

ENGIE Brasil Energia

SUSTAINABILITY REPORT 2023



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MESSAGE FROM THE MANAGEMENT

[GRI 2-22]

In 2023, we celebrated ENGIE Brasil Energia's 25 years of existence: **a quarter of a century during which the world, the country and the businesses changed at breakneck speed**. A transformation driven by technological revolution and fresh dynamics of production, consumption, work, and interaction combined with the growing – and necessary – preoccupation with sustainability.

We are proud to have seen our Company not only accompanying this movement but also how each challenge – inherent to any change – has been transformed into a **major opportunity for multiplying results, developing resilience, innovating, and generating a positive impact on people and the planet**. Together, our discipline and long-term vision have enabled us to meet the challenge of volatility in the business environment and contribute to the gradual evolution of the Brazilian electric power sector: achievements completely aligned with **acting to accelerate the transition to a carbon neutral economy**, a proposal which guides the ENGIE Group worldwide.

In this context, our evolution has been impressive: from 3.7 GW of hydro-thermal generation capacity in 1998 to **8.3 GW of proprietary installed capacity, 100% renewable, and with broad-based diversification of sources**. This has only been made possible because our teams have dedicated themselves intensely over time to integrating hydro sources into the energy matrix, testing, and implementing new technologies, restructuring the business, and expanding the operations – mainly through entry into the transmission segment. And we have grown, supporting the sustainable development of the country.

Thus, we come to the end of 2023, which will be marked in our history as the **year in which we successfully concluded our exit from coal-fired operations, lifting ENGIE Brasil Energia to the position as the largest 100% renewable generator in the country**.

Our Purpose

To act to accelerate the transition to a carbon-neutral society through the reduced consumption of energy and more sustainable solutions

And we do not intend to stop there. After investing R$ 22 billion in the expansion of renewables and transmission over the past eight years, our forecast is to invest at least another R$ 14 billion by 2026 in wind and photovoltaic complexes, and also a new transmission system.

We are working daily to generate and share value in a sustainable manner – and we are convinced that there is no other way but to focus on ESG. Consequently, in 2023 we enhanced our **Journey for the Climate, a program aimed at providing structured guidance on actions and targets for mitigating and adapting to climate change**. On another front, we made efforts to verify the stage of maturity of our suppliers in relation to ESG in order to support these companies - of different sizes and sectors - in the continuous improvement of good socio-environmental and governance practices. Internally, **we have maintained initiatives to ensure a healthy, safe, and truly inclusive working environment that fosters development and prosperity**.



Maurício Stolle Bähr

The year's achievements at ENGIE Brasil ENERGIA were reflected in the **4.7% growth in adjusted Ebitda and 23.8% in the adjusted net income, compared to 2022** and encourage us to forecast an even more promising future. As from January 2024, **the opening of the Free Energy Market to companies linked into the high and medium voltage network, will reinforce our purpose, permitting us to contribute to the decarbonization of an increasing number of customers**. Confident in the expansion of this market – where consumption increased 10% in 2023 – the Company is maintaining its rate of investment, alert to the sectorial scenario, which has been indicating a need for regulatory adjustments in our business environment.

We have sought to contribute proactively with change so that the full potential of Brazil in generating accessible, competitive, reliable, and sustainable energy can become a reality, driving domestic socio-economic development. **We continue believing that the country represents an agent relevant to a global carbon-neutral economy – a transition which is increasingly more urgent for tackling climate change and its impacts, which transcend frontiers**.

We wish to thank all, both individuals and institutions, which have been supporting this mission over the past 25 years and believe in the capacity of ENGIE Brasil Energia to deliver sustainable results with discipline, consistency and absolute respect for people and the planet.

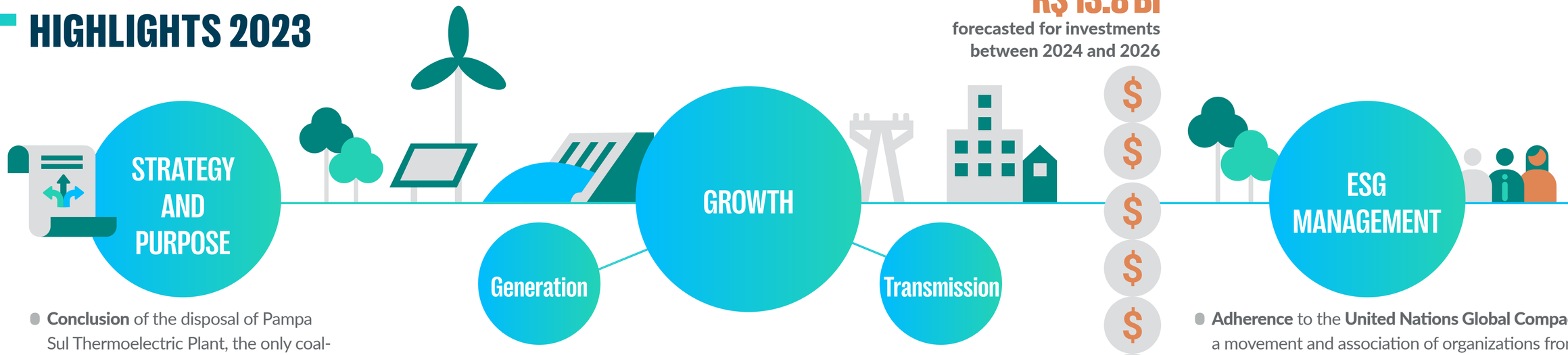
Maurício Stolle Bähr
Chairman of the Board of Directors

Eduardo Antonio Gori Sattamini
Chief Executive Officer



Eduardo Antonio Gori Sattamini

HIGHLIGHTS 2023



- **Conclusion** of the disposal of Pampa Sul Thermoelectric Plant, the only coal-fired asset in the portfolio, leaves ENGIE Brasil Energia in the position of being **the largest electric power generator fired 100% from renewables** in Brazil, with 8.3 GW of proprietary installed capacity.
- **Sale** for **R$ 3.1 billion of 15% corporate stake which the Company held in TAG**, in which, following the conclusion of the transaction, it continues to hold 17.5%.

- **Progress** made with installation of the generation renewables pipeline of projects with the **implementation** of the Assú Sol Photovoltaic Complex (752 MWac/ 895MWp), the Serra do Assuruá Wind Complex (846 MW) and the Santo Agostinho Wind Complex (434 MW).
- **Signature** of the agreement for the **acquisition of five operating photovoltaic complexes**, together totaling an installed capacity of 545 MWac (661 MWp) – contracted almost to capacity over the long term.

- **Energization** of the final stretch of the **Gralha Azul Transmission System (909 km)** and conclusion of the implementation and energization of the **Novo Estado Transmission System (1,800 km)**, both already fully operational.
- **Successful** bid made in the Aneel 01/2023 **Transmission Auction for Lot 5 (Asa Branca)**, with a length of approximately 1,000 km.

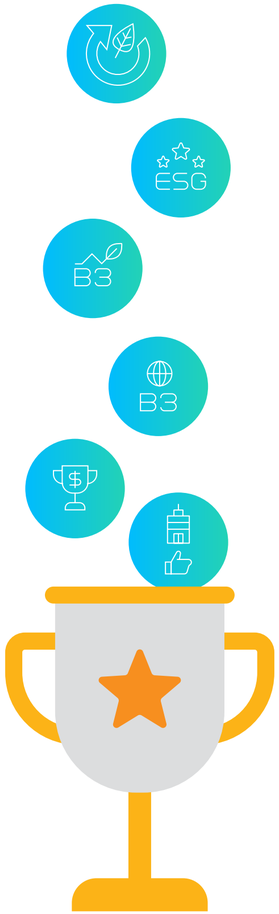
R$ 13.8 BI
forecasted for investments between 2024 and 2026

R$ 2.9 BI
invested in 2023

- **Adherence** to the **United Nations Global Compact**, a movement and association of organizations from different countries with a focus on the corporate contribution to the 2030 Agenda for Sustainable Development.
- **Establishment** of **climate commitment and goals, extended to the Company's value chain**, as part of the enhanced dedication to **Journey for the Climate**.
- **Advances** in the promotion of **Diversity, Equity & Inclusion**, with expansion in the initiatives related to gender, race, and people with special needs.
- **Strength** of the **Goodwill Partnerships Program** with more than 100 active partners and approximately R$ 5.4 million invested in initiatives for creating income, education and culture.
- **Composition** of **ENGIE Day 2023**, which brought together different stakeholders from the ENGIE Group to debate "Energy transition and its multiple faces".

AWARDS AND RECOGNITION





- **Component of B3's 2024 Corporate Sustainability Index (ISE) –** for the 19th consecutive year since the inception of the ISE – in 2023 ranked as the Company with the 5th best general evaluation and the 1st among companies in the electric energy sector.
- Member of **B3's 2024 Carbon Efficient Index (ICO2)** Portfolio for the fourth time – since qualification for the assessment as a participant in the IBRX 100.
- Presence in the **S&P Global Sustainability Yearbook**, Electric Utilities category, for the 2023 Corporate Sustainability Assessment (CSA).
- **"A-" classification in the CDP Climate Change** 2023, of the CDP Disclosure Insight Action.
- **Nominated as the Company in the energy segment with the best reputation in the country** based on the quarterly Corporate Reputation Caliber indices and annual ranking.
- **Second Electric Energy Company with the highest level of recognition and reputation in Brazil** according to Merco.
- **ECO Award - category "Sustainability Practices"** – Sustainability in Processes with the Biodiversity Matrix Program.
- **Outstanding Award in the energy sector on Exame's "Best in ESG" 2023 Award**.
- **Expressão de Ecologia Award, in the technology category**. Winning project: Pilot Project to protect the yellow pintado species at the Machadinho Hydropower Plant.
- Presence in all categories of **Institutional Investor Magazine Ranking (Electric & Other Utilities - Latin America)**.

01

ENGIE BRASIL ENERGIA

- CORPORATE PROFILE
- ESG COMMITMENTS



Umburanas Wind Complex

CORPORATE PROFILE

[2030 Agenda Goal: 16.6]

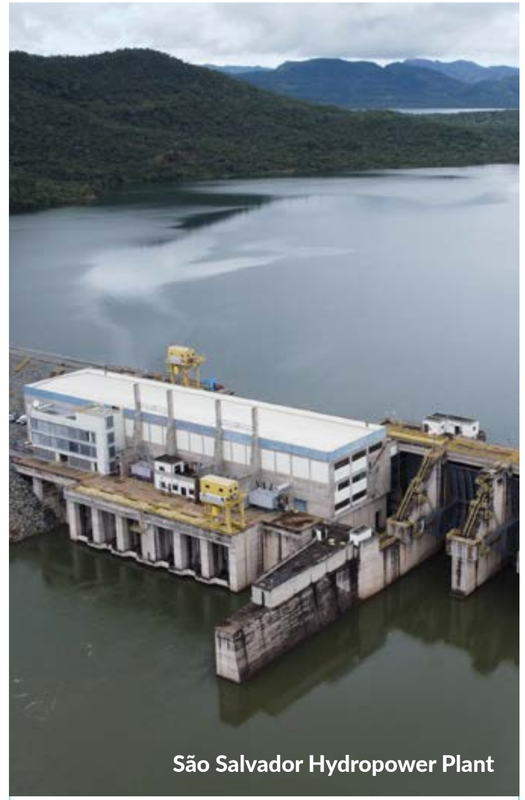
Committed to sustainable development, **ENGIE Brasil Energia ("ENGIE Brasil Energia" or "Company") operates in all regions of Brazil in the activities of generation, commercialization, trading, and transmission of electric power**. In 2023, it reached the position as the largest generator of 100% renewable electric power in the country, after concluding the sale of the last thermoelectric energy plant in its generator complex. With this, it strengthened its purpose to act in order to accelerate the transition to a carbon-neutral economy. [GRI 2-6]

With its headquarters in Florianópolis (SC), at the end of the year the Company was operating with 81 plants powered 100% from renewables, amounting to a proprietary installed capacity of more than 8.3 GW. **New projects being implemented are set to add about 2 GW to this existing capacity**: the Santo Agostinho Wind Complex in Rio Grande do Norte with 434 MW (of which 320 MW were already operating at the end of 2023), the Assú Sol Photovoltaic Complex in Rio Grande do Norte, with 752 MW and the Serra do Assuruá Wind Complex in Bahia, with 846 MW – this the largest wind complex that ENGIE has ever constructed in Brazil and the world. [GRI 2-1]

ENGIE Brasil Energia's activities also gained further significance in the transmission segment as part of the strategy of portfolio diversification and investment in infrastructure for the offtake of renewable energy, thus contributing to a secure and accessible energy transition. **In 2023, the Company concluded the energization of the Gralha Azul, Paraná, and Novo Estado projects, the latter in the states of Tocantins and Pará**. Together, both represent the entry into operation of 2,709 kilometers of transmission lines reaching an extremely high degree of uptime in the period of 99.95%. [GRI 2-6]

In this segment, during the year, the Company continued work on Gavião Real Transmissora de Energia, which will also link into the Pará distribution network. **At the same time, it was preparing for the implementation of another major project which was auctioned off in June 2023, the Asa Branca Transmission System**. Traversing three states - Bahia, Minas Gerais, and Espírito Santo - this project will guarantee a strategic position for the flow of renewable energy generated in the Northeast to the Southeast and Central-Western region of the country. See more on projects in implementation on page 19. [GRI 2-6]

As a complement to its operations in the electricity sector, ENGIE Brasil Energia has a stake in Transportadora Associada de Gás (TAG), which owns the longest natural gas pipeline network in the country, covering 4,500 kilometers. The presence in this segment also drives the fulfillment of ENGIE's purpose, natural gas representing a fuel critical to the energy transition. Natural gas can be used as backup for intermittent sources such as solar and wind power, providing security for supply systems, as well as being a significantly less polluting alternative to coal and fuel oil, both in electricity generation and in industry. [GRI 2-6]



São Salvador Hydropower Plant

Largest

100%

renewable electricity generator in Brazil

Property

[GRI 2-1]

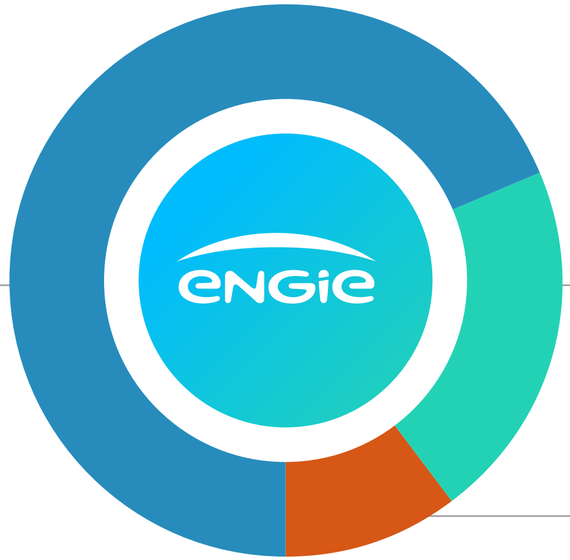
The Company is controlled indirectly by ENGIE S.A. (“ENGIE Group” or “ENGIE”), a benchmark in energy and low carbon services – present in approximately 30 countries, reporting revenues of EUR 82.6 billion and employing approximately 97 thousand.

In Brazil, the Company is listed as a publicly held company with its common shares listed on the Brazilian Stock Exchange – B3 S.A. - Brasil, Bolsa, Balcão, under the EGIE3 symbol.

ENGIE’S securities are also traded on the American over-the-counter market, trading Level 1 American Depositary Receipts (ADRs) under the EGIEY symbol at a ratio of one ADR per common share.

Shareholding breakdown

(as at 12.31.2023)



Mission

To offer innovative and sustainable solutions in energy and services for people, companies and cities.

Vision

To transform the relation of people with energy into a sustainable world.

Values

Professionalism, cooperation, team spirit, respect for the environment, creation of value, ethics.

Corporate structure

ENGIE Brasil Energia's corporate structure includes subsidiaries and holdings in consortia and companies, as detailed in the 2023 Financial Statements – **access here**. [GRI 2-6]

Among important changes to this structure in 2023 was the **sale of the Pampa Sul Thermoelectric Plant**, signed in September 2022 and concluded in May of the following year. In addition, on December 28, 2023, the company announced **the sale of a 15% stake in its 32.5% holding in Transportadora Associada de Gás - TAG**. Subsequent to the period covered by this report, on January 10, 2024 the transaction was finally closed, ENGIE Brasil Energia thereafter having a 17.5% participation in the asset. [GRI 2-1]

ESG COMMITMENTS

With the aim of having a positive impact on people and the planet, ENGIE Brasil Energia has historically adopted social, environmental and governance policies and practices that have made it a benchmark in sustainability in Brazil. In **addition to the trust of stakeholders, who share the Company's long-term vision, this benchmark has been manifested through awards and recognition won over the last few years** - among which is the uninterrupted presence in B3's Corporate Sustainability Index (ISE) since 2005.

ENGIE Brasil Energia's Sustainable Management Policy guides its ESG (Environmental, Social and Governance) activities on five fundamental fronts: Governance, Quality, Environment and Climate Change, Occupational Health and Safety and Social Responsibility. Based on this Policy, corporate guidelines support the corporate sustainability agenda in a transversal manner, anchored to **ENGIE Group's Non-Financial Objectives** to be achieved globally by 2030 - in line with the 2030 Agenda for Sustainable Development proposed by the United Nations (UN). [GRI 2-13]

ENGIE Group's Non-Financial 2030 Objectives

Aspect	2030 Objective	Result by 2023
Greenhouse Gas Emissions (GHG)	Reduce to a maximum of 43 MtCO2e total Greenhouse Gas emissions from the Group's electric energy generation — in 2019*, this total was 80 MtCO2e (objective in alignment to the Science Based Target Initiative – SBTi).	**51.8 $MtCO_2e$**
Gender Diversity	Increase to at least 40% women's participation in the management of the Group — in 2019, women occupied 24% of all leadership positions.	**31.2%**
Renewable Energy	To increase to 58% the participation of renewable sources in the capacity mix of production worldwide — against the 28% recorded for 2019.	**41%**
Supply Chain	By 2030, reaching 100% of the responsible purchasing index (excluding acquisition of energy), which involves socio-environmental assessments and inclusive purchasing; and reaching 100% by 2030 of the top 250 preferred suppliers certified for Science Based Targets (SBTi) commitments.	**54% / 24%**
Water	To achieve a water consumption ratio relative to energy generated of 0.1 m3/kWh.	**0.275 m^3/kWh**

* 2019 was the base year adopted when defining the goals.

