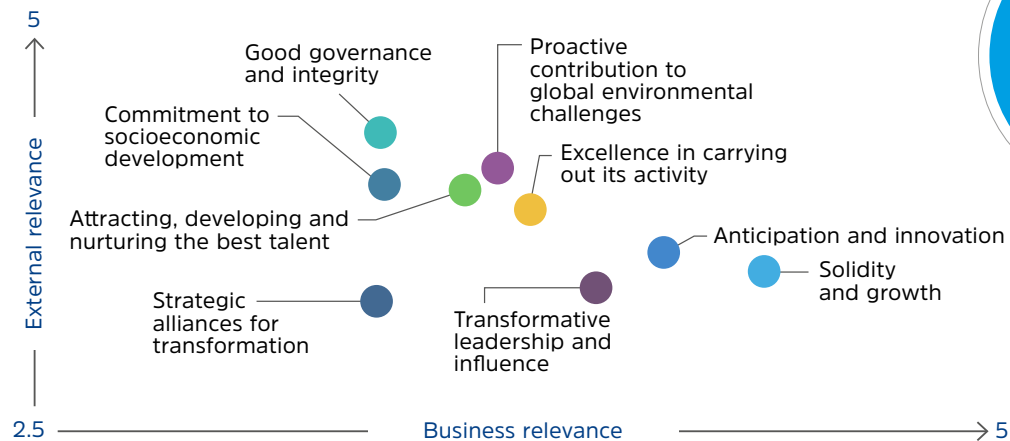
Materiality *matrix*

The set of material topics that guide the content of the Annual Sustainability Report is defined through a global process by ISA and its companies and integrated into the management of our corporate reputation. Periodically, the consultation is carried out with the support of a specialized consulting firm, following ISA's integrated reputation and sustainability model, which is based on 28 elements and organized into 9 areas.

The most recent update took place in 2022 and involved 720 consultations with ISA's key audiences and its companies: academia, shareholders, financial analysts, associations, customers, employees, the State, suppliers, institutions, and the media. In total, the process included 43 in-depth interviews, 3 debate sessions with employees, and 1 online survey with 674 responses. Investor and market requirements for corporate sustainability accountability and industry benchmarking were also considered. Consequently, the 9 scopes were considered to be material topics, with variation in the relevance of the elements contained in each scope.



[Click here](#) for more information about the materiality process in ISA's Integrated Report.



Click on
the numbers
to learn more
about our
material topics

Stakeholder engagement and *dialogue*

We believe in dialogue and permanent listening as mechanisms to identify expectations of our stakeholders and understand, from their point of view, what are our main achievements and opportunities for advancement. This posture of joint construction is practiced daily by the company's areas, in line with the guidelines of our Stakeholder Engagement Policy, launched in 2022.

Several channels of communication and dialogue are made widely available and targeted at specific audiences, ensuring the disclosure of information in a transparent and timely manner. The approaches combine meetings, events and dedicated channels, among other tools, to ensure permanent openness and the exchange of relevant information.



Click here to access our Stakeholder Engagement Policy and learn more about our strategy and mechanisms for dialogue with stakeholders.

The effectiveness of engagement is systematically measured through the determination of corporate goals and, in particular, by monitoring ISA CTEEP's reputation regarding its different stakeholders. The reputation survey is conducted globally by ISA in accordance with the integrated reputation and sustainability model, with total synergy with the materiality process.

In the 2022 edition, the reputation survey indicated an improvement in the classification of the company's relationship with the public consulted, changing from an overall score of 4.3 in 2019 to 4.5 in the last year (on a scale of 1 to 5), as well as positive evolution in five of the ten audiences: academia, customers, employees, media, and NGOs. The reputation index, calculated by the weighted average of the relationship ratings, increased from 4.2 to 4.3 between the two editions (also on a scale of 1 to 5).



Click here and access all ISA CTEEP policies.

Stakeholder engagement objectives

- To promote short, medium and long-term engagement based on ethics and transparency, which are constructive and respect human rights.
- To provide communication channels that provide information and guarantee spaces for dialogue.
- To strengthen engagement based on trust and legitimacy.
- To encourage assertive engagement to create opportunities for dialogue between the company and one or more stakeholders to provide a well-founded basis for the organization's decisions.
- To provide information of public interest in a timely manner.
- To contribute to sustainable development and well-being.
- To integrate relevant contributions identified by stakeholders into the company's strategy.

Stakeholder engagement strategies

- To promote permanent internal dialogue.
- To monitor the management of environmental risks and the mapping of stakeholders.
- To create a conversational agenda that encourages people and is proactive.
- To seize and optimize engagement opportunities.
- To contribute to the positioning and building of the company's reputation.
- To ensure proper management of crises or conflict situations with one or more stakeholders.

Complement to the GRI disclosures

GRI 2-7 | Employees

Our workforce grew by 9.4% in the last year. Among the main factors for hiring in the period, the following stand out: the Piraquê project, acquired in the June 2022 auction; increase in the portfolio of reinforcements and improvements, which grew from R\$ 200 million to

R\$1.2 billion; the energization of projects that entered into commercial operation in 2022 (Ivaí, Biguaçu, Três Lagoas, and Aimorés); and corporate implementation of Sarbanes-Oxley Act (SOx) standards.

Employees by gender, contract type and region¹

	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Indefinite term (permanent)									
North	5	0	5	na	na	na	na	na	na
Northeast	11	0	11	na	na	na	na	na	na
Midwest	44	1	45	na	na	na	na	na	na
Southeast	1,128	212	1,340	na	na	na	na	na	na
South	43	1	44	na	na	na	na	na	na
Total	1,231	214	1,445	1,140	184	1,324	1,202	190	1,392
Fixed term (temporary) ²									
Southeast	2	2	4	0	0	0	0	0	0
Total number of employees (indefinite and fixed term)	1,233	216	1,449	1,140	184	1,324	1,202	190	1,392

1. All employees work in full-time employment contracts. Consolidated according to payroll on the base date of 12/31 of each year; does not cover interns, apprentices, and advisors.

2. There are only employees with fixed-term contracts in the Southeast Region.

GRI 2-8 | Workers who are not employees

Workers who are not employees¹

	2022	2021	2020
Members of the Board of Directors	6	9	8
Apprentices	6	9	8
Interns	36	5	21
Third parties	2,226	na	na

1. Significant fluctuations can occur over time for each category, depending on the following factors: annual election of members of the Board of Directors; hiring of apprentices; new classes in the internship program; and contracting of outsourced companies for the implementation of assets under construction.

GRI 2-17 | Collective knowledge of the highest governance body

For the coming years, we plan to develop specific actions to improve the Board of Directors' qualifications on climate change, considering the relevance of the energy transition to our corporate strategy.

GRI 2-21 | Annual total compensation ratio

In 2022, the proportion between the total annual remuneration of the highest-paid individual and the average total annual compensation of other employees was 18.4 times (compared to 17.3 times in 2021). Comparing the annual increase in these amounts, the proportion was 27.8 times. The calculations consider the CEO's total annual compensation (fixed and variable) in relation to the average of all other employees covered by the GRI 2-7 disclosure.

GRI 2-27 | Compliance with laws and regulations

In the environmental sphere, we recorded five significant processes that are currently in progress. Of these, two related to alleged potentially polluting activities without environmental licensing and non-compliance with environmental licensing conditions were recognized in the prescription (involving the ISA CTEEP concession), two related to alleged non-compliance with environmental licensing conditions had our defense presented and currently await due consideration of the instances involved (involving the subsidiary IE Sul), and one related to alleged non-compliance with environmental licensing conditions was settled with the payment of a fine in the amount of R\$ 179,000 (involving the ISA CTEEP concession and started in 2017). Within the scope of the discussion of non-compliance with industry regulations, three legal proceedings for the annulment of notices of violation imposed by the Brazilian Electricity Regulatory Agency (ANEEL) were in progress throughout the year, all of which are related to the ISA CTEEP concession. The enforceability of the penalty was suspended in the three cases and currently await judgment on the merits.

In the regulatory sphere, IENNE received a sanction in the amount of R\$ 278,800, due to the high number of shutdowns, culminating in an inspection in the scope of operation and maintenance.

No significant cases were reported in the labor sphere. The criteria for significant fines encompasses those in excess of US\$ 10,000 and non-monetary sanctions that may cause interruption of the operational activity, affect the company's access to auctions, or cover obligations whose cost exceeds US\$ 10,000.