ESG Agenda

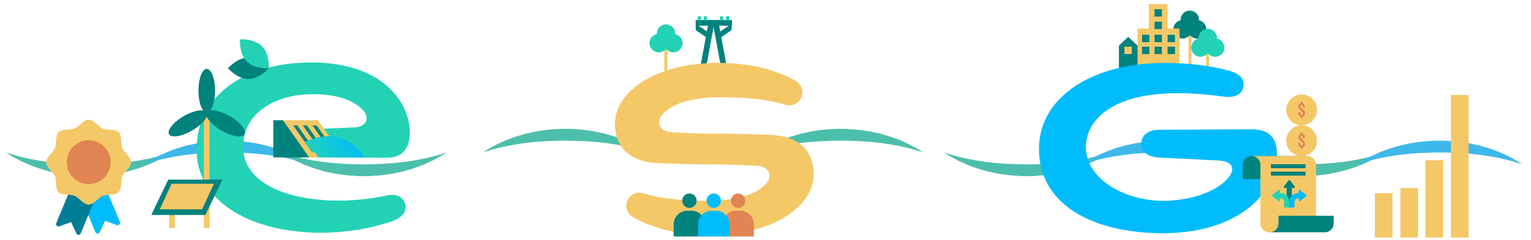
The hallmark of ENGIE Brasil Energia's ESG agenda is an effective connection with the Company's long-term objectives, to boost business competitiveness and contribute to building an increasingly sustainable future for society. **In this sense, the Company seeks to keep its policies and practices aligned with the 2030 Agenda for Sustainable Development, proposed by the United Nations (UN).**

With the focus on sustainability, the management of socio-environmental and governance issues is shared between different corporate areas, ensuring that ESG aspects are included in strategic plans on all business fronts. The **Board of Directors oversees the issue, through regular reports from the areas and the work of the Sustainability Committee, the latter providing it with updates every six months**. In 2023, the Committee's composition and dynamics were restructured, so that interaction with the directors is even more effective. The Committee is coordinated by the Chief People, Processes and Sustainability Officer. [GRI 2-9; 2-12; 2-13]

This movement is reflected in dedicated policies, processes and projects, with special attention to material issues - those with the greatest impact and relevance for both the Company and its stakeholders (see more on page 144). In order to ensure that these topics reflect progress of the sustainability context, the Company reviews its materiality studies on an annual basis. In 2023, this review extended to the analysis of internal commitments and practices, considering related risks and impacts - including some financial ones. The review also involved the assessing of the positioning of sector players in relation to ESG aspects and incorporating the recommendations of global reporting and sustainable management frameworks. **This process represented a first exercise in double materiality, which the Company will continuously enhance over the coming years** – see more on page 143. [GRI 3-1]

The context of material sustainability topics is condensed in the corporate Balanced Scorecard, based on all the elements described - Policies, Non-Financial Objectives, frameworks, and sustainable development agendas, as well as Management guidelines, business perspectives and strategies. In this way, the identification of relevant issues results in strategic and tactical ESG commitments for all operating units, integrating the Company's annual objectives. [GRI 3-1]

Material themes 2023 and SDGs directly related



Renewable, affordable and reliable energy



Climate action



Water



Biodiversity



Solid waste



Heath and safety of employees



Promoting sustainability in the value chain



Employee development



Promotion of Human Rights



Support for the sustainable development of the communities



Governance and integrity



Management of risks and opportunities



Economic and operational performance



Innovation



Fostering diversity, equity and inclusion



Cybersecurity



02

OUR BUSINESSES

- BUSINESS MODEL
- SEGMENTS OF ACTIVITY



BUSINESS MODEL

[2030 Agenda Goals: 7.2; 7.3; 9.4]

Guided by the purpose of acting to accelerate the transition to a carbon-neutral economy, contributing to sustainable development, **ENGIE Brasil Energia has established a business model that is resilient to market volatility and with the ability to obtain consistent results over the long term**.

Among the main pillars of the corporate strategy is the diversification of the portfolio of assets, covering the generation and commercialization of renewable energy, the provision of infrastructure for the offtake of this energy and support for the gradual replacement of fossil fuels. **Combined with effective risk and opportunity management, operations in complementary segments capture synergies and boost value generation**. With a consistent pipeline of projects, the Company remains competitive and makes good use of the opportunities arising from the energy transition and the evolution of the country's electricity sector.

Based on this business model, ENGIE Brasil Energia has **consolidated its assets into 100% renewable generation, entered new markets - such as energy transmission and natural gas transportation**, via an equity participation - and is studying other opportunities, with a focus on sustainable, disciplined, and competitive growth.

ENGIE Brasil Energia operates in the generation, commercialization, trading and transmission of electrical energy, in addition to holding a stake in a natural gas transport company.

Operationalization risk of the strategy

Summary: adversities in implementing the strategic positioning and purpose in acting to accelerate the transition to a carbon-neutral economy.

Impacts in the event of materialization:

- The impact of a possible failure to align customers with the strategy, and consequent solutions offered, may mean less commercial interest, with impacts on revenues and consequently on financial results;
- Reputational;
- Impacts on employee engagement.

Means of mitigation:

- Execution and clear communication regarding the evolution of the decarbonization strategy;
- Planning and change management;
- Development and improvement of actions and initiatives aimed at attracting, retaining and engaging professionals; and
- Strategic plans for digital and business transformation projects.

SEGMENTS OF ACTIVITY OF ENGIE BRASIL ENERGIA

[GRI 2-6; G4-EU1; G4-EU4]
[SASB IF-EU-000.C]

GENERATION

81 plants operated

8,324.1 MW of proprietary installed capacity

GAS TRANSPORTATION

32.5% stake in TAG, acquired in 2019 (**17.5%** from 2024)

4,500 km of gas pipelines in operation in three of the country's regions

TRANSMISSION

2 Transmission Systems totaling

~ 2.700 km of lines

6 proprietary substations

TRADING

2,740 GWh of energy sold

7.1% of total commercialized in 2023

Portfolio and location of the assets

(as at 12.31.2023)



1 Salto Santiago
2 Itá
3 Salto Osório
4 Cana Brava
5 Estreito
6 Jaguara
7 Miranda
8 Machadinho
9 São Salvador
10 Passo Fundo
11 Ponte da Pedra
12 Santo Agostinho Wind Complex
13 Campo Largo II Wind Complex
14 Umburanas I Wind Complex
15 Campo Largo I Wind Complex
16 Trairi Wind Complex
17 Paracatu
18 Floresta
19 Ferrari
20 Assú V
21 Lages
22 Rondonópolis
23 José G. da Rocha
24 Ibitiúva
25 Tubarão 2
26 Nova Aurora
27 Tubarão
28 Transportadora Associada de Gás — TAG
29 Gralha Azul
30 Novo Estado

Generation

OPERATING ASSETS

At the end of 2023, ENGIE Brasil Energia's generator complex amounted to 10,034.0 MW, with a proprietary installed capacity of 8,324,1 MW. **There were 81 plants, of which 11 were hydropower and 70 complementary — biomass-fired plants, SHPs, wind and solar energy**. Of this total, 77 are wholly owned by ENGIE Brasil and four are jointly owned with other partners (the Itá, Machadinho and Estreito hydropower plants and the Ibitiúva Bioenergética Cogeneration Plant). Details on all the generation assets including past production data can be **found here**.

[GRI 2-6; G4-EU1; G4-EU4; SASB IF-EU-000.C]

One of the important events of 2023 in the segment was the conclusion of the sale of the last coal-fired thermoelectric plant still part of the Company's generating complex: the Pampa Sul Thermoelectric Plant, located in Candiota (RS). With this, **ENGIE Brasil achieved the position of the country's largest generator of 100% renewable electricity, underscoring its commitment to decarbonization**. [GRI 2-4]

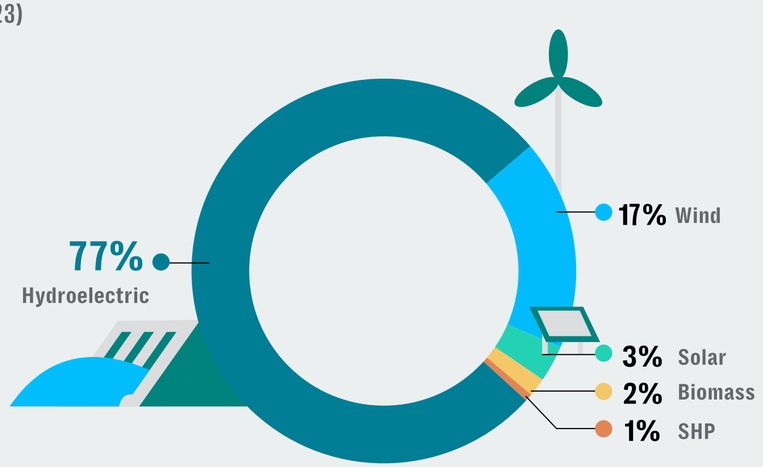
Another milestone in the expansion of renewable energy generation was the entry into commercial operations of the Santo Agostinho Wind Complex – Phase I. The plant will have 434 MW of installed capacity, reaching full commercial operation by mid-2024.

Expansion of the generator complex

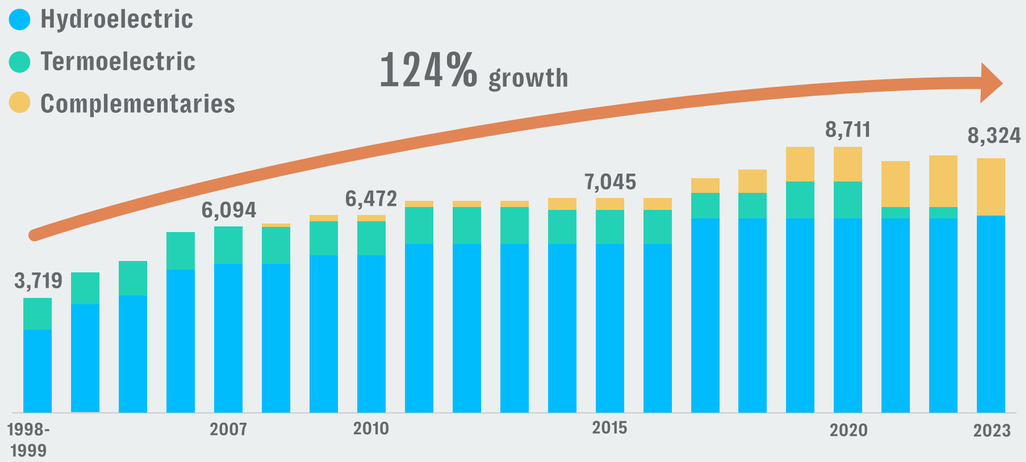
To ensure that the expansion of its assets occurs in a sustainable manner, with adequate risks and returns, **ENGIE Brasil Energia has rigorously analyzed criteria in the decision-making process for new investments or divestments, such as economic, operational and socio-environmental viability and the strategic perspective of the market and the business**. This practice has allowed the Company to operate safely and consistently, both by expanding its renewable energy generation capacity and by entering complementary segments such as natural gas transmission and transportation.

Generator complex by source – proprietary capacity

(as at 12.31.2023)



Evolution in operating proprietary installed capacity (in MW)



Jirau HPP

The Jirau Hydropower Plant, the fourth largest electric power generator in Brazil, was the first hydropower plant in the country and the second in the world to receive the Hydropower Sustainability Council (HSC), the highest rating of the Hydropower Sustainability Norm certification. The certificate was awarded in 2023, following a rigorous independent evaluation conducted by an accredited team which visited the plant installations. HSC is a global organization with focus on the continual improvement in ESG policies and practices for the sector.

Jirau Energia is responsible for the maintenance, operation and sale of the energy generated from the plant on the Madeira River in Porto Velho (RO). Since 2016, the plant has been operating with its 50 generator units totaling 3,750 MW of installed capacity.

At the end of 2023, ENGIE Brasil Participações Ltda., the Company's parent, was awaiting more favorable conditions to resume the economic-financial study to provide the basis for transfer of its 40% stake in Jirau Energia to ENGIE Brasil Energia in addition to its 100% holding in Geramamoré Participações e Comercializadora. [GRI 2-6]

Generation assets in the process of acquisition

The Company has signed an agreement for the purchase of all the shares held by Atlas Energia Renovável do Brasil S.A. and Atlas Brasil Energia Holding 2 S.A., for the acquisition of the Juazeiro, São Pedro, Sol do Futuro, Sertão Solar and Lar do Sol photovoltaic plants, situated in the states of Bahia, Minas Gerais and Ceará. **The installed capacity of the assets is 545 MWac, corresponding to 661 MWp, while the commercial capacity is 145.1 average MW. All are operational with authorization to operate for periods up to 2051 and 2054.** [GRI 2-4]

The effective acquisition was, at the end of 2023, subject to the fulfillment of certain conditions precedent negotiated between the parties and usual for transactions of this nature. As a subsequent fact to those covered by this Report, the transaction was effectively concluded on March 6, 2024, as announced **here**.

GENERATION PROJECTS IN IMPLEMENTATION

Santo Agostinho Wind Complex – Phase I

With a total installed capacity of 434 MW once all 70 wind turbines are installed, the wind complex is located in the municipalities of Lajes and Pedro Avelino, approximately 120 km from Natal, in Rio Grande do Norte. **With investments of around R$2.3 billion (as of December 2020) and generating more than a thousand direct jobs in the region, the project is fully contracted in the Free Contracting Environment (ACL).**

In December 2023, the overall progress of the project reached 95.8% completion, with all the auxiliary works and pre-assembly 100% complete and 60 wind turbines with all the main components already assembled. At year-end, the project had 33 Generating Units (GUs) in commercial operation and another 22 authorized for testing. As of the date of publication of the Report, 68 of the 70 wind turbines were in commercial operation or undergoing testing.

Serra do Assuruá Wind Complex

Consisting of 24 wind farms to be implemented in a single phase in the municipality of Gentio do Ouro, in the state of Bahia, the project has a license issued by the National Electric Energy Agency (Aneel) and an expected installed capacity of 846 MW. **The energy produced will be entirely directed to the ACL, eventually meeting the requirements of customers in the self-production energy market. Generating around 3,000 direct and indirect jobs in the region, the estimated investment is in the region of R$6 billion (as of May/2022), part of which has been contracted with the National Development Bank (BNDES).** In addition, an investment agreement with a subscription of R$1 billion in new preferred shares was signed with Itaú Unibanco.

At the end of the year, progress in construction reached 31.0%. Commercial operations should begin gradually, starting in the second half of 2024, with completion scheduled for the second half of 2025.

Assú Sol Photovoltaic Complex

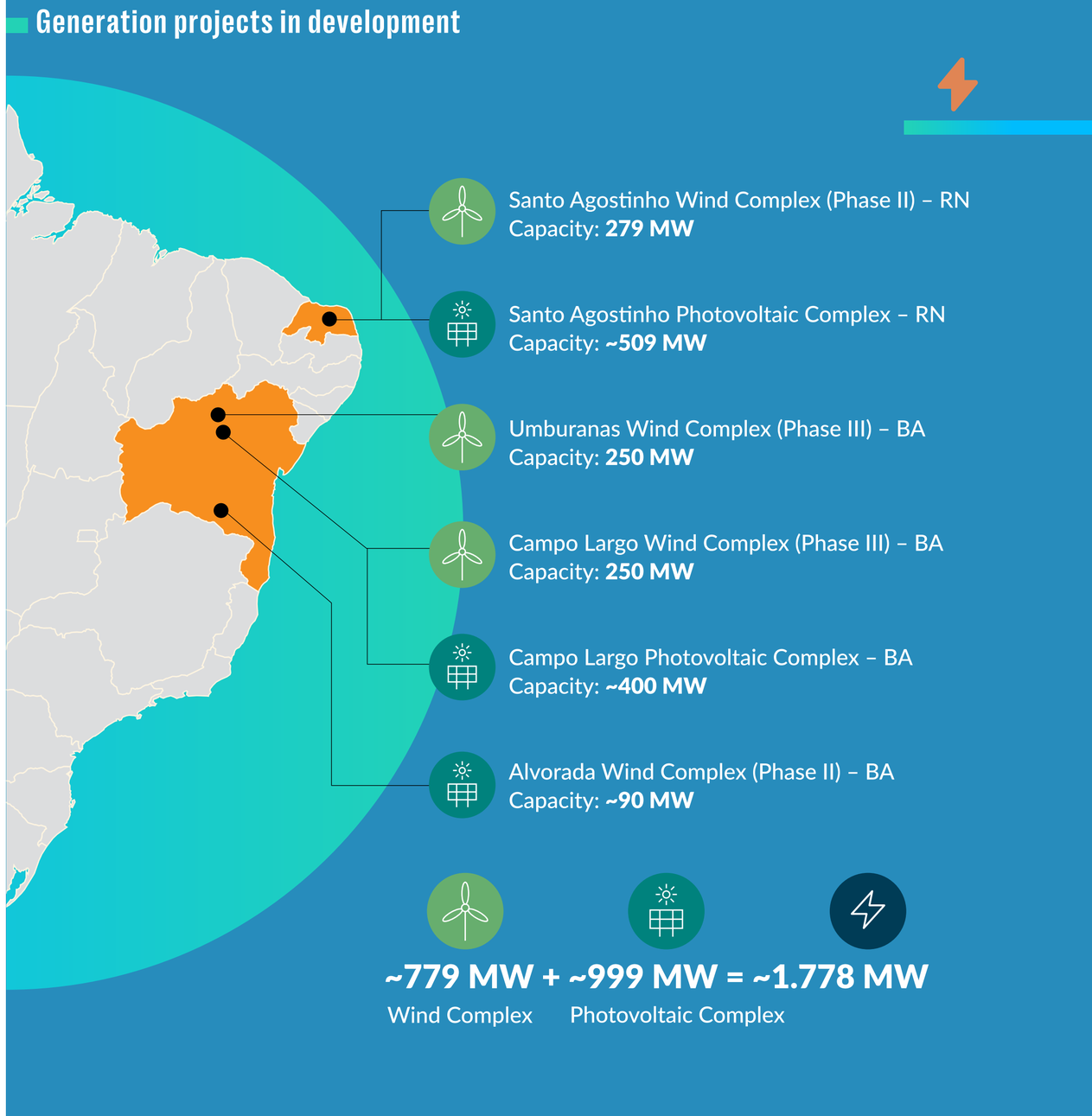
The project is located in the municipality of Assú (RN) and will have an installed capacity of approximately 752 MWac (895 MWp) and an estimated commercial capacity of 229 average MW. **With an expected investment of around R$3.3 billion (as of January 23), the energy will be directed entirely to the Free Contracting Environment**. The project was acquired in December 2021, at an advanced stage of development, with a Preliminary License and land agreements already signed.

All the main supply contracts (modules, inverters, and trackers) and construction work on the solar farms and connection to the system (collector substation, transmission line and connection bay) have been signed by the Company. **By the end of 2023, 8.6% progress had been made in implementing the photovoltaic plants, and engineering, brush clearance, earthworks and tracker foundations were underway**.

The first photovoltaic unit is scheduled to go into commercial operation in the second half of 2024 and full commercial operation is expected in the second half of 2025.

GENERATION PROJECTS IN DEVELOPMENT

ENGIE Brasil Energia has several generation projects at the development phase, with studies at an advanced stage. Depending on feasibility, these projects may or may not be implemented in the next few years. **The pipeline of projects under development for future photovoltaic plants and wind farms could add almost a further 1.8 GW to the generation complex**. In this sense, the Company is evaluating both greenfield projects as well as acquisitions of existing projects. [GRI 2-6]



Project Risks

Summary: Occurrence of events in the implementation of projects (whether new generation or transmission projects, or modernization of assets already in operation) that could lead to delays in the schedule, additional costs in implementation, inefficiencies in the operation of the project and/or damage to the Company's reputation.

Impacts in the event of materialization:

Project feasibility studies are based on scenarios that consider various variables, including costs, deadlines, estimated production, energy prices, demand, etc. These variables and estimates may materialize differently from forecasts, negatively impacting the Company, with unfavourable consequences in the short term or even throughout the project's operating cycle - in extreme cases, the asset may become unviable.

Means of mitigation:

- Adoption of realistic technical, socio-environmental and economic-financial assumptions, compatible with the present as well as the outlook;
- Contingency plans and mitigation of implementation risks;
- Selection of reliable suppliers with expertise in the scope involved, establishing proactive and collaborative partnerships; and
- Adoption of the best socio-environmental practices from implementation onwards, to minimize licensing, financing or reputational risks.

Performance metrics:

- Achievement of implementation milestones, up to the project's commercial operation date;
- Estimated CAPEX / realized CAPEX ratio;
- Occupational health and safety indicators; and
- Relationship with stakeholders (suppliers, communities, licensing authorities, etc.).

Transmission

A segment where the Company has been operating more recently – within the scope of its business model –, the energy transmission, among the year's highlights, **saw the signing of the concession contract for the Asa Branca project, which will play an important role in transporting renewable energy generated by wind and solar farms in the Northeast region**. The project was the result of a successful bid by ENGIE Brasil Energia at the Aneel Transmission Auction 01/2023. [GRI 2-4; 2-6]

OPERATIONAL ASSETS

In 2023, **ENGIE Brasil Energia concluded the energization of two Transmission Systems pode eliminar o (ST): Gralha Azul, in the state of Paraná and Novo Estado, in the states of Pará and Tocantins. Together, they amount to approximately 2.7 thousand kilometers of line and 6 proprietary substations** – as well as substations linked to the National Interconnected System and operated by other companies. Both concession agreements expire March 2048.

[GRI 2-6; G4-EU4; SASB IF-EU-000.C]

Total
2,709 km

Transmission line	Location	Size	Own Substations	Property	Concession expiration
Gralha Azul	Paraná	909 km	5	100%	March / 2048
Novo Estado	Pará and Tocantins	1,800 km	1	100%	Martch / 2048



Expansion in transmission

Gavião Real Transmissora de Energia

In the Aneel 01/2022 Transmission Auction, held on June 30, 2022, the Company successfully bid for Lot 7, later named **Gavião Real Transmissora de Energia, consisting of the expansion of the Itacaiúnas Substation, with the installation of two 230/138kV transformers and a new 138kV switchyard to serve the power distribution network in the state of Pará**. The project will be integrated into the Novo Estado Transmission System, capturing synergies between the two projects. The concession period for the public transmission service is 30 years and the total investment is estimated at R$80.9 million (as of June/23). [GRI 2-6]

At the end of 2023, overall progress on the project had reached 81.9%. The project is scheduled to be energized around middle of 2024, ahead of the March 30, 2026 deadline for the startup of operations set by Aneel.

Asa Branca Transmissora de Energia

The result of a successful bid in Aneel's Transmission Auction 01/2023, Lot 5 was denominated Asa Branca and will be around 1,000 kilometers long. Located in **the states of Bahia, Minas Gerais and Espírito Santo, the project includes the installation of four 500 kV single-circuit transmission lines and assisting in the transmission of energy generated in the Northeast of the country to the largest consumption centers** in the Southeast. The concession period for this public transmission service is 30 years. [GRI 2-4; 2-6]

By the end of 2023, the main contracts for services, equipment and materials needed to fulfill the business plan established by the Company had been signed. The maximum construction period is 66 months, although ENGIE Brasil Energia expects this timeframe to be reduced by at least 24 months.

Transportation of natural gas

TRANSPORTADORA ASSOCIADA DE GÁS S.A. – TAG

TAG, the longest natural gas transporter in Brazil, has an infrastructure of 4,500 km of high-pressure gas pipelines, stretching from Rio de Janeiro to Ceará and another between Urucu and Manaus, in Amazonas. It thus crosses 10 Brazilian states and around 200 municipalities. [GRI 2-6]

The gas pipeline network has several interconnection points, with 14 active gas delivery points (including two Liquified Natural Gas terminals - LNG), 90 gas collection points, connection with 10 gas distributors – attending three refineries, eight thermoelectric plants and two fertilizer plants. **The network also has 11 compressor stations along the network, all of which are company-owned, with the acquisition of five subcontracted stations concluded in October 2023**. The assets are operated through the Supervision and Control Center (CSC), located at the company's office in the city of Rio de Janeiro.

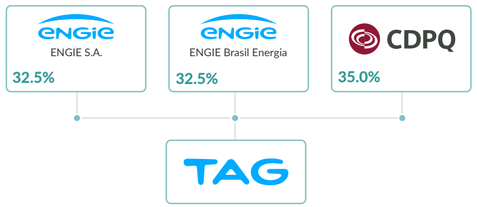
TAG is 100% contracted, through long-term legacy agreements with Petrobras and a weighted average term of approximately seven years, regulated by the National Petroleum, Natural Gas and Biofuels Agency (ANP). **In addition, the company signed 69 extraordinary contracts throughout 2023, with 21 shippers (from 14 different economic groups), which totaled 14 millionm^3 of transportation capacity, in inbound and outbound contracts, expiring on December 31, 2023. These contracts represented around 16% of the company's total revenue for the year (23% considering only the integrated network)**.

On December 28, 2023, ENGIE Brasil Energia's Board of Directors approved the sale of TAG shares held by the Company to Caisse de Dépôt et Placement du Québec (CDPQ). The shares sold represent 15% of TAG's total share capital. As a subsequent fact to those reported in this Report, the transaction was completed on January 10, 2024, after satisfying all conditions precedent. [GRI 2-4]

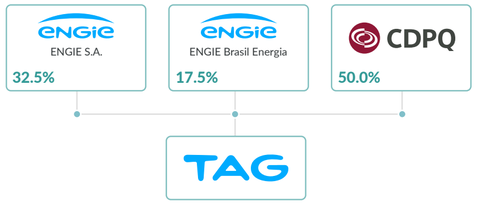
As a result, the Company became the direct holder of the reduced participation of 17.5% of the shares issued by TAG, with the ENGIE Group retaining 50% of the carrier's total share capital, both under a binding agreement with the company's shareholders, the current control group being maintained.

Corporate Structure

(as at 12.31.2023)



as at 01.10.2024





Expansion in gas transportation

TAG has several projects in the pipeline to be executed over the next five years and exceeding investments of R$5.2. Approximately 55% of this amount is concentrated in projects related to expanding TAG's transportation capacity or extending its network, in line with the ENGIE Group's positive outlook for the natural gas industry in Brazil.

Contracts with Petrobras breakdown

Contract/Section	Extension (km)	Contract Maturity[1]	Contracted volumes (MM m³/day)	% Projected of Net Operanting Revenue[2]	Readjustment index
Gasene	1,400	Nov/33	30.3	40.0%	46% Cesta IGP[3]; 54% US PPI
Malha Nordeste	2,000	Dez/25	21.6	23.8%	IGP-M
Pilar-Ipojuca	200	Nov/31	15.0	6.5%	IGP-M
Urucu-Manaus	800	Nov/30	6.7	29.4%	50% IGP-M; 50% IPCA
Lagoa Parda-Vitória[4]	100	Dez/24	0.3	0.3%	IGP-M

[1] Following the expiry of the agreements, a five-year tariff review cycle will begin, which will decide the revised maximum permitted revenue flow (RAP).
[2] Variations in revenue representativeness between GTAs may occur.
[3] 1/3 IGP-M, 1/3 IPA-DI; 1/3 IGP-DI.
[4] The Lagoa-Parda contract was renewed to 2024, albeit on an extraordinary basis, expiring 12.31.2024.

Assets under construction

[GRI 2-6]

- Gasfor II, in the state of Ceará, a gas pipeline for optimizing the network, 84 km in length and forecasted to begin operations in the third quarter of 2024. Estimated investment is R$ 430 million. In August 2022, the project was classified as priority by the Ministry of Mines and Energy.

- Interconnection between the Catu-Pilar Gas Pipeline and the Sergipe Terminal, connecting the LNG regasification and storage terminal to the TAG transmission network with a length of 25 km. At the end of 2023, work continued to proceed, startup of operations expected for the second quarter 2024. The access connection agreement with Centrais Elétricas de Sergipe S.A. (Celse), currently a component of the Eneva group, was signed on June 13, 2022, at an estimated investment of R$340 million. In May 2023, the project was classified as priority by the Ministry of Mines and Energy.

- Itagibá delivery point, in the state of Bahia, a new delivery point for serving the local distribution company, located on the northern stretch of the Gasene pipeline, was under construction during 2023, with startup in expected operations scheduled for the first quarter 2024. Estimated investment for this project: R$ 23 million.

PROJECTS IN DEVELOPMENT

[GRI 2-6]

- Itajuípe compressor station, located along the northern stretch of the Gasene pipeline, to increase the current transportation capacity by 3 million m³/day.

- Connection of the Porto do Açú Regasification Terminal to the Cabiúnas-Vitória Gas Pipeline, with 45 km extension and 18 million of m³/day transportation capacity. The commitment term for the conceptual project was approved at the end of 2022.

- Additionally, other projects in distinct phases of study may demand approximately R$ 20 billion in investments, representing a significant growth potential in business.



Santo Agostinho Wind Complex

GREEN HYDROGEN

[2030 Agenda Goals: 7.2]

Considered an important element of the energy systems of the future, hydrogen will be essential for the transition to a low-carbon economy. When produced by electrolysis using renewable energy, the gas emits no CO2 and is known as green hydrogen. It can be used as an energy vector, fuel or industrial input. Thus, hydrogen represents a viable alternative for the energy transition in sectors that are difficult to decarbonize, such as heavy transportation, the chemical industry, the steel industry, among others.

In its early stages in Brazil, this segment has much potential for development in the country, given the nature of the national electricity matrix, which is predominantly renewable and abundant. According to experts, other factors that could contribute to Brazil's leading role in this area are the integrated low-carbon electricity grid, potential demand from local industry and its geographical position, which would facilitate exports to Europe and other regions of the world via the country's port infrastructure.

These factors make Brazil a potential protagonist in this emerging industry, very much in line with the ENGIE Group's strategy for the segment. **As part of this scenario since 2022, ENGIE Brasil Energia has a team dedicated to monitoring this segment, with a focus on developing and prospecting low-carbon hydrogen opportunities in Brazil.**
[GRI 2-6]

In this regard, one of the highlights of 2023 was the signing of a Memorandum of Understanding with Invest Paraná, aimed at developing large-scale green hydrogen production projects in the state. In 2021, the Company also signed a memorandum of understanding with the state of Ceará, where it is studying the installation of a green hydrogen production plant at the Port of Pecém. The aim is to produce green hydrogen and/or derived molecules for export, while also being able to meet local demands for these products.
[GRI 2-4; 2-6]

Commercialization

ENGIE Brasil Energia operates in the Regulated Contracting Environment (ACR), meeting the demand forecast in auctions organized by Aneel, and in the Free Contracting Environment (ACL). **In 2023, free consumers (excluding CCEE transactions and other revenues) accounted for 41% of physical sales and 37% of net operating revenues, stable when compared to 2022** - due especially to the lower volume of energy purchases and the consequent stability in the volume available for sale to this niche market. [GRI 2-6]

There are prospects for an increase in this participation following Normative Ordinance 50/2022, in which the Ministry of Mines and Energy granted all high-voltage consumers the right to migrate to the ACL from January 2024. In practice, this could mean more than 100,000 new potential consumers. Estimates by the Brazilian Association of Energy Traders (Abraceel) show that **the new opening could make the Free Market responsible for up to 48% of national electricity consumption**. In 2023, this percentage stood at 37% - around 30,000 consumers.

ENGIE Brasil Energia has been preparing for this expansion for a number of years, working to attract customers who have opted to migrate to the Free Market and consolidating a strategy that combines portfolio management and commercial dynamism, whether through digital platforms or new prospection channels.

Given its momentum, this market has reported growth in customer numbers. In 2023, the number of free consumers rose 43%, although the volume of contracted energy decreased by 7.3%.

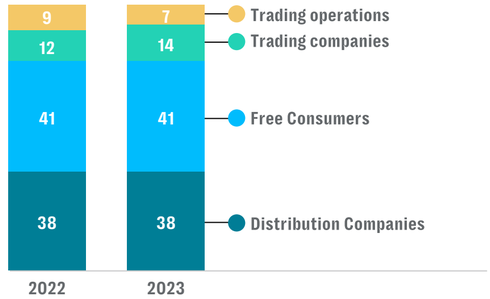
With a strategy of gradually selling the energy available for future delivery, the Company minimizes the risk of exposure to the Price for Settlement of Differences - PLD (spot price) and offsets any impacts arising from negative economic conditions in the case of certain segments. **In other words, transactions are executed during windows of opportunity, aligning the portfolios of generation assets and customers.**

The commercialization strategy also involves innovation and digitalization. **The aim is to simplify and automate the consumer**

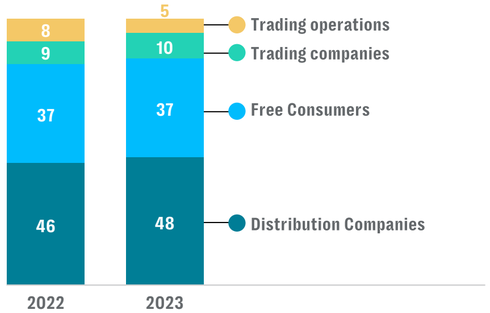


Advertising campaign for E-conomiza

Customer participation in physical sales (%)



Stake of customers in contracted sales which comprise net operating revenue from the generation segment (%)



journey as much as possible, especially for smaller consumers, and, based on this facilitated digital journey, to make migration to the free contracting environment more attractive. The development of new products and the adaptation of those already in the Company's portfolio is another aspect of the strategy, keeping the available solutions in line with the needs of each customer and their different consumption profiles.

ENGIE Brasil Energia's position as one of the country's largest energy generators is also an advantage when it comes to making more competitive short- and long-term offers, guaranteeing security of supply, given the support provided by the consistency and diversity of its generation asset portfolio. **In addition, being a pioneer in the ACL has given the Company experience in mapping market demands and opportunities in order to identify customer needs and generate creative and effective alternatives to meet them, giving the Company credibility and recognition in the market.**

These competitive advantages should become even more apparent with the evolution of the forecasted expansion scenarios. ENGIE Brasil Energia is also studying the feasibility, as part of the Company's overall business prospects, of serving low-voltage consumers, who will be able to access the ACL in mid-2028, according to a bill currently before Congress. It is estimated that this opening will translate into 80 million potential new customers for the Free Energy Market.

*For more information on the relationship with customers and commercial performance, access chapters **6** and **7**.*

Market Risks

Summary: Electricity supply and demand may behave differently from the forecast in the Company's business plan, with an impact on volumes and prices. This variation has a variety of origins - from the operating conditions of the Interconnected System (reservoir situation, regulatory changes) to market factors (PLD volatility, imbalance between supply and demand, growth in distributed generation).

Impacts in the event of materialization:

- Reduction in energy sales revenue;
- Increase of costs with energy purchases;
- Additional exposure in the operating balance; and
- Reduction in the attractiveness of investments in the sector.