GRI 3-2 | List of material topics

There were no significant changes, as the structure of 9 dimensions and 28 material themes was maintained. The Reputation and Materiality survey used to compose the 2022 Annual Sustainability Report used the same methodology as the previous report and maintained the same structure. The details of each topic in relation to actual and potential impacts (positive and negative), policies, commitments and measures for the appropriate management of impacts are presented alongside the GRI 3-3, according to the pages dedicated to each material topic.

GRI 2-28 | Membership associations

Amounts paid to associations and entities in 2022 (R\$)

	2022
Associação Brasileira de Companhias de Energia Elétrica (ABCE)	32,076.00
Associação Brasileira da Infraestrutura e Indústrias de Base (ABDIB)	131,400.00
Associação Brasileira de Comunicação Empresarial (Aberje)	11,880.00
Associação Brasileira de Gerência de Riscos (ABGR)	3,100.00
Associação Brasileira das Companhias Abertas (Abrasca)	26,000.00
Associação Brasileira das Empresas de Transmissão de Energia Elétrica (Abrate)	205,318.44
Associação de Intercâmbio Sociocultural e Empresarial Brasil-Colômbia (AISCE)	60,000.00
Comitê Brasileiro da Comissão de Integração Elétrica Regional (Bracier)	56,024.77
Centro de Pesquisas de Energia (Cepel)	100,000.00
Comitê Nacional Brasileiro de Produção e Transmissão de Energia Elétrica (Cigre)	5,580.00
Instituto Brasileiro de Governança Corporativa (IBGC)	42,726.00
Instituto Ethos	51,000.00
Associação Brasileira dos Contadores do Setor de Energia Elétrica (Abraconee)	12,600.00
Instituto Abrate	2,565.48
Associação Brasileira de Energia Solar Fotovoltaica (ABSolar)	4,270.00
Associação Brasileira de Serviços Compartilhados (ABSC)	2,388.00
Instituto de Engenharia de Gestão (IEG)	35,615.00
UTC América Latina (UTCAL)	34,159.00
Total	816,702.69

GRI 205-2 | Communication and training about anti-corruption policies and procedures

Compliance training in 2022¹

	Number of trained employees	Percentage of trained employees over the staff of 12/31
By employment level		
Executive Board	9	100.0%
Management	29	96.7%
Coordination	72	96.0%
Specialists	33	94.3%
Administrative	248	96.1%
Operational	1,020	97.9%
By region		
North	4	80.0%
Northeast	11	100.0%
Midwest	44	97.8%
Southeast	1,307	97.3%
South	45	102.3% ²
Total	1,411	97.4%

1. Training is not applied to governance members (Board of Directors and Fiscal Council).

2. The percentage exceeds 100% as it considers one trained employee who was subsequently dismissed in the reporting period.

GRI 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

No lawsuits related to unfair competition, trust or monopoly practices involving the company were reported.

GRI 302-1 | Energy consumption within the organization

Electricity consumption (GJ)¹

	2022			2021	2020
	Distributor	Transformer – auxiliary service	Total	Distributor	Distributor
Evrecy	250.6	181.5	432.1	267.6	227.0
IE Aguapeí	80.6	651.7	732.3	0.0	0.0
IE Biguaçu	103.7	269.3	373.0	0.0	0.0
IE Itapura	16.3	767.3	783.6	170.3	0.0
IE Itaquerê	0.0	0.0	0.0	0.0	0.0
IE Pinheiros	0.0	6,402.1	6,402.1	0.0	21.9
IE Serra do Japi	0.0	2,380.0	2,380.0	0.0	0.0
IE Sul	165.0	2,004.2	2,169.3	166.0	172.6
IE Tibagi	0.0	0.0	0.0	0.0	0.0
IEMG	637.4	0.0	637.4	670.8	678.2
IENNE	1,222.8	0.0	1,222.8	1,092.2	1,282.7
ISA CTEEP	10,676.3	103,930.9	114,607.1	9,866.8	9,967.9
Total	13,152.7	116,587.1	129,739.7	12,233.6	12,350.3

1. Covers only wholly-owned subsidiaries in operation. In 2022, it considers the consumption acquired from local distributors and the transformer (auxiliary service of the concessionaires). For the previous years, it considers only consumption purchased from local distributors, excluding the transformer (auxiliary service). The company does not purchase other types of energy (heating, cooling, or steam), nor does it sell energy (electricity, heating, cooling, or steam).

GRI 303-3 | Water withdrawal

Water withdrawal in 2022 by source (cubic meters)¹

Year of 2022	Distributor	Well	Water truck	Rainwater	Total
Evrecy	110.70	2.65	0.00	0.00	113.35
IE Aguapeí	0.00	51.05	0.00	0.00	51.05
IE Biguaçu	10.00	0.48	0.00	0.00	10.48
IE Itapura	0.00	248.12	0.00	0.00	248.12
IE Itaquerê	0.00	252.00	0.00	0.00	252.00
IE Pinheiros	690.00	472.95	0.00	0.00	1,162.95
IE Serra do Japi	207.00	128.95	0.00	0.00	335.95
IE Sul	151.62	205.74	4.19	0.00	361.55
IE Tibagi	0.00	10.10	0.00	0.00	10.10
IEMG	79.81	84.78	0.00	0.00	164.59
IENNE	0.00	210.36	0.00	0.00	210.36
ISA CTEEP	16,965.19	53,193.00	190.00	24.00	70,372.19
Total	18,214.32	54,860.18	194.19	24.00	73,292.69

In areas with water stress

ISA CTEEP	8,179.65	34,447.84	190.00	0.00	42,817.49
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1. Covers only wholly-owned subsidiaries in operation. It is assumed that the entire captured volume has a concentration of total dissolved solids less than or equal to 1,000 mg/l.

Water withdrawal in 2021 by source (cubic meters)¹

Year of 2021	Distributor	Well	Water truck	Rainwater	Total
Evrecy	68.3	2.3	0.0	0.0	70.6
IE Aguapeí	0.0	0.0	0.0	0.0	0.0
IE Biguaçu	0.0	0.0	0.0	0.0	0.0
IE Itapura	0.0	118.0	0.0	0.0	118.0
IE Itaquerê	0.0	0.0	0.0	0.0	0.0
IE Pinheiros	559.0	692.0	0.0	0.0	1,251.0
IE Serra do Japi	105.0	274.1	0.0	0.0	379.1
IE Sul	121.2	266.0	0.4	0.0	387.6
IE Tibagi	0.0	0.0	0.0	0.0	0.0
IEMG	81.8	52.0	0.0	0.0	133.8
IENNE	0.0	208.5	0.0	0.0	208.5
ISA CTEEP	18,990.4	48,993.1	140.0	17.0	68,140.5
Total	19,925.7	50,606.0	140.4	17.0	70,689.1

1. Covers only wholly-owned subsidiaries in operation. It is assumed that the entire captured volume has a concentration of total dissolved solids less than or equal to 1,000 mg/l.

GRI 303-3 | Captação de água

Water withdrawal in 2020 by source (cubic meters)¹

Year of 2020	Distributor	Well	Water truck	Rainwater	Total
Evrecy	63.3	0.0	0.0	0.0	63.3
IE Aguapeí	0.0	0.0	0.0	0.0	0.0
IE Biguaçu	0.0	0.0	0.0	0.0	0.0
IE Itapura	0.0	0.0	0.0	0.0	0.0
IE Itaquerê	0.0	0.0	0.0	0.0	0.0
IE Pinheiros	1,262.0	493.0	0.0	0.0	1,755.0
IE Serra do Japi	127.0	115.5	0.0	0.0	242.5
IE Sul	218.9	262.4	0.0	0.0	481.3
IE Tibagi	0.0	0.0	0.0	0.0	0.0
IEMG	60.0	0.0	0.0	0.0	60.0
IENNE	0.0	0.0	0.0	0.0	0.0
ISA CTEEP	12,926.8	46,600.9	250.0	3.0	59,780.7
Total	14,658.0	47,471.8	250.0	3.0	62,382.8

1. Covers only wholly-owned subsidiaries in operation. It is assumed that the entire captured volume has a concentration of total dissolved solids less than or equal to 1,000 mg/l.

GRI 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Interference of operations in Conservation Units (CUs) by subsidiary¹

	Type of interference ²	State	Size of the overlapping area (hectares)
Evrecy	Overlapping with the Sete Salões State Park. Proximity to: Pico do Ibituruna State Natural Monument; and Pedra do Monjolo Municipal Natural Monument.	Minas Gerais	0.03
IE Biguaçu	Overlapping with the Serra de São Miguel Municipal Natural Park. Proximity to: Carijos Ecological Station; Environmental Protection Area (Área de Proteção Ambiental – APA) Anhatomirim; Rio Vermelho State Park; Morro da Cruz Municipal Natural Park; and Rio Vermelho Private Natural Heritage Reserve (Reserva Particular do Patrimônio Natural – RPPN).	Santa Catarina	0.00
IE Itapura	Proximity to the Lorena National Forest.	São Paulo	0.00
IE Itaúnas	Proximity to: Domingos Martins Natural Municipal Park; Municipal APA of Monte Mochuara; RPPN Dois Irmãos; RPPN Pau a Pique; RPPN Rancho Chapadão I; RPPN Rancho Chapadão; Aricanga Waldemar Devens Municipal Natural Park; Augusto Rusch Biological Reserve; Goiapaba-Açu Municipal Natural Park; and APA Pico do Goiapaba-Açu	Espírito Santo	0.00
IE Pinheiros	Overlapping with the APA Cantareira System. Proximity to: APA Represa Bairro da Usina; APA Piracicaba Juqueri-Mirim Area II; Itapetinga State Park; Grota de Mirassol Municipal Natural Park; São Paulo Northwest State Forest; São Paulo Northwest Ecological Station; APA Bororé-Colônia; Fontes do Ipiranga State Park; Varginha Municipal Natural Park; Bororé Municipal Natural Park; APA Piracicaba Juqueri-Mirim Area I; and Edmundo Navarro de Andrade State Forest.	São Paulo	0.13
IE Riacho Grande	Overlapping with the Pedroso Municipal Natural Park; and Águas da Billings State Park. Proximity to: APA Parque and Fazenda do Carmo; Fazenda do Carmo Municipal Natural Park; Estoril Municipal Natural Park; Serra do Mar State Park; APA Haras São Bernardo; and Fontes do Ipiranga State Park.	São Paulo	0.14
IE Serra do Japi	Overlapping with APA Cabreúva. Proximity to: APA Pedregulho; and APA Várzea do Rio Tietê.	São Paulo	0.04
IE Sul	Overlapping with the State APA of Guaratuba; and the APA do Iguaçu. Proximity to: APA do Passaúna; the Guaricana National Park; the APA Serra Dona Francisca; the Area of Relevant Ecological Interest (ARIE) of Morro do Iriri; the APA of Baleia Franca; Banhado da Imperatriz Municipal Natural Park; the Jacuí Delta State Park; and the Delta do Jacuí State APA.	Paraná, Santa Catarina and Rio Grande do Sul	1.54
IE Tibagi	Overlapping the APA Islands and Floodplains of the Paraná River. Proximity to the Caiuá Ecological Station.	São Paulo and Paraná	0.16

1. Companies not listed in the table are more than 10 km away from CUs.
2. The types of interference are as follows: proximity (up to 10 km away from the CU), adjacency (adjacent or at the boundary of a CU), and overlap (located within the CU).

Interference of operations in Conservation Units (CUs) by subsidiary¹

	Type of interference ²	State	Size of the overlapping area (hectares)
IEMG	Overlapping with: APA Santo Antônio; APA Córrego da Mata; and the APA Vargem das Flores. Proximity to: APA of Itacuru; Rio Doce State Park; Intellecto Municipal Natural Park; Mata do Bispo Municipal Biological Reserve; APA Piracicaba; Limoeiro State Park; APA Morro da Pedreira; Macaúbas State Wildlife Refuge; Serra Verde State Park; APA Lagoa Santa Karst; Serra do Sobrado State Park; Serra das Aroeiras State Wildlife Refuge; and São Judas Tadeu State Forest.	Minas Gerais	2.99
ISA CTEEP	Overlapping with APAs Paraíba do Sul Basin; Sahy Whale; Barreiro Rico; Bororé-Colônio; Cabreúva; Cajamar; Corumbataí Botucatu Tejupa – Botucatu Perimeter; Corumbataí Botucatu Tejupa – Corumbataí Perimeter; Campinas; Cananéia-Iguape-Peruíbe; Banhado; Ibitinga; Ilhas e Várzeas do Rio Paraná; Itupararanga; Jundiá; Municipal APA Capivari-Monos; Municipal APA of Serra do Guaruru; Pedregulho; Piracicaba Juqueri-Mirim Area I; Piracicaba Juqueri-Mirim Area II; Rio Batalha; Serra do Itapeti; Serra do Mar; Cantareira System; Taquã-Rio Piracicaba; Tietê; and Várzea do Rio Tietê; ARIE Leopoldo Magno Coutinho; São Paulo Northwest and Mico-Leão-Preto Ecological Stations; State Forests of Assis; São Paulo Northwest; Edmundo Navarro de Andrade; and Pederneiras; State Parks Carlos Botelho; Cantareira; Serra do Mar; Itaberaba; Itapetinga; Aguapeí; Juqueri; Rio Peixe; Restinga de Bertiooga; Municipal Natural Parks Cratera de Colônia; Jaceguava; and Nascentes de Paranapiacaba; Capivaras Biological Reserve; and RPPNs Botujuru-Serra do Itapety and Mosquito. Proximity to: the Municipal APAs Monte Mochuara; Pico do Goiapaba-Açu; Corumbataí-Botucatu-Tejupá – Tejupá Perimeter; Campo Grande; State APA Escarpa Devoniana; Haras São Bernardo; Jupia; Central Coast Marine APA; Northern Coast Marine APA; Mata do Iguatemi; Morro de São Bento; Parque e Fazenda do Carmo; Represa Bairro da Usina; and Silveiras; ARIEs Mata de Santa Geneva; Matão de Cosmopolis; Pé-de-Gigante; Vassununga; and São Sebastião; Ecological Stations Bráulio Guedes da Silva; from Angatuba; Assisi; Avaré; Bauru; Itapeti; Itapeva; Itirapine; Santa Maria; Barreiro Rico; Caiuá; Caetetus; Tupiniquins; Governador Mario Covas; Ibicatu; Jataí; Juréia-Itatins; Mata do Jacaré; Municipal APA of Pirajibu; Tupinambás; and Valinhos; State Forests of Guarulhos; Serra d'Água; Capão Bonito; Ipanema; and Lorena; Lagoas Natural Monument; Pedra Grande State Monument; State Parks of Águas da Billings; Alberto Löfgren; Ara; Ilha Anchieta; Fontes do Ipiranga; Ilhabela; Porto Ferreira; Vassununga; Itinguçu; Jaraguá; Morro do Diabo; Intervalles; Nascentes do Paranapanema; and Xixová-Japuí; Municipal Natural Parks of Domingos Martins; Itanguá Mangrove; Monte Mochuara; Goiapaba-Açu; Aricanga Waldemar Devens; Augusto Ruschi; Bororé; Biodiversity Corridors; Grota de Mirassol; Serra de São Domingos; Brigadeiro Tobias; Banhado; Campo Grande; Dourado; Jatobás; Estoril – Virgílio Simionato; Fazenda do Carmo; Itaim; and Varginha; Wildlife Refuge of Ilhas do Abrigo and Guararitama; Despraiado Sustainable Development Reserve; Augusto Ruschi Biological Reserve; and RPPNs Dois Irmãos; Pau a Pique; Rancho Chapadão II; Rancho Chapadão; Caete; Cava II; Fazenda Serrinha; Floresta das Águas; Lafigueira Naturarte; Mahayana; Marina do Conde; Mutinga; Paraíso; Dadinho Reserve; Jacu Reserve; Hinayana Reserve; São Elias; Sítio Kon Tiki; and Trápaga.	Espírito Santo, Minas Gerais, Paraná, São Paulo and Mato Grosso do Sul	103.26

1. Companies not listed in the table are more than 10 km away from CUs.

2. The types of interference are as follows: proximity (up to 10 km away from the CU), adjacency (adjacent or at the boundary of a CU), and overlap (located within the CU).

GRI 304-3 | Habitats protected or restored

As mechanisms for mitigating and compensating for the impacts generated by the construction and operation of our assets, we promote two main initiatives for the protection and restoration of biodiversity, in line with good market practices. The first of these involves the use of an area of 46.43 hectares forested and maintained by ISA CTEEP, an area bank, in which compensation for loss of native vegetation or interference in Permanent Preservation Areas (Áreas de Preservação Permanente – APPs), carried out via annotation,

and Legal Reserves exceeding the mandatory percentage. On a second front, we carry out enrichment and reforestation actions in degraded areas. Whenever we promote reforestation plantings or the maintenance of protected areas for the purposes of environmental commitment, the regulatory body is responsible for a third-party verification of the effectiveness of the implemented measures. In 2022, plantings were promoted in 6.8 hectares, through IEMG, and the maintenance of plantings from previous years in 15.7 hectares, through concessions IE Aguapeí, IE Itaúnas, and ISA CTEEP.