Means of mitigation:

- Permanent control of the portfolio, with continual maintenance and management of the energy reserve strategy to allow for contingencies such as GSF*;
- Dispersion of the commercial portfolio in different customer niches and classes so that sector impacts are not so strongly felt by the Company; and
- Application and continual updating of the credit policy.

Performance metrics:

- Commercial indicators and impacts on the results.
- Results of satisfaction survey, capture, and retention of customers.

*Further details on market risks are available in the **Company's Reference Form**, item 4.1, letter F. "Risks related to the Company's customers".*

*GSF: *Generation Scaling Factor*, a measure of hydrological risk applicable to hydropower generation.

03

INTEGRAL CONDUCT

- CORPORATE GOVERNANCE
- MANAGEMENT OF RISKS AND OPPORTUNITIES
- ETHICAL COMMITMENT



Machadinho Hydroelectric Plant

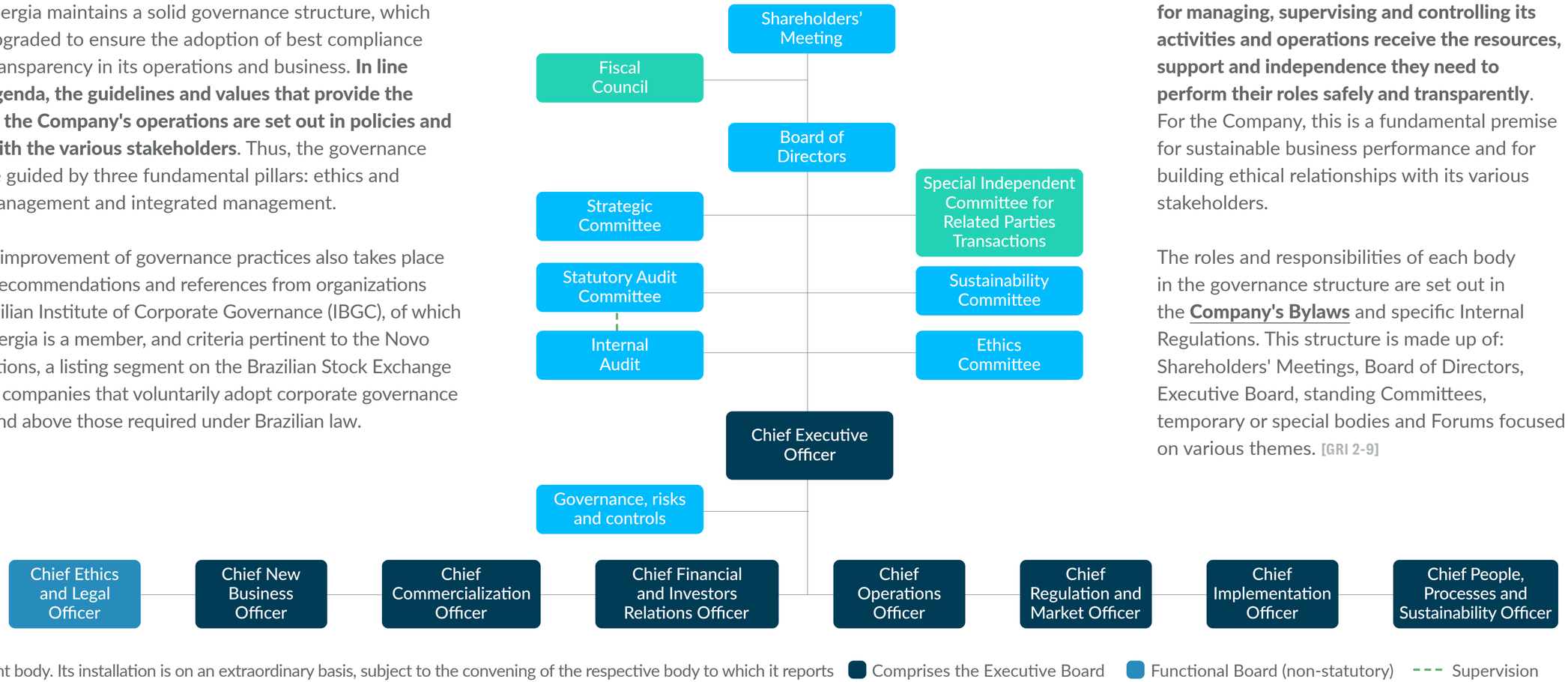
CORPORATE GOVERNANCE

[2030 Agenda Goals: 16.6; 16.7]

ENGIE Brasil Energia maintains a solid governance structure, which is continually upgraded to ensure the adoption of best compliance practices and transparency in its operations and business. **In line with the ESG agenda, the guidelines and values that provide the foundations for the Company's operations are set out in policies and codes shared with the various stakeholders**. Thus, the governance mechanisms are guided by three fundamental pillars: ethics and integrity, risk management and integrated management.

The continuous improvement of governance practices also takes place on the basis of recommendations and references from organizations such as the Brazilian Institute of Corporate Governance (IBGC), of which ENGIE Brasil Energia is a member, and criteria pertinent to the Novo Mercado regulations, a listing segment on the Brazilian Stock Exchange (B3) made up of companies that voluntarily adopt corporate governance practices over and above those required under Brazilian law.

Organogram
(as at 12.31.2023)



Organizational structure

ENGIE Brasil Energia's bodies responsible for managing, supervising and controlling its activities and operations receive the resources, support and independence they need to perform their roles safely and transparently. For the Company, this is a fundamental premise for sustainable business performance and for building ethical relationships with its various stakeholders.

The roles and responsibilities of each body in the governance structure are set out in the **Company's Bylaws** and specific Internal Regulations. This structure is made up of: Shareholders' Meetings, Board of Directors, Executive Board, standing Committees, temporary or special bodies and Forums focused on various themes. [GRI 2-9]

SHAREHOLDERS' MEETING

Composed of all shareholders, the **Shareholders' Meeting** is the most senior decision-making body in ENGIE Brasil Energia's governance structure. To promote effective engagement in the discussion of strategic themes, based on a broad understanding of the issues on the agenda, the meetings are called at least 30 days[1] prior to the event and a specific channel is made available for sending suggestions to be included on the agenda for discussion. [GRI 2-9]

Shareholders may participate and vote in person or electronically, in accordance with Resolution 81 of the Brazilian Securities and Exchange Commission (CVM). **In 2023, a Shareholders' Meeting was held, with participation of 86.10% of the share capital with voting rights, corresponding to 702,418,692 shares.**

All the documentation relating to the meetings is available on **ENGIE Brasil Energia's website** and on the CVM (**www.cvm.gov.br**) and B3 (**www.b3.com.br**) pages. The Investors area of the Company's website contains additional information on Meetings (already held and future meetings).

BOARD OF DIRECTORS

The Board of Directors is responsible for the general direction of the business, approving and monitoring objectives and actions aligned with the purposes and interests of the shareholders and supervising management, as well as electing and dismissing the statutory officers. In 2023, the Board was made up of nine sitting members (and the same number of alternates), four of whom were independent, in accordance with B3's Novo Mercado criteria, four directly or indirectly linked to the controlling shareholder and one of whom was elected by the employees. None of the directors held executive positions in the Company. [GRI 2-9; 2-15]

In accordance with the Company's Bylaws, the positions of Chairman of the Board and Chief Executive Officer cannot be held by the same person, to avoid conflicts of interest. The term of office for board members is two years, with re-election permitted. The elected Board at the end of 2023 took office on April 28, 2022. [GRI 2-11; 2-15]

Nomination Policy

The **Shareholders' Meeting** elects the shareholder representatives and approves the board member elected by the employees. Criteria for technical, professional, and academic qualifications and ethical values, among other requirements for senior management, are defined in the **Nomination of Directors and Committee Members Policy**. This document also takes into account the precepts of diversity, so that decision-making processes are based on different points of view, which leads to more effective and innovative solutions. [GRI 2-10]

In 2023, 14 meetings of the Board of Directors were held with an average attendance of sitting members of 88%. All the relative minutes of meetings are to be found in the websites of the Brazilian Securities and Exchange Commission (**www.cvm.gov.br**) and **ENGIE Brasil Energia website**.

Adherence to good practices

In order to contribute to the continuous evolution of management, **the Board of Directors regularly assesses ENGIE Brasil Energia's level of adherence to the recommendations of the Brazilian Corporate Governance Code**, in accordance with CVM Resolution 80.

A report on the results of these assessments is published annually **on the Company's website**, indicating the principles and practices envisaged and in force, as well as any deviations found, with the appropriate justifications. **In 2023, 93% of the recommendations applicable to the Company were complied with in full.**

[1] A detailed agenda is disclosed together with the Management Proposal and Manual of Attendance.

Composition of the Board of Directors
(as at 12.31.2023)

[GRI 2-9; 2-11]

Board Member	Function on the Board or other bodies	Age	Years on the Board
Maurício Stolle Bähr	Chairman of the Board	66	25
Paulo Jorge Tavares Almirante	Vice Chairman of the Board	59	7
Dirk Achiel Marc Beeuwsaert	Independent Director	75	23
Karin Koogan Breitman	Independent Director	54	5
Pierre Jean Bernard Guiollot	Director	55	7
Simone Cristina de Paola Barbieri	Director	52	6
Paulo de Resende Salgado	Independent Director and Coordinator of the Audit Committee	78	5
Manoel Eduardo Lima Lopes	Independent Director and member of the Audit Committee	80	3
Adir Flávio Sviderskei	Representative of the Employees on the Board	58	3
	Percentage of independent directors: 44%	**Average age: 64.1**	**Average: 9.3 years**

*More detailed information with respect to the Directors, such as profiles, knowledge, and self-declarations of independence in accordance with Internal Policies and Novo Mercado regulations, can be found in Attachment IV of the **Management Proposal** for the year of election.* [GRI 2-17]

Assessment and remuneration

As in previous years, in 2023 the Board of Directors underwent a structured assessment process as a collegiate body but complemented by an individual self-assessment of each member[2]. The **Remuneration of Directors, and Committee Members Policy** sets out clear remuneration guidelines, linked to financial and non-financial objectives, in order to promote business continuity and value creation, as well as keeping the Company attractive to professionals aligned with its values and culture. [GRI 2-18]

The established amounts and form of remuneration take into account market criteria, the knowledge required, the complexity of the activities and the results achieved. The maximum amount allocated to remuneration is approved by the Shareholders' Meeting and corresponds to the sum of fixed and variable remuneration. All Directors receive a fixed remuneration (pro-labore), made up of 13 monthly installments. [GRI 2-19; 2-20]

The Chairman of the Board of Directors also receives a variable portion, based on the results achieved by the Company, considering financial (EBIT, Free Cash Flow and General and Administrative Expenses) and operational indicators - among them, strategic ESG objectives (employee health and safety and gender diversity in the labor force). This remuneration is directly linked to collective and individual performance, with the aim of rewarding the executive for the results achieved, in line with the Company's business guidelines, values and culture. [GRI 2-19; 2-20]

*Further information on remuneration of the Management (Directors and Statutory Officers) in 2023 are available in the **Management Proposal of the Annual General Meeting for April 2024**.* [GRI 2-19; 2-20]

[2] This annual practice is provided for in the Performance evaluation for Directors and Committee Members, as a way of contributing to improved governance.



ESG Formation

In 2023, the members of the Board of Directors took part in a special training session promoted by the IBGC on the subject of the "Carbon Market".

The training was complementary to that held the previous year, called "Climate Change and the Role of the Board". The training reinforces the importance of the climate agenda and the Board's responsibilities in managing the issue.

ADVISORY BODIES

In order to support decision-making at the different hierarchical levels and units of ENGIE Brasil Energia, the governance structure has advisory bodies specialized in business-relevant issues. Of these, four are permanent and report directly to the Board of Directors: [GRI 2-9; 2-16]

- **Strategy Committee:** its mission is to provide opinions and advice to the Company's senior management on matters relating to the strategic direction of its business. It also assesses trends, risks and opportunities in order to propose the development of strategies that drive growth and competitive advantages.

- **Statutory Audit Committee:** created to strengthen compliance and the anti-corruption culture. It advises the Board of Directors on issues relating to external and internal audits, financial statements, internal control, risk management and policies. It is made up of three members, two of whom are independent directors. The term of office is two years.

- **Ethics Committee:** responsible for disseminating, sensitizing, raising awareness and applying the ethics and compliance benchmarks. It also monitors and identifies ethical risks for prevention and mitigation. Similarly, it investigates violations and proposes disciplinary measures, and may set up an Investigatory Committee for this purpose. In 2023, it had five members: Chief People, Processes and Sustainability Officer, Legal and Ethics Officer, Internal Audit Manager, People and Culture Management Manager and Governance, Risks and Controls.

- **Sustainability Committee:** evaluates and proposes policies and practices related to ESG aspects, monitoring their application and compliance, in line with the **Sustainable Management Policy** and ENGIE Group guidelines. It is made up of representatives from various areas of the Company, including a member of the Board of Directors, and is coordinated by the Chief People, Processes and Sustainability Officer.

A further two governance bodies operate on a non-permanent basis:

- **Fiscal Council: i**nstalled at the behest of shareholders, performs activities provided in law, including oversight of management activities and compliance with legal and statutory duties. Totally independent of the Company's Management and of any external auditing company hired by ENGIE Brasil Energia, it is made up of three effective members and an equal number of alternates, one of whom and his respective alternate being appointed by the minority shareholders.

- **Special Independent Committee for Transactions with Related Parties:** set up by the Board of Directors to analyze, negotiate and recommend transactions to be approved by the directors and the General Meeting. It can have between three and five members, with a majority made up of independent directors. Transactions must follow the principles established in the **Related Party Transactions Policy**, in particular compliance with commutative conditions and the avoidance of conflicts of interest. [GRI 2-15]

Complementary to the committees, ENGIE Brasil Energia maintains forums made up of multidisciplinary teams, which support the Executive Board in evaluating strategic themes. Forums active in 2023 and their respective focus of activity were:

- **Energy Forum:** Commercialization strategy and customer portfolio risk management.
- **Financial Forum:** corporate finance, treasury, insurance, financial and counterparty risks.
- **Risk Management Forum:** mapping of risks and definition of control procedures.
- **Tax Governance Forum:** mechanism for reducing exposure to risks and maximization of fiscal benefits.
- **Innovation Forum:** evaluation of proposals received from employees and recommendations to the Executive Board for allocation of resources, stimulating the intra-entrepreneurial culture and continual innovation.
- **Human Performance Forum:** safety and productivity of employees and third-party personnel, uptime of the plants and reduction in operational costs and environmental impacts.
- **Processes Forum:** prioritization of processes for ensuring alignment with the Company's strategic objectives, to generate value and to optimize them.
- **Products Forum:** identification, development and validation of new products as well as improving existing ones.
- **Dam Safety Forum:** prevention of risks and adoption of the best practices relative to the theme.
- **Industrial Control Systems Safety Forum:** policies and action plans directed towards the safety of ENGIE Brasil Energia's industrial control systems.
- **Insurance Forum:** policies and activities related to insurance.
- **Energy Transmission Forum:** development, implementation and structuring of the energy transmission segment's projects and activities.

STATUTORY BOARDS

Eight statutory boards acted in a collegiate manner in 2023: Regulation and Market; Operation; Energy Commercialization; Finance and Investor Relations; New Business; Implementation; People, Processes and Sustainability, in addition to the Presidency, responsible for coordinating the entire Executive Board. [GRI 2-9]

Elected by the Board of Directors, on the basis of curricular criteria, the statutory officers have three-year mandates, reelection being permitted.

Composition of the Statutory Board (as at 12.31.2023)

[GRI 2-9]

Officers on the Statutory Board	Statutory Board Duties	Age	Years in Post	Gender
Eduardo Antonio Gori Sattamini	Chief Executive Officer	58	7	M
Eduardo Takamori Guiyotoku	Finance and Investor Relations	44	0	M
Gabriel Mann dos Santos	Energy Commercialization	48	5	M
Guilherme Slovinski Ferrari	New Businesses	50	4	M
José Luiz Jansson Laydner	Operations	62	7	M
Luciana Moura Nabarrete	People, Processes and Sustainability	51	3	F
Márcio Daian Neves	Implementation	47	2	M
Marcos Keller Amboni	Regulation and Market	49	4	M
		Average age: 51.1	**Average: 4 anos**	**Women: 12%**

Assessment and remuneration

Remuneration Policy establishes the following composition for remuneration of the Executive Board, including the Chief Executive Officer [GRI 2-19; 2-20]:

- **Fixed remuneration (pro-labore):** 13.33 monthly installments as direct payment for services rendered, together with concession of benefits such as healthcare, food vouchers and life insurance.

- **Short-term variable remuneration (annual):** combines bonus and sharing in the results, oscillating between 40% and 90% of the fixed annual remuneration, depending on the position and the inherent challenges and goals, including ESG aspects. Payment is made in the first half of the following year, after the close of the fiscal year based on collective and individual results.

- **Long-term variable remuneration:** the Company's direct parent company, ENGIE Brasil Participações Ltda., offers the Executive Board, at the end of four years, a Long-Term Incentive Plan (ILP) linked to Phantom Shares and corporate indicators, as well as Performance Shares and the Group's Stock Option Policy.

- **Post employment benefit:** the Company sponsors a supplementary pension plan on the basis of the defined contribution model, administered by Previg – Sociedade de Previdência Complementar. Other employees also have access to this benefit.

The maximum annual remuneration for directors is approved by the General Meeting. The calculation methodology applicable to short-term variable remuneration follows the methodology adopted by the ENGIE Group, which provides for:

- 65% linked to financial objectives (EBIT, Free Cash Flow and General and Administrative Expenses);

- 10% linked to ESG objectives (non-financial), covering two matters of equal weighting – Occupational Health and Safety (OHS) and gender diversity in the headcount;

- 25% linked to individual management targets.