Areas restored in 2022 by subsidiary¹

	Location	Size (hectares)	Area type	Activity developed in the period
IE Aguapeí	Lameirão Farm (SP)	4.95	Third-party area	Maintenance
IE Itaúnas	Nossa Senhora da Saúde Sanctuary (ES)	0.12	Third-party area	Maintenance
IE Itaúnas	João Neiva II Substation (ES)	4.00	Proprietary area	Maintenance
IEMG	ECO Cerrado Private Natural Heritage Reserve (MG)	6.80	Third-party area	Reforestation planting
ISA CTEEP	Bispo Stream (SP)	5.28	Proprietary area	Maintenance
ISA CTEEP	Mico-Leão-Preto Ecological Station (SP)	1.30	Third-party area	Maintenance

1. Companies not listed in the table did not carry out forest restoration activities in the period.

GRI 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations

The activities for surveying fauna and flora species in the areas of influence of our assets occur mainly during the implementation stage of the projects and are managed within the scope of the Basic Environmental Plan (Plano Básico Ambiental – PBA) for each asset. In 2022, we conducted fauna monitoring studies for the companies IE Riacho Grande, IE Tibagi, and IEMG. The results showed the presence of over 400 species identified in the studies.

Number of endangered species identified in the 2022 monitoring by threat level

	IUCN Classification	National lists classification
Critically endangered	0	0
Endangered	3	2
Vulnerable	2	15
Near threatened	9	8
Least concern	437	426

GRI 306-4 and 306-5 | Waste diverted from disposal and Waste directed to disposal

Waste disposal by type (metric tons)¹

	2022			2021			2020		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Evrecy	0.00	0.66	0.66	0.00	0.00	0.00	0.00	0.00	0.00
IE Aguapeí	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IE Biguaçu	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00
IE Itapura	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IE Itaquerê	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IE Pinheiros	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IE Serra do Japi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IE Sul	0.24	0.18	0.42	135.36	0.44	135.80	0.67	0.29	0.96
IE Tibagi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IEMG	0.00	30.75	30.75	0.00	17.00	17.00	0.00	0.00	0.00
IENNE	0.00	0.55	0.55	0.00	0.00	0.00	0.00	0.00	0.00
ISA CTEEP	88.87	1,862.34	1,951.21	94.47	3,365.50	3,459.97	393.14	1,404.03	1,807.17
Total	89.11	1,894.50	1,983.61	229.83	3,382.94	3,612.77	393.81	1,414.32	1,808.13

1. Covers only wholly-owned subsidiaries in operation. 100% of the waste is directed to disposal outside the company.

GRI 306-4 and 306-5 | Waste diverted from disposal and Waste directed to disposal

Waste disposal in 2022 by method (metric tons)¹

	Recycling ²	Refining ²	Coprocessing ²	Landfill ³	Incineration ³	Other destination methods ³	Total
Hazardous							
Miscellaneous materials contaminated with oils (soil, gravel, filler earth, filters, tow, cloths, PPE, etc.)	0.0	0.0	0.0	0.2	0.0	0.0	0.2
Insulating and cooling oil	0.0	0.1	0.0	0.0	0.0	0.0	0.1
Hazardous recoverable waste	88.7	0.2	0.0	0.0	0.0	0.0	88.9
Total hazardous waste discarded	88.7	0.3	0.0	0.2	0.0	0.0	89.1
Non-hazardous							
Clean and dry miscellaneous materials (paper, cardboard, plastic, etc.)	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Organic administrative waste	0.0	0.0	0.0	0.0	0.0	21.5	21.5
Recyclable administrative waste	0.0	0.0	0.0	0.0	0.0	9.7	9.7
Non-hazardous recoverable waste	1,747.6	0.0	0.0	115.5	0.0	0.0	1,863.1
Total non-hazardous waste discarded	1,747.8	0.0	0.0	115.5	0.0	31.2	1,894.5
Total hazardous and non-hazardous waste discarded	1,836.5	0.3	0.0	115.7	0.0	31.2	1,983.6

1. Covers only wholly-owned subsidiaries in operation. 100% of the waste is directed to disposal outside the company.

2. Methods that divert waste from final disposal (GRI 306-4).

3. Final disposal methods (GRI 306-5).

GRI 401-1 | New employee hires and employee turnover

Hires and dismissals

	2022		2021		2020	
	Number of hires	Number of dismissals ¹	Number of hires	Number of dismissals ¹	Number of hires	Number of dismissals ¹
By gender						
Men	221	128	76	139	105	137
Women	66	35	39	43	39	65
By age group						
Under 30 years old	101	24	na	na	na	na
Between 30 and 50 years old	184	88	na	na	na	na
Above 50 years old	2	51	na	na	na	na
By region						
North	3	3	na	na	na	na
Northeast	0	0	na	na	na	na
Midwest	2	7	na	na	na	na
Southeast	250	151	na	na	na	na
South	32	2	na	na	na	na
Total	287	163	115	182	144	202

1. Of the 163 dismissals in 2022, 81 were voluntary. The average length of employment at the company is 10.4 years.

GRI 401-1 | New employee hires and employee turnover

Hiring and turnover rates

	2022		2021		2020	
	Hiring rate ¹	Turnover rate ²	Hiring rate ¹	Turnover rate ²	Hiring rate ¹	Turnover rate ²
By gender						
Men	18.4%	14.5%	na	9.4%	na	9.7%
Women	32.2%	24.6%	na	22.7%	na	4.6%
By age group						
Under 30 years old	47.5%	29.4%	na	na	na	na
Between 30 and 50 years old	19.0%	14.0%	na	na	na	na
Above 50 years old	0.9%	11.9%	na	na	na	na
By region						
North	80.0%	80.0%	na	na	na	na
Northeast	0.0%	0.0%	na	na	na	na
Midwest	4.1%	9.2%	na	na	na	na
Southeast	19.1%	15.3%	na	na	na	na
South	97.7%	51.9%	na	na	na	na
Total	20.4%	11.6%	8.7%	11.2%	14.4%	14.2%

1. Hiring rate = number of hires divided by the average headcount for the year.
2. Turnover rate = average between hires and dismissals divided by the average headcount for the year.

GRI 401-3 | Parental leave

Indicators related to parental leave

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Number of employees eligible for leave and who took leave	29	8	28	7	0	4
Number of employees who returned from leave in the period	28	5	28	7	na	4
Number of employees who remained in employment for at least 12 months after returning from leave ¹	na	na	23	5	na	2
Return rate ²	96.6%	62.5%	100.0%	100.0%	na	100.0%
Retention rate ¹	na	na	82.1%	71.4%	na	50.0%

1. The lines do not apply to the year 2022, as they depend on the 12-month interval after the return of employees to be calculated.

2. In 2022, return rates may reach 100%, as 1 man and 3 women were still on parental leave at the end of the period.

GRI 402-1 | Minimum notice periods regarding operational changes

The collective agreements signed by ISA CTEEP with the unions that represent our employees do not provide for a minimum period for notification regarding significant operational changes. Even so, valuing transparency and the broad engagement of the internal public, we communicate, as far in advance as possible, all situations that may affect workers in a marked way.

GRI 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

ISA CTEEP strives to incorporate the necessary measures to preserve occupational safety and health (OSH) and to manage associated hazards in processes, implementing risk management measures aimed at eliminating hazards and significant impacts, through the OSH performance and the criticality of the classification of the accidents that occurred. Our commitment to safety as a non-negotiable value is shared with all suppliers. All contracts for the acquisition of goods and services include clauses related to compliance with Brazilian OSH legislation. Additionally, we promote awareness and sensitization of partners through the dissemination of notices and the inclusion of this topic in the Meeting with Suppliers, which is held annually.

GRI 403-9 | Work-related injuries

Indicators of accidents involving employees

Employees ¹	2022			2021 (consolidated)	2020 (consolidated)
	Assets under construction	Assets in operation	Consolidated		
Number of hours worked	76,028	2,560,323	2,636,351	2,641,746	2,498,837
Number of recordable accidents ²	0	3	3	10	7
Number of high-consequence work-related injuries (excluding fatalities) ³	0	0	0	0	0
Number of fatal accidents	0	1	1	0	0
Number of days lost or debited ⁴	0	6,080	6,080	136	70
Frequency rate of recordable accidents ^{2 and 5}	0.00	1.56	1.52	3.79	2.80
Frequency rate of high-consequence work-related injuries (excluding fatalities) ^{3 and 5}	0.00	0.00	0.00	0.00	0.00
Frequency rate of fatal accidents ⁵	0.00	0.39	0.38	0.00	0.00
Accident severity rate ^{4 and 5}	0.00	2,374.70	2,306.22	51.48	28.01

1. Considers employees hired under the Consolidation of the Labor Laws (Consolidação das Leis Trabalhistas – CLT) and statutory directors. Does not cover directors, apprentices, and interns. The hours worked are obtained through the SAP system.

2. Considers all mandatory reporting accidents: with and without leave, except first aid.

3. Refers to accidents classified as Permanent Physical Disability: injury resulting in permanent partial or total physical disability, and mutilation.

4. Accounts for calendar days of leave.

5. Rates calculated with a factor of 1 million man-hours worked.

Indicators of accidents involving third parties

Third parties ¹	2022			2021 (consolidated)	2020 (consolidated)
	Assets under construction	Assets in operation	Consolidated		
Number of hours worked	4,479,708	1,287,927	5,767,635	4,318,352	3,132,800
Number of recordable accidents ²	23	3	26	28	27
Number of high-consequence work-related injuries (excluding fatalities) ³	0	0	0	0	0
Number of fatal accidents	0	0	0	3	1
Number of days lost or debited ⁴	134	5	139	18,090	6,164
Frequency rate of recordable accidents ^{2 and 5}	5.13	2.33	4.51	7.18	8.94
Frequency rate of high-consequence work-related injuries (excluding fatalities) ^{3 and 5}	0.00	0.00	0.00	0.00	0.00
Frequency rate of fatal accidents ⁵	0.00	0.00	0.00	0.69	0.32
Accident severity rate ^{4 and 5}	29.91	3.88	24.10	4,189.10	1,967.57

1. Covers all employees of contractors and service providers with no employment relationship with the company. The number of hours worked are accounted for by the contract managers and consolidated by the OSH team on a monthly basis.

2. Considers all mandatory reporting accidents: with and without leave, except first aid.

3. Refers to accidents classified as Permanent Physical Disability: injury resulting in permanent partial or total physical disability, and mutilation.

4. Accounts for calendar days of leave.

5. Rates calculated with the factor of 1 million hours worked.

GRI 404-1 | Average hours of training per year per employee

Average hours of training per employee¹

	2022	2021	2020
By gender			
Men	77.53	39.47	48.67
Women	28.76	13.19	31.43
Por nivel funcional			
Executive Board ²	21.56	8.67	4.29
Management	17.58	12.64	13.22
Coordination	39.52	23.16	31.34
Specialists	20.04	17.95	19.18
Administrative	15.76	9.16	22.20
Operational	89.59	43.89	53.19
Total	70.26	35.70	46.17

1. Calculated as the total training hours delivered throughout the year divided by the headcount at the end of the period.

2. Restated historical data. **GRI 2-4**

GRI 404-3 | Percentage of employees receiving regular performance and career development reviews

Percentage of employees covered by the annual performance assessment¹

	2022	2021	2020
By gender			
Men	94.8%	94.7%	95.1%
Women	89.4%	93.5%	92.6%
By employment level			
Executive Board	100.0%	100.0%	37.5%
Management	100.0%	100.0%	100.0%
Coordination	98.7%	92.8%	100.0%
Specialists	94.3%	95.5%	100.0%
Administrative	88.8%	94.1%	94.7%
Operational	94.8%	94.5%	94.3%
Total	94.0%	94.5%	94.5%

1. Calculated as the number of people surveyed divided by the headcount on 12/31.

GRI 405-1 | Diversity of governance bodies and employees

Composition of employee levels by gender

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Executive Board ¹	55.6%	44.4%	55.6%	44.4%	62.5%	37.5%
Management	83.3%	16.7%	80.8%	19.2%	81.5%	18.5%
Coordination	80.0%	20.0%	82.6%	17.4%	77.1%	22.9%
Specialists	57.1%	42.9%	59.1%	40.9%	68.2%	31.8%
Administrative	45.0%	55.0%	47.5%	52.5%	47.7%	52.3%
Operational	96.6%	3.4%	97.9%	2.1%	98.0%	2.0%
Total	85.1%	14.9%	86.1%	13.9%	86.4%	13.6%

1. Considers statutory directors and those governed by a CLT contract. The Statutory Board has 60% women in its composition.

Composition of employee levels by age group

	2022			2021			2020		
	Under 30 years old	Between 30 and 50 years old	Above 50 years old	Under 30 years old	Between 30 and 50 years old	Above 50 years old	Under 30 years old	Between 30 and 50 years old	Above 50 years old
Executive Board	0.0%	77.8%	22.2%	0.0%	88.9%	11.1%	0.0%	87.5%	12.5%
Management	0.0%	83.3%	16.7%	0.0%	69.2%	30.8%	0.0%	59.3%	40.7%
Coordination	1.3%	84.0%	14.7%	1.4%	75.4%	23.2%	0.0%	62.9%	37.1%
Specialists	5.7%	82.9%	11.4%	9.1%	81.8%	9.1%	0.0%	77.3%	22.7%
Administrative	27.9%	64.7%	7.4%	20.4%	71.4%	8.2%	27.1%	65.4%	7.5%
Operational	14.4%	69.0%	16.6%	14.0%	65.7%	20.3%	18.2%	59.8%	22.0%
Total	15.5%	69.7%	14.8%	14.1%	67.8%	18.0%	18.3%	61.4%	20.3%

Composition of governance bodies (Board of Directors and Fiscal Council)

	2022	2021	2020
By gender			
Men	62.5%	77.8%	78.9%
Women	37.5%	22.2%	21.1%
By age group			
Under 30 years old	0.0%	0.0%	0.0%
Between 30 and 50 years old	37.5%	33.3%	21.1%
Above 50 years old	62.5%	66.7%	78.9%

GRI 405-2 | Ratio of basic salary and remuneration of women to men

Ratio of the average remuneration of women to men for each employee category (times)

	2022		2021	2020
	Base salary	Total remuneration ¹		
Executive Board	1.10	0.99	1.10	0.90
Management	0.91	0.88	0.82	0.97
Coordination	1.08	0.94	1.06	0.98
Specialists	0.95	0.92	0.95	0.98
Administrative	0.98	0.98	0.97	0.93
Operational	1.45	1.21	1.42	1.34

1. Monitoring of total remuneration started in 2022, and therefore, previous years refer only to base compensation.

GRI 410-1 | Security personnel trained in human rights policies or procedures

All operational security activities are outsourced by contracting duly licensed companies. The 120 professionals who work in these activities are trained as provided by Brazilian law in the security guard course, with periodic refresher courses (according to Ordinance 3,233/2012 of the Brazilian Federal Police). This mandatory training for carrying out property security activities includes, among other aspects, human rights issues and has a workload of 20 hours. We monitor the compliance of these professionals with the respective training, requiring a valid certificate for 100% of the third parties so that they can enter the units of ISA CTEEP. Additionally, our supplier provides its employees with an online training platform, including a specific human rights module. In 2022, the 120 security outsourced workers at ISA CTEEP (100%) had valid mandatory training, and 5 outsourced workers (4.2% of the total) took the additional human rights training module.

GRI 411-1 | Incidents of violations involving rights of indigenous peoples

We value broad respect and dialogue in our relationship with indigenous peoples and traditional communities, seeking, where possible, to avoid or minimize impacts on these communities. In recent years, we have developed the programs of the Basic Environmental Plan for the Indigenous Component (Plano Básico Ambiental do Componente Indígena – PBA-CI) at the subsidiary IE Biguaçu, in accordance with Interministerial Ordinance 60, of 3/24/2015, providing activities to enhance the Guarani culture and supporting initiatives for organizing and managing the Mbiguaçu Indigenous Land. Complaints related to this topic are received and handled by the Ethics Line. No case of violation of rights of indigenous peoples was registered in our operations.

GRI 413-1 | Operations with local community engagement, impact assessments, and development programs

All operations have mechanisms for engagement and impact assessments, in line with the projects’ environmental licensing processes. In this context, one highlight is the Social Communication Program (Programa de Comunicação Social – PCS), which provides channels for dialogue with local communities and promotes the wide dissemination of information related to assets, such as the appropriate use of the safety zone of transmission lines, actions for fire prevention, and guidance in the event of fires. In 2022, PCS visited 9,979 locations in 309 municipalities, from 65 developments.