This methodology also establishes a possible penalty of up to 20% in the cases of:

- Significant decline in OHS results;

- Non-compliance with the values related to ethics and conformity; and

- Inappropriate managerial behavior.

In order to check that the established financial and non-financial performance targets have been met, the directors are formally assessed every year. The CEO is responsible for evaluating the other members of the Executive Board, and his own evaluation is conducted by the Chairman of the Board of Directors. All results are discussed and approved by the Board of Directors. [GRI 2-18]

*More information on the fixed and variable remuneration of the Statutory Executive Board in 2023 is available, based on a collegiate approach, at **Management Proposal to the Annual General Meeting in April 2024**.* [GRI 2-19; 2-20]



Paracatu Photovoltaic Complex

Pacto Global
Rede Brasil

Policies and guidelines

A series of policies and guidelines guide ENGIE Brasil Energia's governance and contribute to ensuring the integrity of its procedures and businesses, as well as alignment with its purposes and values. **These documents also seek to ensure that the Company's practices are in strict compliance with applicable laws and regulations, external standards, commitments made and internal procedures in different areas, such as human rights, environmental protection, competition, data protection, tackling corruption, among others.** [GRI 2-23]

In 2023, some of these documents were revised and published in their updated versions, notably the **Policy for Disclosure of Information and Trading of Securities** (in April), the **Prevention of Corruption and Anti-Bribery Policy** (in June) and the **Remuneration for Directors and Committee Members Policy** (in August). [GRI 2-23]

The Remuneration Policy, together with the **Nomination Policy** and the **Performance Evaluation Policy**, contributes to the permanent maturing of governance, based on procedures that are integral and transparent with regard to the management body. This helps to achieve the objectives set by the Company, since executives are assessed based on non-financial as well as financial objectives (including ESG targets). [GRI 2-10; 2-18]

Another highlight of 2023 was the publication of the **Code of Conduct in Relations with Suppliers** in June. The document is based on the Code of Conduct already adopted by the ENGIE Group, with some adaptations applicable to the Brazilian context, serving as an instrument for extending the Company's ethical standards to the value chain. **As provided for in the guidelines, any potential supplier must be aware of and familiar with the principles of integrity, compliance, and data privacy, accepting contractual clauses on these issues, as well as on social responsibility and respect for the environment.** Other commitments and expectations relating to suppliers are set out in the Procurement Policy – see more on page 101. [GRI 2-23; 2-24]

Both the Sustainable Management Policy and the Environmental Policy expressly declare ENGIE Brasil Energia's support for the UN Global Compact, the Sustainable Development 2030 Agenda Goals, the guiding principles of the OECD and the Paris Agreement. [GRI 2-23]

The Company's set of guidelines also includes the **Surveillance Plan** for identifying and preventing risks from the negative impacts on society and the environment related to corporate activities. The surveillance measures envisaged cover Human Rights, Occupational Health and Safety, the environment, supplies and warning mechanisms. [GRI 2-23; 2-24; 2-25]

All the policies mentioned above have been approved by the Executive Board and the Board of Directors and are applicable to ENGIE Brasil Energia's entire organizational structure, including subsidiaries. Strengthening transparent management, all documents are shared with stakeholders and are available for public access at this **link**. [GRI 2-23; 2-24]





Integrated management

In order to ensure responsible and sustainable conduct, with a close eye on all sensitive aspects of the business, especially social and environmental issues, ENGIE Brasil Energia seeks to continually improve its management tools and instruments. To this end, since 2021, it has had a Governance, Risks and Controls Department in its structure, facilitating the integration of governance processes within a systemic vision of the Company.

Another measure aimed at increasing the efficiency of its governance is the maintenance of the Integrated Management System (IMS), which meets the requirements of NBR ISO 9001 - Quality Management, NBR ISO 14001 - Environmental Management and ISO 45001 - Occupational Health and Safety Management. In addition to ENGIE Brasil Energia's headquarters in Florianópolis (SC), all of the hydropower plants are covered by the IMS, the Company completing two decades of certification in 2024. The other operating units, although not certified, follow the same policies and other procedures covered by the Integrated Management System.

In August 2023, the System's certificate was renewed, granted by Bureau Veritas, following audit rounds verifying compliance with requirements, performance indicators and other information. **This certification certifies to the market, regulatory bodies, partners and other stakeholders that the Company's processes comply with the requirements of the three standards (9001, 14001 and 45001), that it meets the legal requirements laid down in municipal, state and federal legislation and that it complies with ENGIE's own internal policies and standards.**

The implementation of the IMS brings additional benefits such as the standardization of documents and procedures and greater employee awareness of issues related to health, safety, the environment, and the continuous improvement of processes, since the System guides the identification and treatment of non-conformities on an ongoing basis.

The certification process is conducted by an independent body hired on the basis of isonomic criteria thus guaranteeing the impartiality and reliability of the audits and other procedures.

Coverage of the certifications - 2023



MANAGEMENT OF RISKS AND OPPORTUNITIES

The correct management of risks and opportunities, anchored in discipline, consistency, and transversality, allows the Company to remain competitive under different economic scenarios, maintaining favorable conditions for the capture of good projects that add value and contribute to the continued and sustainable growth of the business. **As such, risk management plays a fundamental role in executing the corporate strategy, guaranteeing longevity**.

Given its relevance to business sustainability, risk management is a permanent practice and involves the entire Company, supported by senior management. The **Corporate Risks and Opportunities Management Policy**, approved by the Board of Directors in 2016, guides the processes related to the topic, which are also monitored and supported by the **Risk Management Forum** and the **Statutory Audit Committee**, and its consolidation and management responsibility of the **Governance, Risks and Controls Management**. [GRI 2-16; 2-26]



Governance of the theme

The **Governance, Risks and Controls Management** area operates in a structurally independent manner from the other business units, providing transversal, comprehensive and objective management of risks and controls, to the detriment of a compartmentalized approach.

It reports directly to the CEO, which makes for a vision oriented towards the interests and priorities of the business in an integral manner.

BUSINESS RISKS AND OPPORTUNITIES MATRIX

The identification and classification of risks, in terms of the likelihood of occurrence and the relevance of possible impacts, is the subject of the **Business Risks and Opportunities Matrix**, validated annually by the Board of Directors, with the advice of the Statutory Audit Committee. The assessment considers reputational, financial, strategic, and operational impacts, as well as proposing prevention and mitigation actions. This information then feeds into ENGIE Brasil Energia's **Annual Internal Audit Plan** for ensuring continuous improvement in management. [GRI 2-12; 2-13]

The Matrix is drawn up and disclosed annually by the Governance, Risks and Controls Management, with the direct participation and approval of the Executive Board. In December 2023, the Board of Directors was notified of the updated version of the Business Risks and Opportunities Matrix, drawn up after the conclusion of the new risk analysis cycle - which followed the methodology adopted by the ENGIE Group, based on ISO 31000 and COSO ERM. [GRI 2-12]

The review included the identification of new risks, based on interviews with directors and managers from various areas, and considered the so-called residual risks - those remaining after the application of the mitigation plans established by the Company. Inherent risks were also analyzed, i.e. those existing before the mitigation plans. As a result, 10 main groups of business risks were consolidated - with the potential to negatively impact the EBE's financial results and reputation. This resulted in 55 mitigation plans, which are monitored on a quarterly basis. [GRI 2-13]

The risk management process is included in the scope of the annual internal and external audits performed in the context of renewing the ISO certification (9001, 45001 and 14001). In addition, in 2023, it was part of the scope of an audit mission requested by the Company from an external specialist company, specifically dedicated to the functions and processes involving the Company's second line of defense.



Current ethics & compliance policies

[GRI 2-23]

Among the guidelines underscoring the Integrity Program, of particular note are:

- Code of Ethics;
- Ethical Practices Guide;
- Anti-Corruption and Anti-Bribery Policy;
- Human Rights Policy;
- Prevention of Conflict of Interests Policy;
- Privacy and Personal Data Protection Policy;
- Counterparty Due Diligence Policy;
- Embargo Policy;
- Policy for Relationship with Government Employees;
- Code of Conduct in Relation to Suppliers; and
- Procedures in relation to Gifts and Hospitality.

In accordance with the **Corporate Risks and Opportunities Management Policy**, all ENGIE Brasil Energia managers are responsible for the risks related to their duties or authorities and assume the onus for exposure to risk arising from their decisions. In addition to the Corporate Risks and Management Policy, managers must comply with the ENGIR Group Surveillance Plan - read more on page 32. **[GRI 2-13]**

Throughout this report, from the initial chapters onwards, the main risks monitored by the Company and some of the mechanisms used to identify, assess and manage them are presented along with the related content.

Main Risk Groups

For detailed information, click on the indicated Chapter.



EMERGING RISKS

Damage to the biodiversity

Category: Environmental risk

Description: Related to possible damage to biodiversity due to the environmental footprint of land use or the disruption of ecological continuity.

Business impact: Increased costs, payment of fines, non-monetary sanctions, loss of operating license or invalidation of operational assets or assets under implementation, due to their non-compliance with current or future regulations in relation to biodiversity. In addition, reputational and relationship impacts arising from failure to meet the expectations of the various stakeholders in relation to the issue.

Mitigation actions: Monitoring legislation on the subject; due diligence of biodiversity on the Company's assets and for projects under development; and proactive actions to conserve and recover the biodiversity - more details are available in Chapter 5 - Environment and Climate, Biodiversity item.

New disruptive technologies in the energy and gas sectors

Category: Technological Risk

Description: Related to the emergence of disruptive technologies in the energy and gas sectors, not yet known, motivated by the energy transition and in response to the dependence on natural factors in the energy sector (hydrology, wind regime, irradiation, etc.).

Impact on business: Obsolescence of the company's assets and changes in the sector's regulations, resulting in increased costs or even the economic unfeasibility of operations.

Mitigation actions: Participation in research into new technologies promoted by the ENGIE Group; development of partnerships with innovation agents in the sector; monitoring and engagement in the definition of the regulatory framework.



Umburanas Wind Complex

ETHICAL COMMITMENT

Integrity Program

[2030 Agenda Goals: 16.5; 16.6]

At ENGIE Brasil Energia, ethical conduct is an inseparable part of the corporate culture, reflected in a series of management policies and practices. **The precepts to be followed by representatives of the Company with regard to ethics and compliance are set out in various documents, in particular the Code of Ethics**, shared with all stakeholders as a guide to integrity, human rights and compliance, among other aspects. [GRI 2-23; 2-24]

ENGIE Brasil Energia's organizational structure includes an Ethics Committee dedicated to managing this issue, reporting directly to the Board of Directors. The entire range of documents relating to the topic is aligned with the standards and commitments established in international covenants and declarations, such as the Universal Declaration of Human Rights, the United Nations Convention Against Corruption, the International Labor Organization (ILO) Conventions and the Organization for Economic Cooperation and Development (OECD) Guidelines for multinational companies. [GRI 2-16; 2-23; 3-3]

Compliance with the guidelines set out in the documents is constantly monitored and followed up by the Committee and other governance bodies. Ethics therefore permeates the Company's relations with all stakeholders, especially customers, investors, partners, suppliers, service providers, government representatives, communities, and employees. [GRI 2-13; 3-3]

The Company monitors ethical risk in its entirety, establishing specific or permanent action plans aimed at mitigating it. Among the aspects monitored systematically are those relating to Human Rights, in order, for example, to ensure decent working conditions for all those involved in the Company's operations and to respect the rights of local communities and traditional populations. [GRI 3-3]

In accordance with its guidelines, ENGIE Brasil Energia does not, under any circumstances, accept child labor or forced or compulsory labor in its value chain, and has a policy of denouncing any cases of which it becomes aware to the competent authorities. [GRI 3-3]

In addition to the emphasis on human rights, ethical risk management includes a specific analysis of the risk of fraud and corruption, to avoid internal or external collusion in non-compliance with the values and principles of the Code of Ethics, such as bribery, fraudulent use of company property and interference in competitive processes, among others. To this end, in addition to the ISO 37001 certification received by the Company - relating to Anti-Bribery Management - there are a number of voluntary commitments made, such as the United Nations Global Compact, the Business Pact for Integrity and Against Corruption, the Extractive Industries Transparency Initiative (EITI) and the French section of the NGO Transparency International. [GRI 2-28]

Ethical and Compliance Risk

[GRI 205-1]

Summary: Failure to comply, internally or with external collusion, with the values and principles of the Code of Ethics - corruption, fraudulent use of company property, interference in competition processes, disrespect for human rights, including working conditions and labor relations. Non-compliance with the rules and regulations applicable to corporate activities.

Impacts in the event of materialization: The potential damage caused is related to reputation, financial results and the discontinuation of the operations.

Means of mitigation:

- Work of the Ethics Committee;
- Structured training program and campaign of sensibilization directed at questions of ethics and compliance;
- Regular audits and annual tests of conformity in the process of Conformity with the Ethical Principles of the Internal Controls Program (INCOME); and
- Availability of an independent confidential channel for complaints, accessible to internal and external stakeholders, 24 hours a day.

Performance metrics:

- Number of justified complaints through the Ethics Channel.
- Total number of training hours provided on the theme.

Among the main activities conducted by the Ethics Committee in 2023 within the scope of the Integrity Program, of particular note are the:

- **Obtaining of the Pro-Ethics Seal:** ENGIE Brasil Energia was recognized with the Pro-Ethics Seal 2022-2023, an initiative of the Office of the Comptroller General (CGU), in partnership with the Ethos Institute, which recognizes and values companies that adopt good practices of ethics, transparency and integrity in the management of their businesses.

- **Sensibilization events:** During the Internal Accident Prevention Week (SIPAT), an event held by the Internal Accident and Harassment Prevention Commission (CIPA), a lecture was given, open to all employees, by Prof. Dr. Leandro Karnal, who addressed the importance of ethics for people and business. Throughout the year, various campaigns and training sessions were held to raise employee awareness of ethical issues.
[GRI 205-2]

- **Approximation with the CIPA (Internal Accident Prevention Committee, formed by employees):** In compliance with Law 14.457/22, which established the Emprega + Mulheres Program and made it CIPA's responsibility to adopt measures to prevent and combat sexual harassment and other forms of violence in the workplace, the Ethics Committee strengthened its relationship with the Commission. Specific training sessions were held on the subject, with guidance for CIPA members.

- **Formation of the supply chain:** In April, ENGIE Brasil Energia provided training for its suppliers, who account for approximately 40% of the Company's spend in 2022, raising their awareness of the importance of ethics in conducting business and sharing good practices in relation to the Ethics Channel and value chain management.
[GRI 205-2]

- **Revision of policies:** Company policies with aspects linked to ethics and compliance were reviewed, approved, and published in their updated versions. Such included the Information Disclosure and Securities Trading Policy, the Anti-Corruption and Bribery Policy and the Remuneration Policy for Directors, Officers, and Committee Members. Also approved during the period was the Code of Conduct for Relations with Suppliers, an adaptation of the guidelines adopted by the ENGIE Group.

- **Monitoring of political exposure and compliance:** To monitor political exposure and compliance of members of Senior Management, the Ethics Committee monitors the declaration of integrity of the Company's fiscal and management directors.

COMPLIANCE MECHANISM

ENGIE Brasil Energia's commitment to ethics and integrity is supported by its governance structure, which includes specific roles aimed at controlling compliance at the highest levels of management. **The Ethics Committee is responsible for ensuring compliance with individual and collective values and adapting the necessary means to apply the established rules of conduct**. The Committee is therefore responsible for disseminating, sensitizing, raising awareness, applying, and monitoring ethics and compliance standards, as well as identifying, preventing and mitigating ethical risks. The body also investigates violations and proposes disciplinary measures, eventually setting up an investigatory committee for this purpose. [GRI 2-13; 3-3]

Through quarterly reports from the Ethics Committee, the **Board of Directors** monitors the activities undertaken, the recording and handling of ethics-related incidents, as well as other relevant facts. These reports are shared with ENGIE Brasil Participações' Ethics and Compliance Officer and with the **Statutory Audit Committee**, another body playing a relevant role in compliance mechanisms, advising the Board of Directors on all matters relating to audits, internal controls and risk management. **In addition to reporting to the Board of Directors, the Ethics Committee periodically reports its highlights and incidents to the controlling entities**. [GRI 2-12]

Also, within the scope of compliance mechanisms, we would highlight the INCOME Program, in force at the Company since 2006, which aims to improve the management of internal controls and operational risks. **Every year, the main processes and relevant controls are assessed internally using the self-assessment technique, and a sample is tested by an independent third party. The results of the Program are communicated to the Executive Board, the Statutory Audit Committee and the Board of Directors**. Any deviations identified in the controls are addressed through action plans, and the management of these initiatives is carried out by the relevant areas in collaboration with the internal controls team. [GRI 2-12; 2-13]

Another important compliance mechanism is the periodic evaluation of suppliers, performed on every new business partner and updated annually through an automated platform with big data resources. Even stricter control requirements are in force for those suppliers responsible for the movement of larger volumes of funds. These guidelines are presented in more detail in the Chapter **Relations of Value**.

ETHICS CHANNEL

In addition to establishing a public commitment to ethics and integrity, ENGIE Brasil Energia creates and maintains appropriate instruments for identifying and dealing with any episode that may represent a breach of the Company's principles and guidelines. An essential tool in this process is the Ethics Channel, open to anyone who wishes to report inappropriate situations such as harassment, conflict of interest, inappropriate conduct, corruption, discrimination, fraud, breach of confidentiality, violation of laws or internal policies, among other situations that violate the values established by ENGIE. [GRI 2-26]

Managed by an independent external company, the Channel guarantees the security and privacy of those who use it, allowing them to register their concerns anonymously. ENGIE Brasil Energia thus encourages the communication and recording of possible ethical deviations throughout the value chain, ensuring there is no retaliation against whistleblowers. Whistleblowers may register their complaints via the **website** or via a free phone line, which is manned 24 hours a day, seven days a week. [GRI 2-29]

Complaints are registered by the independent company, which, after a preliminary analysis of the content, sends its records to the Ethics Committee for proper handling of the report, in accordance with the **Allegations Handling Procedure** (internal document). The Committee is responsible for the initial admissibility analysis, assessing whether the complaint does in fact expose a potential ethical violation, defining whether the case should be investigated by an external or internal agent and, finally, forwarding the recommendations to the responsible manager, so that the suggested measures can be implemented, in accordance with internal standards and legal aspects. The person reporting the incident is informed periodically about progress and results.