GRI 413-2 | Operations with significant actual and potential negative impacts on local communities

The main negative impacts generated by our operations in the local communities are related to the restriction of use in the safety range of the transmission lines. There is also a risk (potential impact) associated with security events involving populations and our assets. In the context of environmental licensing programs, these and other issues are managed systematically and with periodic accountability before the relevant agencies. Among the practices adopted, the Participatory Social and environmental Diagnosis, the Environmental Education Program, and the Social Communication Program, which promote the engagement of communities and the dissemination of educational actions and relevant information for the communities, are worthy of note. The criteria to determine the actual and potential significant impacts on local communities are defined in the environmental licensing and are delimited as: directly affected area (ADA), used by the enterprise and where the most significant direct impacts occur; indirect influence area (AID); and indirectly affected area (AIA).

GRI 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data

Our plan for compliance with the General Data Protection Act (Lei Geral de Proteção de Dados – LGPD), completed in August 2021, includes an assessment of the maturity of management and governance for privacy and data protection issues at ISA CTEEP by an independent consulting firm, the result of which indicated high levels of compliance and adherence to best practices. In 2022, we revisited our mapping of data processing activities, improving controls on this topic. Management of this issue in the company is led by the DPO (Data Protection Officer), with quarterly reporting to corporate governance bodies. In 2022, there were no records of privacy violations or data loss events.

GRI EU3 | Number of residential, industrial, institutional and commercial customer accounts

Number of business partners

	2022	2021	2020
Consumers in the free market	14	14	11
Energy distributors	11	21	20
Generators and self-producers	59	56	54
Transmitters	25	38	33

GRI EU4 | Length of above and underground transmission and distribution lines by regulatory regime

Length of circuits in operation by voltage level in 2022 (km)¹

	2022
500 kV	883.9
440 kV	6,511.0
345 kV	666.1
230 kV	1,918.0
Underground (230 kV/345 kV)	106.5
138 kV	9,351.3
88 kV	1,359.6
69 kV	2.1
Total	20,798.6

1. At the end of 2022, we still had 1,526 km of circuits under construction.

Length of circuits in operation by subsidiary (km)¹

	2022	2021	2020
Evrecy	163.0	163	164
IE Aguapeí	0.0	0	0
IE Biguaçu	54.4	0	0
IE Itapura	0.0	0	0
IE Itaquerê	0.0	0	0
IE Pinheiros	1.4	1	1
IE Serra do Japi	137.3	137	137
IE Sul	202.0	202	190
IE Tibagi	70.6	34	0
IEMG	173.0	173	173
IENNE	710.9	710	710
ISA CTEEP	19,286.0	19,285	19,157
Total	20,798.6	20,705	20,532

1. At the end of 2022, we still had 1,526 km of circuits under construction. Historical data restated considering only the 100% ISA CTEEP subsidiaries, which is why the values are lower than those reported in the 2021 Annual Sustainability Report.

GRI EU8 | Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development

Investments in R&D in 2022 by ANEEL research line (R\$ thousand)¹

Year of 2022	Electricity system planning	Operation of electricity systems	Supervision, control and protection of electricity systems	Others	Total
Evrecy	0.0	0.0	0.0	0.0	0.0
IE Aguapeí	0.0	0.0	0.0	0.0	0.0
IE Biguaçu	0.0	0.0	0.0	0.0	0.0
IE Itapura	0.0	0.0	0.0	0.0	0.0
IE Itaquerê	0.0	0.0	0.0	0.0	0.0
IE Pinheiros	0.0	0.0	0.0	20.9	20.9
IE Serra do Japi	0.0	0.0	0.0	25.7	25.7
IE Sul	0.0	0.0	0.0	0.0	0.0
IE Tibagi	0.0	0.0	0.0	0.0	0.0
IEMG	0.0	0.0	0.0	0.0	0.0
IENNE	0.0	0.0	0.0	82.7	82.7
ISA CTEEP	3,178.8	1,873.1	3,601.8	1,313.7	9,967.4
Total	3,178.8	1,873.1	3,601.8	1,443.0	10,096.6

1. There was no investment in other ANEEL R&D lines not listed in this table.

Investments in R&D in 2021 by ANEEL research line (R\$ thousand)¹

Year of 2021	Environment	Electricity system planning	Operation of electricity systems	Supervision, control and protection of electricity systems	Others	Total
Evrecy	0.0	0.0	0.0	0.0	67.0	67.0
IE Pinheiros	0.0	0.0	17.7	0.0	0.0	17.7
IE Serra do Japi	0.0	0.0	40.0	0.0	117.4	157.4
IE Sul	0.0	0.0	0.0	0.0	0.0	0.0
IEMG	0.0	0.0	0.0	0.0	0.0	0.0
IENNE	0.0	0.0	0.0	0.0	90.4	90.4
ISA CTEEP	93.7	2,216.8	4,616.6	13,070.0	3,319.8	23,316.9
Total	93.7	2,216.8	4,674.3	13,070.0	3,594.6	23,649.4

1. There was no investment in other ANEEL R&D lines not listed in this table.

Investments in R&D in 2020 by ANEEL research line (R\$ thousand)¹

Year of 2020	Environment	Electricity system planning	Operation of electricity systems	Supervision, control and protection of electricity systems	Others	Total
Evrecy	0.0	0.0	79.0	0.0	0.0	79.0
IE Pinheiros	0.0	0.0	308.9	0.0	0.0	308.9
IE Serra do Japi	0.0	0.0	233.6	0.0	0.0	233.6
IE Sul	0.0	0.0	0.0	0.0	0.0	0.0
IEMG	0.0	0.0	103.0	0.0	0.0	103.0
IENNE	0.0	0.0	0.0	0.0	0.0	0.0
ISA CTEEP	542.2	2,683.4	4,459.8	3,807.7	2,093.3	13,488.3
Total	542.2	2,683.4	5,184.3	3,807.7	2,093.3	14,212.8

1. There was no investment in other ANEEL R&D lines not listed in this table.

GRI EU12 | Transmission and distribution losses as a percentage of total energy

Transmission losses per subsidiary (GWh)¹

	2022	2021	2020
Evrecy	52.6	52.6	52.6
IE Aguapeí	245.3	224.1	0.0
IE Biguaçu	18.1	0.0	0.0
IE Itapura	211.0	60.8	0.0
IE Itaquerê	4.4	4.4	0.0
IE Pinheiros	683.3	683.3	683.3
IE Serra do Japi	280.3	280.3	280.3
IE Sul	131.4	131.4	131.4
IE Tibagi	87.6	87.6	0.0
IEMG	72.1	72.0	72.0
IENNE	144.1	144.0	144.0
ISA CTEEP	5,474.1	5,472.5	5,397.3
Total	7,404.4	7,213.0	6,760.9

1. Losses are estimated as 4% of the transmitted energy volume.

GRI EU22 | Number of people physically or economically displaced and compensation, broken down by type of project

In the installation of transmission lines, we rely on a complex and extensive process of land management for the regularization and fair compensation of landowners through which our assets pass. This process includes the preparation of technical reports in accordance with ABNT Standard 14,653, defining the amounts to be indemnified to owners in an impartial and reputable manner. We always seek friendly negotiation between the parties and evaluate requests for route changes that can minimize negative impacts on local communities. In this process, we also support the regularization of documentation of all areas used as easements, which contributes to the legal compliance of these business partners. In 2022, we completed the regularization and indemnification process for 132 properties, one of them in the Southeast Region and the others in the South Region.

GRI EU25 | Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases

All of our substations have external and wire fencing in energized areas, in addition to surveillance and access control systems. For infrastructures that have a social communication condition, the execution of the Social Communication Program (PCS) aims to create and maintain the necessary communication channels for a good relationship with the various social actors involved. In 2022, we did not record any accidents involving the population and our assets. During the period, two lawsuits related to accidents involving our transmission lines were underway. In both cases, we presented a defense and are currently awaiting the continuation of the legal proceedings.