All the information relating to the complaint (record of the complaint, investigation report, minutes of the committee meeting and conclusive decision) is stored, guaranteeing confidentiality and data protection. In cases where a violation is proven, disciplinary measures are envisaged, ranging from a warning to dismissal, depending on the seriousness of the case. With regard to companies contracted by ENGIE, failure to comply with ethical precepts may result in contractual sanctions or immediate suspension of the contract, without prejudice to any legal measures that may be necessary.

The existence of the **Ethics Channel** is widely disclosed to internal and external stakeholders in order to encourage responsible use of the tool and for it to be recognized as a reliable means of receiving and handling complaints. **In 2023, 60 complaints were registered, of which 22 were related to potential ethical violations - none of those considered justified were related to corruption or discrimination**.

[GRI 205-3; 406-1]

Complaints received and treatment[1]

Total number of complaints received	60
Total number of complaints addressed[2]	60
Total number of reports related to potential ethical violations[3]	22

[1]No reports were received regarding corruption and bribery, customer data privacy, money laundering and insider trading. The complaints of conflicts of interest (three in total), moral harassment (also three) and discrimination (one), after due analysis by the Ethics Committee, were not considered valid/well-founded.

[2]Covers preliminary analysis by an independent company and the treatment of the report by the Ethics Commitee, which assesses the sufficiency of the information provided, the categorization of the report as a potential ethical incident and the way in which the investigation, in case of a potential incident ethically, will be conducted. If the matter reported is not ethics-related, the Ethics Committee refers the matter for treatment internally by the department concerned.

[3]Excludes repeat reports on the same event and/or that do not report a potential ethical violation.

The Ethics Channel is available to internal and external stakeholders, 24 hours a day.



Itá Hydrelectric Plant

DATA SECURITY

The protection of personal data, in addition to being a legal obligation under the recent General Law on the Protection of Personal Data (LGPD), is an essential condition for guaranteeing respect for the privacy of each individual and business ethics. This responsibility is demonstrated in the commitments ENGIE Brasil Energia assumes in its **Privacy and Personal Data Protection Policy** and its **Information Security Policy**. The documents, available on the Company's website, are aligned with the LGPD, the Code of Ethics and ENGIE Brasil Energia's risk management and asset protection policies [GRI 2-24; 3-3].

The **Personal Data Protection Policy** expressly states that personal data must be collected and processed by fair means and for specific, explicit, and legally permitted purposes, without being diverted from such purposes, and meeting, where relevant, the requirements of notification of the data subject and their prior consent.

The **Information Security Policy** establishes general principles aimed at protecting tangible and intangible assets. These principles include preventing, monitoring, identifying, and responding to information security incidents. The document emphasizes that prevention and control measures aim to manage and maintain risks at a level appropriate to the business.

Both policies establish guidelines for responsibility and accountability with regard to the handling, use and protection of data. Thus, they provide that ENGIE Brasil's **Executive Committee** is responsible for analyzing and approving the Policies and for establishing the **Information Security and Privacy Committee**, which is responsible for keeping them updated and disclosed, supervising compliance, defining and maintaining a Personal Data Protection Program and conducting training and raising awareness [GRI 3-3].

The Information Security and Privacy Committee comprises representatives from the Information Security, Information Technology, Legal, Personal Data Protection, People and Culture, and Risks and Internal Controls areas. In 2023, no cases of data breaches were recorded by the Company, **which includes customer data**.
[GRI 418-1; SASB IF-EU-550a.1]



Cybersecurity Risk

Summary: Lack of or failure to plan, manage, monitor or secure Information and Communication Technology (ICT), Automation Technology (AT) and Internet of Things (IoT) resources and services.

Impacts in the event of materialization: Potential damage to the continuity of operations, negatively impacting the company's results and image.

Means of mitigation:

Definition of policies, management processes, controls, and employee awareness of the correct use of digital technologies. In 2023, the focus was on cybersecurity training and phishing tests.

Performance metrics:

- Technical security and performance indicators.

04

HUMAN CAPITAL

- PROFILE OF THE TEAM
- REMUNERATION AND BENEFITS
- HEALTH, SAFETY AND WELL-BEING
- PROMOTION OF DIVERSITY, EQUITY & INCLUSION
- PROFESSIONAL DEVELOPMENT



PROFILE OF THE TEAM

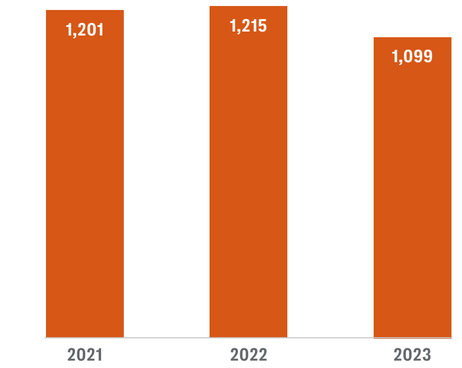
[2030 Agenda Goals: 8.5]

Constructing and maintaining a safe, respectful, and inclusive work environment that offers all people opportunities to realize their full potential is a commitment of ENGIE Brasil Energia, a priority on its social impact agenda. **At the end of 2023, the Company's workforce consisted of 1.099[3] direct employees, 10% fewer than 2022, the result of the disposal of the Pampa Sul Thermoelectric Plant, which had a head count of 121 at the time of sale[4].** [GRI 2-4; 2-7]

The Company's labor force also included 71 interns and two apprentices[5], as well as 301 professionals linked to companies not wholly controlled – 266 to TAG, 31 to Companhia Energética Estreito and four to Itá Energética. In addition to this group, during 2023 the number of medium- and long-term service providers, who regularly work on the Company's facilities or projects, was around 5,300 professionals on average - of this total, approximately 64% were linked to work in progress at the projects. [GRI 2-8]

More details and indicators about the profile of the team are available in the Complementary Folder [GRI 2-7; 2-8]

Total numbers of employees



Employees by region





[3] The data relates to professionals that work at assets where ENGIE Brasil Energia has 100% control. All employees worked full-time and 98% were hired for an indefinite period of time - 25 people had temporary contracts.
[4] The sale did not impact the number of terminations since these professionals resigned from ENGIE Brasil Energia.
[5] In December 2023, an Apprentice Program for a group was concluded resulting in a reduction of eight apprentices from the Company's headcount – there are 10 vacancies for the Program. A new group will be in place in 2024.

FREE ASSOCIATION AND COLLECTIVE BARGAINING

The Company guarantees its employees the rights to freedom of association, collective bargaining, and internal representation, in accordance with the guidelines of the International Labor Organization (ILO). In 2023, all professionals dedicated to the Company's operational projects (98.3% of the total) were covered by collective bargaining agreements signed with representative organizations, symptomatic of ENGIE Brasil Energia's commitment to promoting a fair and equitable working environment. Employees with exclusive dedication to projects under implementation (1.7% of the total) - do not have such a link, given the transitional nature and specificity of the contracts, which are handled in accordance with specific legislation. [GRI 2-30]

HIRING AND TERMINATIONS

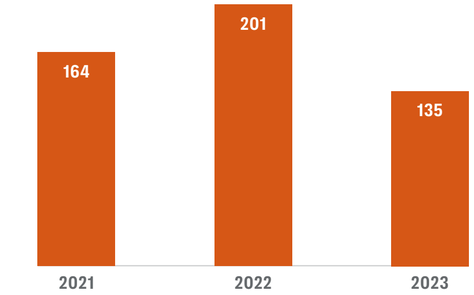
[GRI 401-1]

In 2023, 135 people were hired, 33% less than in 2022, when the number was 201 new hires. **Of these, 28% were in the Northeast Region, especially linked to the projects under implementation - the Serra do Assuruá Wind Complex and the Assú Sol Photovoltaic Complex**. Of the opportunities that arose in the year, 24% were filled by internal candidates, a figure 13 p.p. higher than the 2022 percentage of 11%.

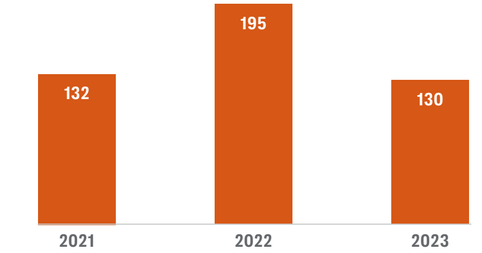
In all, there were 130 terminations in 2023, 17% fewer than in the previous year, when the number was 156. The **turnover rate was 10.9%, and voluntary turnover, when employees leave the company of their own accord, was 4.4%**. A significant proportion of the dismissals (50) were linked to the end of the construction period for the Novo Estado Transmission System, involving employees who had fixed-term employment contracts.

Greater detalls on hiring, terminations and turnover includinjg the calculation formula, can be found in the Supplementary Chapter to this Report.

Total number of new hires



Total number of terminations



Total number of new hires by gender



Total number of terminations by gender



Taking into account fixed-term and indefinite-term employee contracts (1,099) and their different functional categories, the average length of employment contracts at the Company was 8.1 years.

Average term of labor contract 2023



REMUNERATION AND BENEFITS

As a means of attracting and engaging outstanding professionals, **ENGIE Brasil Energia adds fixed and variable components to the remuneration offered to its employees in a fair and competitive manner in line with other companies in the segments in which it operates**.

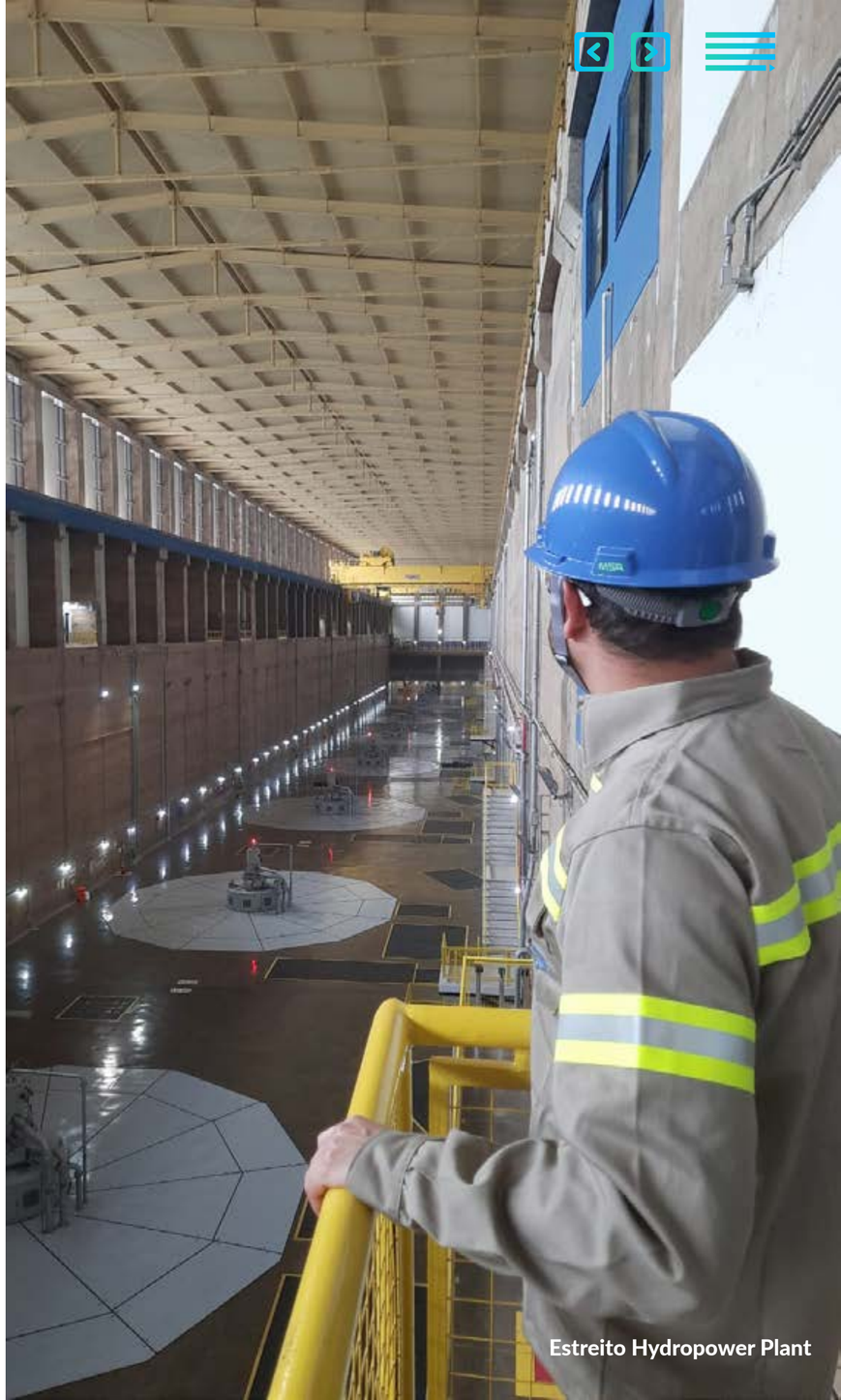
Negotiated annually with the labor unions, Profit Sharing and/or Results Sharing (PLR) represents a variable portion paid to all employees to encourage the collective pursuit of achieving the Company's objectives, based on individual deliveries. In addition, managers receive the Managerial Bonus, a short-term payment that rewards their performance.

In addition to financial remuneration, ENGIE Brasil Energia provides its employees with a range of benefits, including:

- Vacation pay (1/3 in addition to what is required under the legislation)[6].
- Medical and dental assistance, extensive to children and spouses.
- Day care for employees' children of pre-school age.
- Pharmacy allowance, extensive to children and spouses.
- Maternity leave (6 months) and paternity leave (28 days).
- Flexible working hours and hybrid working regime with the option of up to two days of remote working in accordance with the activities exercised by the employee.
- Private pension plan with co-participation of the Company.
- Psychological support program, extensive to children and offspring.
- Quality of life programs, incentivizing the adoption of healthy habits.
- Life insurance.
- Meal and/or food vouchers.
- Travel vouchers and/or contracted transportation to the assets.

[GRI 401-2; 401-3]

[6] Mandatory benefits under Brazilian labor legislation are remunerated vacation leave of 30 days, a 1/3 vacation bonus and 13th month salary.



Estreito Hydropower Plant

HEALTH, SAFETY AND WELL-BEING

[2030 Agenda Goals: 3.6; 8.5; 8.8]

The safety and well-being of employees are inseparable from the culture of ENGIE Brasil Energia, which develops policies, programs and initiatives dedicated to best practices in this area. In line with ISO 45.001 guidelines, the Occupational Health and Safety (OHS) system covers all operations, assets and employees, helping to prevent, control, eliminate or reduce risks, as well as ensuring legal compliance and keeping teams properly oriented. [GRI 3-3; 403-1; 403-8]

The governance of OHS aspects is distributed among the Board of Directors and managers and is directly conducted by a corporate nucleus and specialized teams working on the assets. Risks and related performance indicators are monitored on a daily basis and addressed for strategic evaluation and treatment by senior management - see metrics adopted on page 48 and 49. [GRI 3-3]

ENGIE Brasil Energia's OHS Management System integrates the stages of identifying, assessing, and controlling hazards and risks in all processes, including the preparation of projects and the implementation of new facilities. **The Risk Management Program (RMP), in turn, establishes measures and guidelines for continuous, multidisciplinary and systematized actions, with a focus on mitigation. The RMP has two basic guidelines**: [GRI 3-3; 403-1; 403-2]

- **Occupational Risks Inventory:** establishes stages for identification of Hazards and Assessment of Risks as well as preventive measures;
- **Action Plan:** indicates preventive measures to be prepared, improved or maintained with the purpose of mitigating or eliminating these risks.

Among the various risks mapped by the Company in its administrative and operational environments, as well as iperforming different work activities, some have been listed as the main ones, in order to direct priority actions, since they can lead to accidents with serious consequences. In general, these risks are related to: [GRI 403-2]

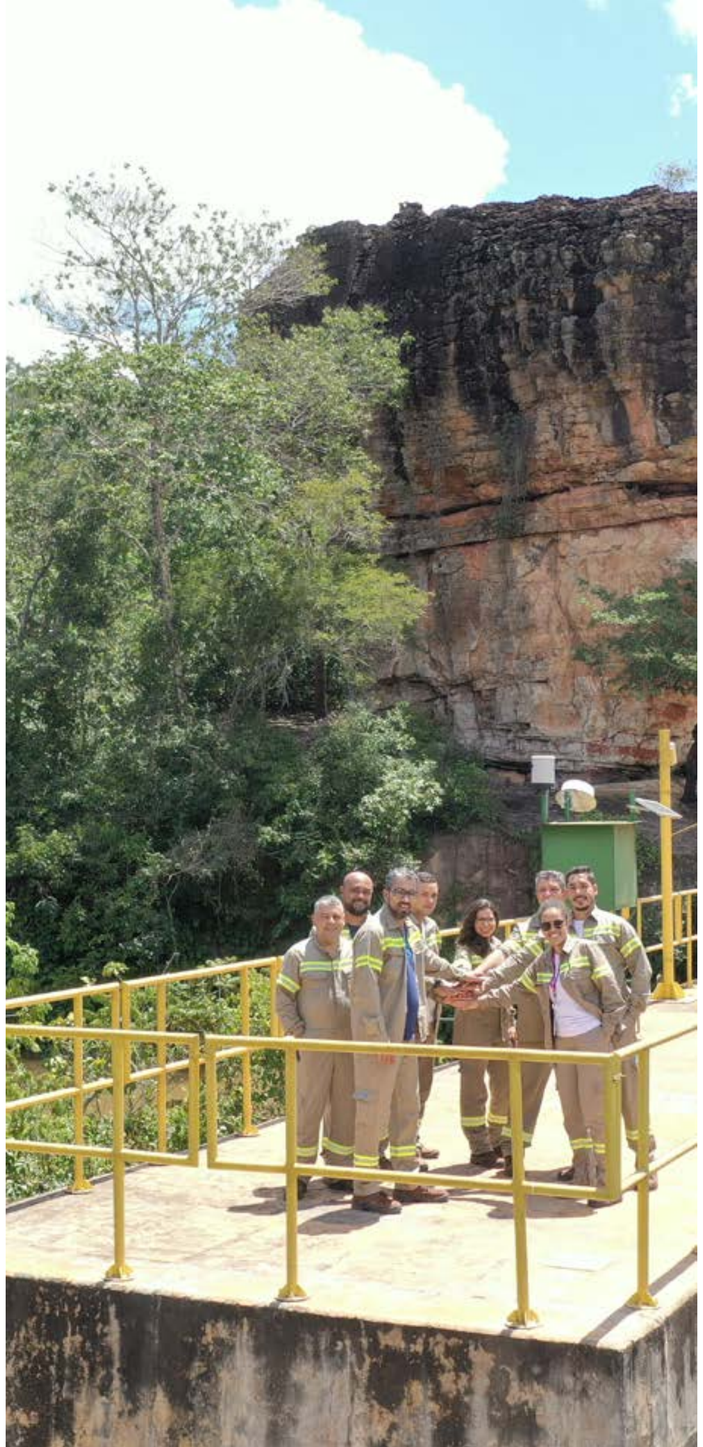
- Active energy
- Working at height
- Lifting
- Traffic (vehicles, machines and heavy equipment)
- Vegetation suppression
- “No mind at risk”

ENGIE Brasil Energia encourages its own employees and service providers to report and communicate identified situations of risk, with the aim of encouraging continuous improvement in the work environment and strengthening the safety culture. **Reports are analyzed, qualified, and validated by an occupational safety professional assigned to the area where the incident occurred**. The table below summarizes the means and channels for reporting incidents, ensuring that employees are protected from any kind of reprisal. [GRI 403-2; 403-4; 403-7]

The Risk Management Program (RMP), establishes measures and guidelines for continuous, multidisciplinary and systematized actions, with a focus on mitigation

Means by which the employes can report risks/hazards with respect to the labor-related activities

Channel/Process	Description
RSM System - Risk Situation Management and Near Accidents	Online platform, accessible to all employees, for recording risk situations identified in processes or in the workplace.
Occupational Safety Managerial Visit	On-site verification by managers and employees of the technical operational area of the facilities and work activities in order to identify risks and unsafe behavior.
Ethics Committee	Accessible to employees, it provides guidance and ensures compliance with the Company's Code of Ethics, which covers aspects of Occupational Health and Safety.
ENGIE&Me	Climate and engagement survey that enables the description of events and behaviors related to the topic.
Internal Accident Prevention Commission (CIPA)	According to legal requirements, it is made up of representatives of employees and the Company and receives reports of risk situations identified in processes or the work environment.



Metrics

In 2023, 4,297 occurrences were reported to the Company's OHS system, 72% greater than in 2022 (2,497). The increase is more especially by virtue of the activities for implementing the Assuruá and Assú Sol projects, responsible for 56% of recorded situations of risk and near accidents in the period. At both locations, action plans were ongoing to strengthen corrective and preventive measures [GRI 3-3].

Of the total occurrences, five[7] were classified as HIPOs (High Potential Events), a category which receives differentiated treatment with a detailed action plan. Consolidated indicators on the theme are shown below. [GRI 403-9; 403-10]

[7]The variation in the HIPO result between 2022 and 2023 is related especially to the revision of the internal process which redefined the classification of occurrences enshrined in this nomenclature.





General OHS metrics

[GRI 403-9; 403-10]

Indicators relating to direct employees	2021	2022	2023
Number of hours exposed to risk	2,680,926	2,219,779	2,178,077
Number of fatal accidents (fatalities)	0	0	0
Number of work-related accidents and accidents related to the residence-work-residence commute with and without time off work	0	0	2
Number of lost days — work-related accidents with time off work	0	0	0
Work-related illnesses	0	0	0

Indicators related to service providers	2021	2022	2023
Number of hours exposed to risk	33,455,292	13,822,341	8,656,082
Number of fatal accidents (fatalities)	9	0	1
Number of work-related accidents and accidents related to the residence-work-residence commute with and without time off work	223	107	50
Number of lost days — work-related accidents with time off work	959	269	41

Frequency and severity rates	2021	2022	2023	Target 2023	Target 2024
Frequency Rate (FR) direct employees*	0.00	0.00	0.00	≤ 1,40	
Frequency Rate (FR) service providers*	1.55	1.29	0.92	≤ 1.40	
Severity Rate (SR) direct employees**	0.000	0.000	0.000	≤ 0.02	≤ 0.02
Severity Rate (SR) service providers**	0.027	0.017	0.005	≤ 0.02	≤ 0.02

* FR = number of accidents occurring in every million hours of exposure to risk.
** SR = number of days lost with work-related accidents occurring in every million hours of exposure to risk.

Métricas complementares	2021	2022	2023
Managerial Safety Visits (MSV)	1,474	1,001	1,023
Records – RSM (Risk Situation and Near Accidents)	5,023	2,497	4,297
Records – HIPOs	100	54	5*

* The variation in the HIPO result between 2022 and 2023 is related especially to the revision of the internal process which redefined the classification of occurrences enshrined in this nomenclature.

Health and Safety at projects under implementation

[GRI 403-4]

Historically, most of the Company's more serious incidents have occurred in projects under implementation, given the nature of the activities involved in the work - which offer greater risk - and the large volume of professionals and suppliers involved.

In order to extend its safety culture to all those involved in these projects, ENGIE Brasil Energia shares policies and practices through training and ongoing campaigns on the subject, alerting to the risks, indicating the means of communication and providing guidance on recording incidents and accidents. Requirements related to health and safety are also a component part of the contracts signed with service providers, under pain of penalties of sanction or termination in the event of non-compliance.

Training

Training in occupational safety issues is fundamental to employee engagement and the continuous improvement of the company's OHS performance. The following table summarizes the main training actions performed in 2023. [GRI 403-5]

On another front, to foster a culture of safety, the Company performs cycles of internal audits and develops various initiatives and tools to raise awareness, such as events dedicated to the topic - including General Safety Stoppages, which involve all employees - and engagement in national campaigns to combat traffic accidents and illnesses, as well as to promote mental health. [GRI 403-5]

Training offered in 2023

Topic	Number of participants	Focus
ENGIE One Safety	1,139	Encouraging safe employee behavior to eliminate serious and fatal accidents involving the organization's assets.
No Life at Risk	1,156	Ensuring the health and safety of employees in all activities executed.
No Mind at Risk	167	Promote the psychological health and safety of the employees.
Human Performance	388	Preliminary assessment of the individual’s behavior and the rules applied for safe work.
Obligatory (Legislation and Technical Norms)	1,340	Training focused on interpreting and applying the guidelines of legal or technical regulations (NRs: 05;10;12;13;18;33;35; Emergency Brigade; ISO).
Integration and Perception of Risk – direct employees and service providers	5,275	Training focused on the organization's Health and Safety Culture guidelines and perceptions of the risks of the activities (Integration; Daily Safety Dialog - DSD; Internal Standards)

ENGIE One Safety Culture Program

ENGIE Brasil Energia is committed to preventing accidents in its operations. To this end, it has launched the "No Life at Risk" internal campaign, in line with the ENGIE Group's global "One Safety" program. The initiative highlights five essential behaviors that each employee should adopt in their work routine:

- Knowledge and application of the "Rules that save lives."
- **Last minute analysis:** before starting any activity, check that all safety conditions are present.
- **Stoppage of activities:** every employee is authorized to stop activities if they consider the circumstances to be unsafe and then alert their supervisors and colleagues.
- **Shared vigilance:** everyone must be aware of their own safety and alert those whose safety is endangered.
- **Reporting events and incidents:** report to supervisors all undesirable events that occur during activities, as well as unsafe situations so that the Company can develop increasingly more effective mechanisms.

PROMOTION OF HEALTH

Promoting the physical, social and mental well-being of employees, in order to guarantee their overall health, is one of the main objectives of the preventive approach adopted by the Company. **This includes offering medical and psychological care, periodic medical examinations, vaccination campaigns and encouraging healthy habits - such as sports and a balanced diet**.

[GRI 403-3; 403-6]

All employees and their dependents have two health plans with national coverage that cover various medical and complementary specialties, including such procedures as surgeries, hospitalizations and transportation. **The benefits also include a dental plan, pharmacy assistance and financial assistance for the purchase of prescription glasses, ophthalmic lenses, hearing aids and orthopedic devices**.

[GRI 403-6]

At the Company's headquarters, an outpatient clinic offers specialized care to employees, with services provided by occupational physicians, nurses and psychologists. **These professionals are available both in person and online, offering occupational and on-demand services**.
In addition, the corporate team plays a supportive role for employees, providing care and assistance on a remote basis.

[GRI 403-3; 403-6]

Based on statistical studies and the perceptions of the health teams, preventive and corrective actions are taken. **It should be noted that employees' health information is protected, with absolute confidentiality - consultations take place in private environments and are not reported to any other employee, including managers and leadership**. [GRI 403-3]



Mental health

As part of the holistic health vision, the mental health approach is one of the duties of the corporate Culture, Health and Safety center, which has psychologists to receive, mediate and refer employees' emotional issues. Preventive or corrective actions are based on these consultations, on the evaluation of the self-perception of health questionnaire applied to all employees at the time of the periodic examination, and on the results of the organizational climate and engagement survey.

As a result, awareness-raising campaigns and initiatives are promoted aimed at integral health, highlighting the importance of emotional comfort, both inside and outside the workplace. The actions developed by ENGIE Brasil Energia are based on six main pillars: Sleep Quality, Well-being at Work, Relationships, Leisure, Physical Activity and Eating Habits. [GRI 403-3; 403-6]

Among the facilities offered to all employees and their dependents is unlimited access to a telemedicine platform which, among its specialties, offers psychological care. ENGIE Brasil Energia also offers employees the "No Mind At Risk" course, which addresses the importance of valuing all the pillars of health and practicing the application of actions to meet all of them. There are 4 modules: Understanding Quality of Life at Work, Preventing, Identifying and Acting.

In 2023, the Company strengthened the White Summer campaign, which promotes meetings with the health teams at all units - in person at the head office and online at other assets. This is an opportunity for employees to share their questions about emotional health, including psychological safety and ways of supporting people who are facing mental illness or situations of emotional vulnerability.

PROMOTION OF DIVERSITY, EQUITY & INCLUSION

[2030 Agenda Goals: 5.1; 5.5; 8.5; 10.2; 10.3; 10.4]

ENGIE Brasil Energia recognizes that promoting diversity, equity and inclusion helps to combat discrimination, promote human rights and reduce social inequalities. **In addition to the positive social impact, these actions are essential for the Company's sustainable growth, as they add different experiences and perspectives to day-to-day operations, boosting the sustainability of results in the long term**.

Launched in 2022, **the Diversity & Inclusion Policy guides the actions taken by the Company and defines the structure of a broad diverse culture**. To this end, the Company has made Diversity & Inclusion basic training mandatory for all employees, addressing unconscious biases and attitudes to make the workplace more inclusive. By the end of the year, 100% of the workforce had undergone the training. [GRI 2-24; 3-3]

During the period, the ENGIE Group's new Diversity, Equity and Inclusion Policy, known as **Be.U@ENGIE**, was unveiled. **The central guideline in the policy seeks to ensure that ENGIE is a company where everyone can take their place and reach their potential**. Based on formal commitments, it is centered on five dimensions: gender, race, LGBTQI+, people with special needs and generation. [GRI 2-24; 3-3]

The Company aims to provide each employee with the security to express their ideas and achieve the best results. **As part of the assessment of risks related to diversity, the ENGIE&Me engagement survey, conducted annually, is the source of the inputs used to define them**. This survey allows for a differentiated analysis, covering topics such as relationships, working conditions and safety in the professional environment, among other aspects. When the need for intervention is identified, corporate and/or area action plans are drawn up. [GRI 3-3]

Premises of the Diversity, Equity, and Inclusion Policy – Be.U@ENGIE

- **_BE UNIQUE**, because we are all different and we need to feel comfortable being our best selves in the workplace.
- **BE UNITED**, because we all have a common goal: to execute the energy transition successfully, ensuring that our unity contributes to collective performance.
- **BE YOURSELF**, because we need to be ourselves at ENGIE.



It is through the #geraDiversidade Program in particular that ENGIE's policies and objectives on the subject are implemented, developing actions related to creating an increasingly inclusive environment, such as awareness campaigns, attracting diverse talent and developing men and women. Structured around three pillars - culture, development and attraction - the program promotes respect and well-being in the workplace by educating and training employees, supporting the development of underrepresented groups inside and outside ENGIE Brasil Energia, as well as attracting these professionals to effectively increase the percentage of diverse people in the Company.

In 2023, the topic of Diversity, Equity & Inclusion was included on the agenda of meetings of the Board of Directors, in order to align the Company's strategies related to the topic and communicate the results of corporate programs and actions.

DIVERSITY CENSUS

In 2023, the Company conducted the first Diversity Census to systematically and comprehensively collect data and information related to the diversity of its employees, in order to understand the demographic composition of the workforce.

To make the action effective, 21 introductory workshops were held on the topics covered in the questionnaires - gender, race, age group, LGBTQI+ community and people with special needs.

The Census provided a detailed view of the profile of employees, generating essential insights for implementing inclusive policies and practices. Based on the results, strategies aimed at promoting diversity, respect and equity in the workplace will be intensified.

#GERAINCLUSÃO PSNS

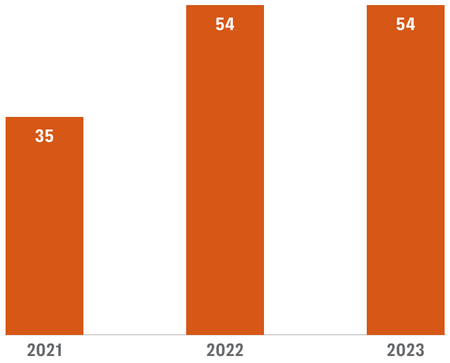
The #GeraInclusão Program is an initiative to offer development opportunities to people with special needs - in technical or college training – and who wish to enter the labor market.

Throughout the program, professionals are offered learning and career development activities through training in behavioral and technical skills. The Program also opens the possibility of mentoring with senior employees and practical experience in processes and projects, thus contributing to employability.

In 2023, 18 vacancies were opened for this initiative. The successful professionals were included in ENGIE Brasil Energia's talent pool and given the opportunity to take part in selection processes. **In the light of the results achieved, the #geraInclusão program was one of the three finalists in the One ENGIE Awards - Be.U@ENGIE category - and was recognized in the ABRHSC Human Being Award, ESG category**.

Number of people with special needs (PSNs)

[GRI 405-1]



ENGIE Brasil Energia believes that the drive to diversity, equity and inclusion helps combat discrimination, the promotion of Human Rights and in the reduction of social inequality

GENDER EQUITY

Included in the Company's non-financial objectives (see page 10), gender equity is understood at ENGIE Brasil Energia as fundamental to the sustainability of the business and the reduction of social inequalities. To this end, several initiatives to encourage women continued on the Company's agenda in 2023.

One of them, the **Women's Career Trail**, aims to support and develop women at the different stages of their career development. To this end, it offers training for young technical and undergraduate students, providing technical knowledge and knowhow on the electricity sector, as well as bursaries.

In addition, direct actions have been taken to attract this audience, such as ensuring the presence of at least one female candidate in the short lists of selection processes and the proactive mapping of women in the market for future opportunities. The technical internship, graduate internship and young apprentice programs saw 50% of vacancies going to women.

Also in 2023, the second edition of the extracurricular course for female engineering students or recent graduates for electricity sector and Operation and Maintenance (O&M) careers was held, with the aim of bringing women closer to the sector. Run through the medium of an exterrnal partner, the course provided more comprehensive information on career openings in O&M. The classes were held in October and November and trained 56 students.

In addition, ENGIE Brasil Energia offered bursaries to increase and encourage female students at educational institutions to join areas related to Operation and Maintenance in cities close to the plants. In all, nine bursaries were awarded at educational institutions in the Southeast and Northeast, and two former recipients of bursaries were awarded professional opportunities at the Company.

With regard to female employees who are already part of the Company's headcount, the purpose of the initiatives is to develop their skills and accelerate their careers. In this context, both internal and external mentoring opportunities were offered. Additionally as a supporting initiative, management of the theme was improved through a focus on leadership, as well as the implementation of specific awareness and literacy initiatives.



In 2023, there was a 2.7 p.p. increase in the number of women in the workforce - from 26.7% of all employees in 2022 to 29.4% in 2023. There was also an increase of women in leadership positions - from 23.2% in 2022 to 27.6% in 2023. [GRI 405-1]

Technical course in electro-technology in Umburanas (BA)

ENGIE Brasil Energia and Vestas, in partnership with SENAI, have offered a new Electro-technology Technicians' course in the municipality of Umburanas, in Bahia state.

The training will run for two years and aims to develop professionals to work in the technical field. The 25 students selected - 13 women and 12 men - will attend 1,200 hours of classes from Monday to Friday.

By the end of the year, three students were already doing their internships at the Umburanas and Campo Largo wind complexes.