Population safety indicators

	2022	2021	2020
Number of accidents involving the population	0	0	0
Number of lawsuits related to the topic	0	0	0

Additional ANEEL Indicators

Operational indicators

	Number of municipalities			Number of substations			Installed transformation capacity (MVA)		
	2022	2021	2020	2022	2021	2020	2022	2021	2020
Evrecy	2	2	3	2	2	2	450	450	450
IE Aguapeí	2	2	0	2	2	0	1,400	1,400	0
IE Biguaçu	2	0	0	1	1	0	300	300	0
IE Itapura	2	1	0	1	1	0	1,450	1,450	0
IE Itaquerê	0	0	0	0	0	0	900	111	0
IE Pinheiros	5	5	6	5	5	6	4,500	4,500	4,200
IE Serra do Japi	2	2	2	2	2	2	2,000	2,000	2,000
IE Sul	2	2	7	2	2	2	900	900	900
IE Tibagi	0	0	0	0	0	0	500	500	0
IEMG	0	0	0	3	0	0	1,600	0	0
IENNE	0	0	0	0	0	0	0	0	0
ISA CTEEP	87	87	86	110	110	110	50,124	50,057	48,825

Economic and financial indicators – investments made (R\$ million)

	2022	2021	2020
Reinforcements and improvements	824.6	367.6	231.7
Greenfield	1,104.1	1,028.8	1,077.8
Brownfield	0.0	1,901.0	0.0
Total	1,928.7	3,297.5	1,309.5

Internal social indicators¹

	2022	2021	2020
Percentage of black (black and brown) employees in relation to the total staff	24.6%	21.3%	na
Percentage of black (black and brown) employees in managerial positions	7.9%	na	na
Number of persons with disabilities (PwD) in the staff	51	49	na

1. For information on labor claims, ongoing labor lawsuits and indemnities paid, please refer to the Reference Form, available in the Results Center of the Investor Relations website.

Environmental performance indicators¹

	2022	2021	2020
Number of significant leaks	0	na	na
Volume of leaked oil (liters)	0.0	na	na

1. Regarding plant suppression in the period, three processes were carried out: at IE Sul, five araucaria trees were cut, which will be offset by the planting of 125 seedlings in the Francisco Paschoetto Municipal Ecological Station in 2023; at IE Itaúnas, a native specimen was suppressed following an emergency cut order to respect the safe distance from the transmission line cables, without the need for replacement, as determined by the licensing agency; and at IE Biguaçu, 234 trees were cut, which will be offset by 20 specimens of Euterpe edulis (heart of palm) in 2023. Data on plant suppression for 2020 and 2021 are not available.

GRI content index

Statement of use

ISA CTEEP has reported in accordance with the GRI Standards for the period of January 1 to December 31, 2022.
 GRI 1 used | GRI 1: Foundation 2021
 Applicable GRI Sector Standard(s) | Does not apply

GRI Standard/ Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
General disclosures								
GRI 2 General Disclosures 2021	2-1 Organizational details	14, 18, 19, 20 and 99	-	-	-	-	-	-
	2-2 Entities included in the organization's sustainability reporting	98 and 99	-	-	-	-	-	Yes
	2-3 Reporting period, frequency and contact point	98	-	-	-	-	-	-
	2-4 Restatements of information	117	-	-	-	-	-	Yes
	2-5 External assurance	98, 135 and 136	-	-	-	-	-	Yes
	2-6 Activities, value chain and other business relationships	10, 11, 12, 13, 45, 75 and 77	-	-	-	-	-	-
	2-7 Employees	74 and 102	-	-	-	6	8 and 10	-
	2-8 Workers who are not employees	77 and 103	-	-	-	6	8 and 10	-
	2-9 Governance structure and composition	23 and 25	-	-	-	-	-	-
	2-10 Nomination and selection of the highest governance body	23	-	-	-	-	5 and 16	-
	2-11 Chair of the highest governance body	23	-	-	-	-	16	-
	2-12 Role of the highest governance body in overseeing the management of impacts	23 and 25	-	-	-	-	16	-

GRI Standard/ Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
General disclosures								
GRI 2 General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	23 and 25	-	-	-	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	98	-	-	-	-	-	Yes
	2-15 Conflicts of interest	24	-	-	-	-	16	-
	2-16 Communication of critical concerns	26, 27, 28, 29, 30 and 31	-	-	-	-	-	Yes
	2-17 Collective knowledge of the highest governance body	103	-	-	-	-	-	-
	2-18 Evaluation of the performance of the highest governance body	24	-	-	-	-	-	-
	2-19 Remuneration policies	25	-	-	-	-	-	-
	2-20 Process to determine remuneration	25	-	-	-	-	-	-
	2-21 Annual total compensation ratio	103	-	-	-	-	-	-
	2-22 Statement on sustainable development strategy	3 and 4	-	-	-	-	-	-
	2-23 Policy commitments	21 and 22	-	-	-	-	-	-
	2-24 Embedding policy commitments	21 and 22	-	-	-	-	-	-
	2-25 Processes to remediate negative impacts	25, 27, 28 and 61	-	-	-	-	-	Yes
	2-26 Mechanisms for seeking advice and raising concerns	26, 27 and 28	-	-	-	10	16	Yes
	2-27 Compliance with laws and regulations	103	-	-	-	-	16	Yes
	2-28 Membership associations	42, 43 and 104	-	-	-	-	16	-
	2-29 Approach to stakeholder engagement	67, 100 and 101	-	-	-	-	-	Yes
	2-30 Collective bargaining agreements	74	-	-	-	3	8	-
GRI Sector supplement for energy 2013	EU3 Number of residential, industrial, institutional and commercial customer accounts	120	-	-	-	-	-	-
	EU4 Length of above and underground transmission and distribution lines by regulatory regime	121	-	-	-	-	7	Yes

GRI Standard/ Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topics								
GRI 3 Material topics 2021	3-1 Process to determine material topics	100	-	-	-	-	-	Yes
	3-2 List of material topics	7, 8, 9, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 100 and 103	-	-	-	-	-	Yes
Material topic Good governance and integrity								
GRI 3 Material topics 2021	3-3 Management of material topics	18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 33	-	-	-	-	-	Yes
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	27 and 28	-	-	-	10	16	Yes
	205-2 Communication and training about anti-corruption policies and procedures	26, 27 and 104	-	-	-	10	16	-
	205-3 Confirmed incidents of corruption and actions taken	28	-	-	-	10	16	Yes
GRI 206 Anti- competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	28 and 104	-	-	-	-	16	-
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	74	-	-	-	6	5 and 8	-
Material topic Transformative leadership and influence								
GRI 3 Material topics 2021	3-3 Management of material topics	7, 8, 9 and 33	-	-	-	-	-	-

GRI Standard/ Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Solidity and growth								
GRI 3 Material topics 2021	3-3 Management of material topics	15, 16, 17, 33, 34, 35, 36, 37, 38, 39, 40, 41, 45, 46, 47 and 48	-	-	-	-	-	Yes
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	17	-	-	-	-	8 and 9	Yes
GRI 203 Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	36, 37, 38, 39, 40, 41, 45, 46, 47 and 48	-	-	-	-	5, 9 and 11	-
GRI Sector supplement for energy 2013	EU6 Management approach to ensure short and long-term electricity availability and reliability	34, 35, 36, 37, 38, 39, 40, 41, 45, 46, 47 and 48	-	-	-	-	7, 9 and 11	-
Material topic Anticipation and innovation								
GRI 3 Material topics 2021	3-3 Management of material topics	33, 34, 35, 42, 43, 49, 50, 51, 52, 53, 54, 55 and 56	-	-	-	-	-	-
GRI Sector supplement for energy 2013	EU7 Demand-side management programs including residential, commercial, institutional and industrial programs	34, 35, 42 and 43	-	-	-	-	7, 9 and 11	-
	EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	49, 50 and 122	-	-	-	-	7, 9 and 11	-
Material topic Excellence in carrying out its activity								
GRI 3 Material topics 2021	3-3 Management of material topics	29, 30, 31 and 33	-	-	-	-	-	Yes
GRI 418 Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	120	-	-	-	-	16	Yes
GRI Sector supplement for energy 2013	EU12 Transmission and distribution losses as a percentage of total energy	124	-	-	-	-	7, 8, 12 and 13	Yes
	EU21 Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	29, 30 and 31	-	-	-	-	-	Yes
	EU25 Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	124	-	-	-	-	-	Yes

GRI Standard/ Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Proactive contribution to global environmental challenges								
GRI 3 Material topics 2021	3-3 Management of material topics	33, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91 and 92	-	-	-	-	-	Yes
GRI 201 Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	80, 81 and 84	-	-	-	7	13	Yes
GRI 302 Energy 2016	302-1 Energy consumption within the organization	91 and 105	-	-	-	7 and 8	7, 8, 12 and 13	Yes
	302-4 Reduction of energy consumption	82 and 92	-	-	-	8 and 9	7, 8, 12 and 13	Yes
GRI 303 Water and effluents 2018	303-1 Interactions with water as a shared resource	90	-	-	-	8	6 and 12	-
	303-2 Management of water discharge-related impacts	90	-	-	-	8	6	-
	303-3 Water withdrawal	90, 106 and 107	-	-	-	7 and 8	6	Yes
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	108	-	-	-	8	6, 14 and 15	-
	304-2 Significant impacts of activities, products, and services on biodiversity	88	-	-	-	8	6, 14 and 15	Yes
	304-3 Habitats protected or restored	110	-	-	-	8	6, 14 and 15	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	110	-	-	-	8	6, 14 and 15	-
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	83	-	-	-	7 and 8	3, 12, 13, 14 and 15	Yes
	305-2 Energy indirect (Scope 2) GHG emissions	83	-	-	-	7 and 8	3, 12, 13, 14 and 15	Yes
	305-3 Other indirect (Scope 3) GHG emissions	83	-	-	-	7 and 8	3, 12, 13, 14 and 15	Yes
	305-4 GHG emissions intensity	83	-	-	-	8	13, 14 and 15	Yes
	305-5 Reduction of GHG emissions	82 and 92	-	-	-	8 and 9	13, 14 and 15	Yes
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	89 and 92	-	-	-	8	3, 6, 11 and 12	Yes
	306-2 Management of significant waste-related impacts	89	-	-	-	8	3, 6, 11 and 12	Yes
	306-4 Waste diverted from disposal	89, 111 and 112	-	-	-	8	3, 11 and 12	Yes
	306-5 Waste directed to disposal	89, 111 and 112	-	-	-	8	3, 11 and 12	Yes

GRI Standard/ Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Commitment to socioeconomic development								
GRI 3 Material topics 2021	3-3 Management of material topics	33, 93, 94, 95 and 96	-	-	-	-	-	Yes
GRI 410 Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	119	-	-	-	1	16	-
GRI 411 Rights of indigenous peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	119	-	-	-	1	2	-
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	93, 94, 95, 96 and 120	-	-	-	1	-	Yes
	413-2 Operations with significant actual and potential negative impacts on local communities	120	-	-	-	1	1 and 2	Yes
GRI Sector supplement for energy 2013	EU22 Number of people physically or economically displaced and compensation, broken down by type of project	124	-	-	-	1	-	Yes
Material topic Strategic alliances for transformation								
GRI 3 Material topics 2021	3-3 Management of material topics	33, 75, 76 and 77	-	-	-	-	-	Yes
GRI 204 Procurement practices 2016	204-1 Proportion of spending on local suppliers	77	-	-	-	-	8	-
GRI 308 Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	75	-	-	-	8	-	Yes
	308-2 Negative environmental impacts in the supply chain and actions taken	76	-	-	-	8	-	-
GRI 407 Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	67 and 77	-	-	-	3	8	-
GRI 408 Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	77	-	-	-	5	8 and 16	-
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	77	-	-	-	4	8	-
GRI 414 Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	75 and 77	-	-	-	2	5, 8 and 16	Yes
	414-2 Negative social impacts in the supply chain and actions taken	76 and 77	-	-	-	2	5, 8 and 16	-

GRI Standard/ Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Attracting, developing and nurturing the best talent								
GRI 3 Material topics 2021	3-3 Management of material topics	33, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73 and 74	-	-	-	-	-	Yes
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	113 and 114	-	-	-	6	5, 8 and 10	-
	401-3 Parental leave	115	-	-	-	6	5 and 8	-
GRI 402 Labor/ Management relations 2016	402-1 Minimum notice periods regarding operational changes	115	-	-	-	3	8	-
GRI 403 Occupational health and safety 2018	403-1 Occupational health and safety management system	59	-	-	-	-	8	Yes
	403-2 Hazard identification, risk assessment, and incident investigation	59, 60, 61 and 62	-	-	-	-	8	-
	403-3 Occupational health services	63 and 64	-	-	-	-	8	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	60 and 61	-	-	-	-	8 and 16	-
	403-5 Worker training on occupational health and safety	60 and 61	-	-	-	-	8	-
	403-6 Promotion of worker health	63 and 64	-	-	-	-	3	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	115	-	-	-	-	8	Yes
	403-9 Work-related injuries	62 and 116	-	-	-	-	3, 8 and 16	Yes
GRI 404 Training and education 2016	404-1 Average hours of training per year per employee	68 and 117	-	-	-	6	4, 5, 8 and 10	-
	404-2 Programs for upgrading employee skills and transition assistance programs	65 and 67	-	-	-	-	8	-
	404-3 Percentage of employees receiving regular performance and career development reviews	66 and 117	-	-	-	6	5, 8 and 10	-

GRI Standard/ Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Attracting, developing and nurturing the best talent (continued)								
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	71, 72, 74 and 118	-	-	-	6	5 and 8	-
	405-2 Ratio of basic salary and remuneration of women to men	119	-	-	-	6	5, 8 and 10	-
GRI 406 Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	28	-	-	-	6	5 and 8	-
GRI 407 Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	67 and 77	-	-	-	3	8	-
GRI 408 Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	77	-	-	-	5	8 and 16	-
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	77	-	-	-	4	8	-
GRI Sector supplement for energy 2013	EU14 Programs and processes to ensure the availability of a skilled workforce	65 and 68	-	-	-	-	4 and 8	-
	EU16 Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	60	-	-	-	-	8	-
	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	60	-	-	-	-	8	-

Independent auditor's limited assurance report on the non-financial information included in the 2022 Annual Sustainability Report

To the Board of Directors and Stockholders
Companhia de Transmissão de Energia Elétrica Paulista
São Paulo – SP

Introduction

We have been engaged by Companhia de Transmissão de Energia Elétrica Paulista (“Company” or “CTEEP”) to present our limited assurance report on the non-financial information included in the 2022 Annual Sustainability Report of CTEEP for the year ended December 31, 2022.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2022 Annual Sustainability Report, including any incorporated images, audio files or videos.

Responsibilities of the management of CTEEP

The management of CTEEP is responsible for:

- selecting or establishing adequate criteria for the preparation and presentation of the information included in the 2022 Annual Sustainability Report;
- preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-Standards) and with the basis of preparation developed by the Company;

- designing, implementing and maintaining internal controls over the significant information for the preparation of the information included in the Annual Sustainability Report, which 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 2022 Annual Sustainability Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 – Issuance of Assurance Reports related to Sustainability and Social Responsibility, issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, “Assurance Engagements Other than Audit and Review”, 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 the auditor complies with ethical requirements, independence requirements, and other responsibilities of these standards, including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance

of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2022 Annual Sustainability Report, taken as a whole, is free from material misstatement. A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of CTEEP involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue 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 lead him to believe that the information disclosed in the Annual Sustainability Report taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the 2022 Annual Sustainability Report,

other circumstances of the engagement and our analysis of the activities and processes associated with the significant information disclosed in the 2022 Annual Sustainability Report in which significant misstatements might exist. The procedures comprised, among others:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2022 Annual Sustainability Report;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries of the managers responsible for the preparation of the information;
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2022 Annual Sustainability Report; and
- (d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the analysis of the compliance with the guidelines and criteria of the Global Reporting Initiative (GRI-Standards) and the provisions established in the basis of preparation developed by the Company.

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 applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. If we had performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2022 Annual Sustainability Report. Therefore, 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 and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods nor future projections and goals.

The preparation and presentation of non-financial information and indicators followed the definitions of the **basis of preparation** developed by the Company and the guidelines of the Global Reporting Initiative (GRI-Standards) and, therefore, the information included in the 2022 Annual Sustainability Report

does not have the objective of providing assurance with regard to the compliance with social, economic, environmental or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

Conclusion

Based on these procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the 2022 Annual Sustainability Report of Companhia de Transmissão de Energia Elétrica Paulista has not been prepared, in all material respects, in accordance with the criteria of the basis of preparation and guidelines of the Global Reporting Initiative (GRI-Standards).

São Paulo, April 28, 2023

PricewaterhouseCoopers Auditores Independentes Ltda.
CRC 2SP000160/O-5

Maurício Colombari
Contador CRC 1SP195838/O-3

Credits and corporate information

The preparation of this Annual Sustainability Report is the result of a joint effort by the entire ISA CTEEP team, with general coordination by the Board of Communication, Sustainability, and Institutional Relations.

Content, consulting and design

usina82

Corporate contacts

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The logo for ISA CTEEP. The word "isa" is written in a large, white, cursive script font. Below it, the word "CTEEP" is written in a smaller, white, uppercase sans-serif font.

isa
CTEEP