Total employees, by gender

	Men	Women
2021	908	293
2022	891	324
2023	776	323

Employees by age group

	Men	Women
Up to 29	88	78
Between 30 and 50	599	234
Over 50	89	11

Number of employees, by category and gender

Job function category	Men	Women	Total
Officers (Executive and Functional[8])	7	2	9
Managers	45	10	55
Analysts, engineers, and specialists	435	225	660
Operators and technicians	289	86	375

Training in Human Rights

	2022	2023
Total number of hours	1,591.5	1,542
Percentage of trained employees	78.8%	58.2%

[8] In November 2023, the Company created the Legal and Ethics Board, characterized as a functional board with management autonomy albeit not integrated into the Statutory Board.

Diversity initiatives which involve gender and salary equity

Ratio of women's to men's base salary by job function category*

[GRI 405-2]

Job function category	2022	2023
Executive Board (Executive and Functional)	68.7%	60.6%
Managers	89.0%	86.8%
Analysts, engineers, and specialists	79.0%	79.6%
Operators and technicians	69.1%	66.3%
General	78,0%	78,3%

* Formula: average remuneration for women / average remuneration for men

Ratio considering positions and levels as per CSP and time in position**

Job function category	2022	2023
Executive Board (Executive and Functional)	100.0%	100.0%
Managers	95.3%	97.4%
Analysts, engineers and specialists	97.6%	99.0%
Operators and technicians	99.6%	100.2%
General	98.2%	99.2%

** Formula: average pay for women in the same types of positions, according to the Career and Salary Plan (CSP), and the same length of time in the type of position / average pay for men in the same types of positions, according to the CSP, and the same length of time in the type of position.

The table "Ratio of women's to men's base salary by job function category" compares, with simplified stratification (by job function category as proposed by the GRI), the remuneration of men and women in the Company. The table "Ratio considering positions and levels as per CSP and time in job position" uses assumptions aimed at comparing employees with the same characteristics (such as time in job position, type and level). However, considering these assumptions, there is still a gender pay gap, albeit signficantly less..

The Diversity, Equity and Inclusion programs will contribute to improving this scenario, promoting equity in leadership positions by 2030 and pay parity established by the legislation on the issue, recently regulated in Brazil. In addition to legal compliance, these initiatives should have a broader impact, aiming to gradually and sustainably increase career opportunities for women in the electric power sector and other infrastructure segments.

More details and indicators about Diversity are available in the Complementary Folder.

Trainee to Engineers

ENGIE Brasil Energia concluded its first Trainee Program for Women Engineers in 2023. Lasting 12 months, the trainees underwent technical training in behavioral skills, as well as participating in experiences in different areas - Operations, Maintenance, Environment, Occupational Health and Safety and Administration. Selected in 2022, they were assigned to the plants and implementation projects during the development phase.

To mark the end of the course, a graduation ceremony was held at the Company's headquarters in Florianópolis, Santa Catarina. The **13 participating professionals were hired by the Company and awarded their new position: Engineer I**. Also, during the celebration, the graduates presented their capstone projects, with topics such as Procedure for Entry into Commercial Operation of Generating Units, Knowledge Management for Projects in Implementation, Control and Maintenance of Wind Generators, among others.

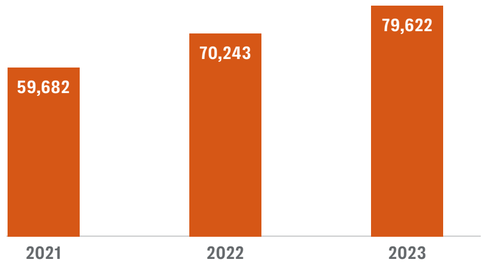
PROFESSIONAL DEVELOPMENT

[2030 AGENDA GOAL: 4.3]

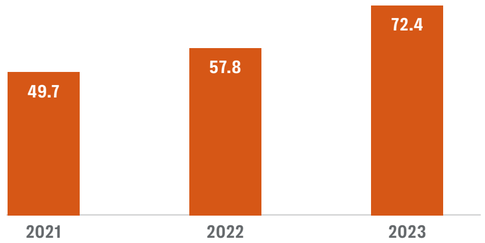
Fostering lifelong learning, making knowledge a platform for personal and professional development, is a commitment ENGIE Brasil Energia has made to every employee. For this reason, the Company has a team exclusively dedicated to the subject in the People and Culture Management (GPC) area, which shares responsibility with area managers for identifying demands for technical and soft skills training.

In 2023, the Company invested R$6.9 million in training and qualification initiatives, an increase of 21% on the previous year. In all, around 79,600 hours were dedicated to learning, an increase of 13% compared to 2022. The increase in both investment and workload is due to the increase in structured development programs, which were built up over previous years and implemented in full throughout 2023. [GRI 404-1]

Number of hours of training



Average number of hours of training per employee



Among the main programs directed to professional development, executed in 2023, of particular importance are: [GRI 404-2]

- **New Leaders Program:** Created in 2023, the program aims to support the development of professionals who have recently moved to or been hired for management positions in the Company, incorporating strategic content in terms of soft skills and knowledge of the business and internal processes.
- **Corporate Education Program:** based on the analysis of training needs identified in employees' Individual Development Plans, the Company provides online, and face-to-face training aimed at meeting the strategic competencies for the business.
- **Development of Senior Leadership:** aimed at managers in strategic positions, the highlight of the year was the development of "EWOL – ENGIE Ways of Leading", which are the Company's new leadership competencies. In 2023, Senior Leadership was trained through training sessions, immersive meetings and educational games held at the Company and offered to the teams for constant recycling and reflection on the subject.
- **Scholastic Formation Program:** offered as a benefit and incentive for academic training and professional development, with financial support from ENGIE Brasil Energia for employees to complete undergraduate and postgraduate courses. In 2023, the program remained active and offered reimbursement of tuition fees.
- **Languages:** This is focused on acceleration and development in the English, French or Spanish languages. In all, in 2023, 139 employees (12.6%) had 70% of the cost of their courses and/or private lessons paid by the Company.

- **Viva Retirement:** aimed at the transition of professionals who have joined the Voluntary Severance Program (PDV) to prepare them for a new stage in life. It covers topics such as health, maturity, personal balance, work relationships, family and social relationships, new businesses, leisure, sports, financial and legal issues. In 2023, 17 employees took part in the activities.

At the end of each training cycle, participants are invited to evaluate the training initiatives during the period, both in terms of quality and assertiveness and in relation to the impacts and relevance of application. **Based on these assessments, the courses provided can be adapted and improved to meet the Company's development needs, as well as helping to clarify which topics and programs should be prioritized for subsequent cycles**.

Management monitors the development targets, including the percentage of participations throughout the year, access to ENGIE Group programs, development hours for different levels and positions and themes broken down into effective actions. **In addition to the programs developed locally by ENGIE Brasil Energia, the Company also provides access to the Group's free programs within the ambient of the ENGIE University**.

More details about Professional Development are available in the Complementary Folder.

Generation.E

[GRI 404-2]

ENGIE Brasil Energia is committed to ensuring that the Company has professionals who are prepared and diverse enough to take on key management positions. To this end, it maps out potential successors and develops them, mitigating risks related to non-retention of talent.

To deal with these challenges, the Company created the Geração.E Program, which provides for the career acceleration of potential successors. The program includes financial and training incentives, as well as networking and engagement opportunities.

Program activities include mapping potential successors, assessment and development review and monitoring.

The main performance indicators of the succession management process are:

- **Mapping 100% of the Company's management positions:** ensures that all strategic positions in the Company have at least one mapped successor.
- **Follow-up of positions without a short-term successor:** identifies positions that need special attention in order to identify and develop a successor.
- **Acceleration of professionals mapped to the position:** ensures that mapped successors have the necessary opportunities to develop the skills and experience required to take over the positions.
- **Percentage of potential successors with valid assessment and IDP:** ensures that potential successors have a diagnosis of their competencies and an individual development plan.

At the end of 2023, 259 employees were active in the Program.

PERFORMANCE ASSESSMENT

In order to provide opportunities for the professional development of each employee, the Company conducts annual employee performance assessment cycles. This evaluation considers technical and behavioral skills, which are analyzed by the employees themselves, by their direct manager and, in some cases, by teammates. The result of the process indicates opportunities to improve performance in the current role and points out development paths for career progression. [GRI 404-3]

The process is conducted on the basis of the "The ENGIE Ways of Leading", which covers five principles and values which must be the basis of the actions of all the employees:

- **Security and Integrity:** high standards of performance in people's health and safety, maintaining the security of assets in order to protect the Company's (cyber) security, integrity and reputation, as well as incorporating a culture of "zero tolerance" for inappropriate behavior in discordance with the Ethics Code.
- **ONE ENGIE:** implementation and fulfillment of the strategy, through corporate cultural values, driven by the creation of value for ENGIE Brasil Energia and its customers, maximizing the diversity of people.
- **Accountability:** focus and clarity on corporate objectives and responsibilities to teams and stakeholders, empowering people and teams to succeed, and conducting frank and engaging conversations.
- **Trust:** fulfilling agreements, leading and inspiring teams, stakeholders, and customers by example, communicating, and acting transparently.
- **Care:** promoting mutual interest, respect and care within teams, strengthening well-being in the workplace and practicing a culture of constructive feedback and development.

At the end of the assessment cycle, the employee registers their Individual Development Plan (IDP), which is validated by the manager and subsequently assessed by the People and Culture Management area. Whenever recurring training needs are identified in several IDPs, collective training initiatives are proposed.

Assessment analysis percentage by job function category – 2023*

[GRI 404-3]

Officers	**100%**
Managers	**100%**
Analysts, engineers and specialists	**99%**
Operators and technicians	**98%**

* Only employees hired after 12/03/23, employees on loan and apprentices did not take part in the cycle.

ORGANIZATIONAL CLIMATE

The Company assesses the effectiveness of its People Management programs through regular organizational climate surveys.
In 2023, 95% of employees took part in ENGIE&ME, a survey that covers aspects such as confidence in corporate objectives and belief in the Company's commitments to sustainability.



Results ENGIE&ME - ENGIE BRASIL ENERGIA

Question	2022	2023
I believe fully in ENGIE's goals and objectives	96%	97%
I would recommend ENGIE as a good place to work	95%	93%
I am proud to be associated with ENGIE	97%	98%
I firmly believe in ENGIE's capacity to advance in the direction of a carbon-neutral economy	97%	97%
ENGIE is a socially responsible company	97%	98%
I understand how my work contributes to the business objectives of my company	96%	97%

05

ENVIRONMENT & CLIMATE

- CONSERVATION STRATEGY
- ENVIRONMENTAL GOVERNANCE
- ENVIRONMENTAL RISKS
- COMMUNITY ENGAGEMENT
- CLIMATE

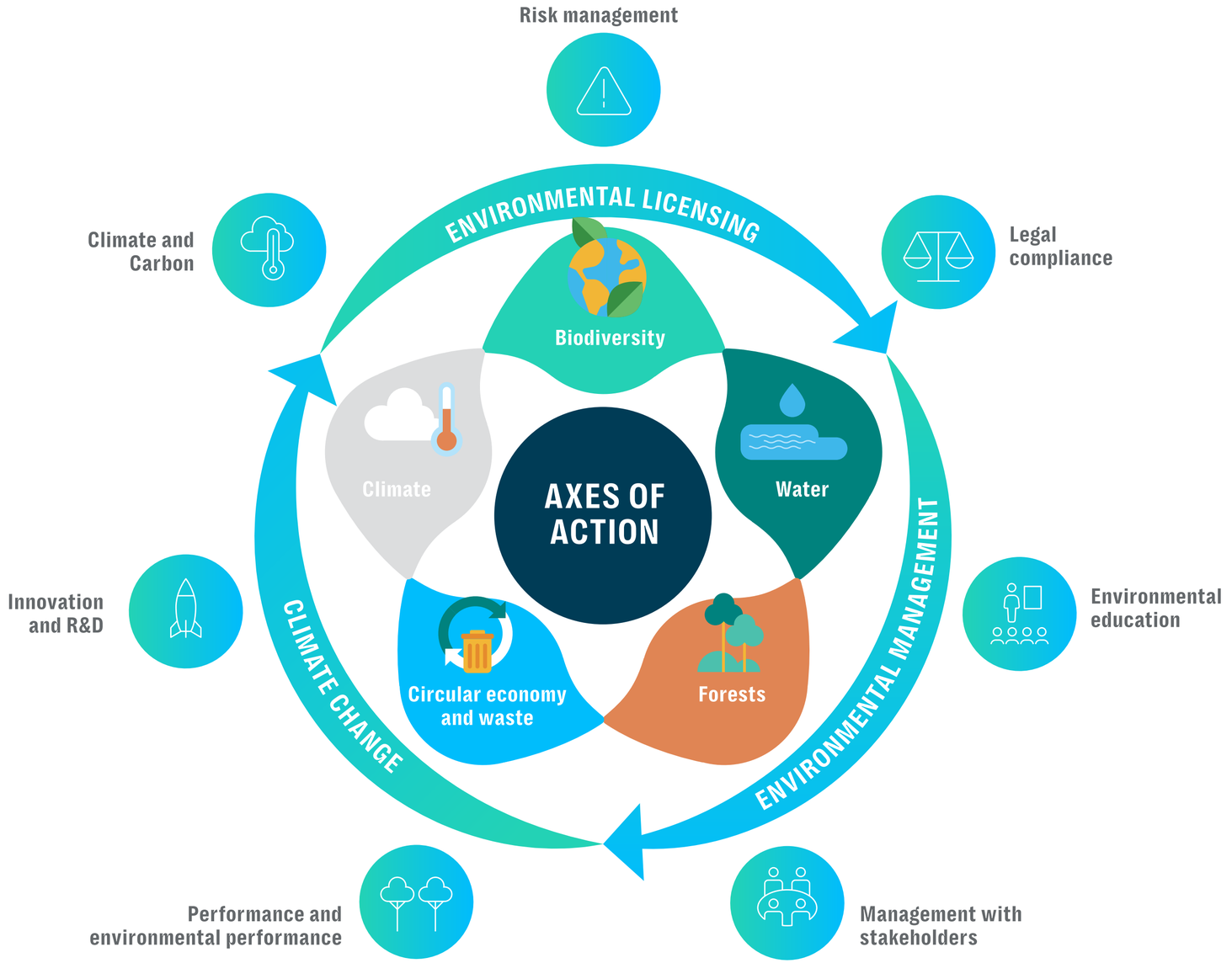


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CONSERVATION STRATEGY

[2030 Agenda Goals: 12.2; 13.2; 15.1]

Ensuring compliance with legislation, avoiding, mitigating, and managing risks and compensating for the impacts of operations on ecosystems and engaging stakeholders in the preservation and conservation of natural resources and the climate. These are the premises of the environmental conservation strategy implemented by ENGIE Brasil Energia for maximizing the positive impact of its operations on the planet and people. Based on this strategy, corporate guidelines and voluntary commitments guide programs, projects and initiatives dedicated to the continuous improvement of the Company's environmental performance. [GRI 2-25; 3-3]



Environmental Strategic Guidelines

- Promote initatives for the conservation of the biodiversity.
- Ensure legal compliance of our assets and projects.
- Avoid, reduce, compensate environmental impacts and mitigate socioenvironmental risks.
- Control and monitor environmental conditions in our assets.
- Incentivize forestry and regeneration of the ecosystems.
- Engage stakeholders for conservation of the natural resources.
- Potentialize the positive impact on territories where we operate.
- Develop partnerships and contribute to public policies in the sector.
- Respect the culture of Traditional Communities.
- Valorize ecosystemic services and incentivize solutions based on nature.
- Accelerate the journey for climate ensuring climate mitigation, adaptation and resilience.
- Create value based on environmental initiatives.

Both the strategy and its guidelines contribute to achieving the Sustainable Development Goals (SDGs) and converge with the universal principles defined by the United Nations (UN) in the areas of the Environment, Human Rights, Labor and Anti-Corruption. **In response to an urgent call for the recognition and engagement of private initiative in promoting effective and concrete actions to achieve the 2030 Agenda Goals, ENGIE Brasil Energia joined the UN Global Compact - Brazil Network in 2023, becoming part of the organization's platform of actions.** [GRI 2-4; 2-28]

On another front, it has also joined the Brazilian Business Council for Sustainable Development (CEBDS) and the Brazil Climate, Forests and Agriculture Coalition, taking part in discussions and working groups that promote research, the sharing of information and knowledge and support for institutional coordination on the various fronts related to climate, biodiversity, social impact, water resources, agri-food systems, issues related to the Amazon and advocacy in general. [GRI 2-4; 2-28]

ENVIRONMENTAL GOVERNANCE

ENGIE Brasil Energia maintains strategic corporate guidelines - as well as global public targets and commitments - relating to biodiversity, forests, water, the circular economy and climate. In line with the **ENGIE Group's Environmental Policy**, management of these issues is the responsibility of the People, Processes and Sustainability Area, covering both operational assets and projects under development and implementation. **Risks, opportunities, and other strategic guidelines relating to environmental issues are reported to the Board of Directors**, reflecting senior management's commitment to ensuring compliance with policies and the consequent implementation of good practices. [GRI 3-3; 2-16]

The Company's structure for socio-environmental management includes multidisciplinary environmental teams allocated to the assets, made up of specialized professionals, who work in synergy with the Environment and Climate Management team, aligning corporate policies and practices with the reality of each territory. [GRI 3-3]

Guided by standards NBR ISO 14001 - Environmental Management; NBR ISO 9001 - Quality Management; and ISO 45001 - Occupational Health and Safety Management, the Integrated Management System (IMS) establishes procedures and makes it possible to monitor performance indicators at each asset. In 2023, the adoption of these standards ensured continued certification, with no non-conformities, at 11 of the Company's assets, in addition to the headquarters in Florianópolis - corresponding to 80.9% of the installed capacity operated in the generation segment, and 87.2% of employees. The assets not yet certified adhere to the same management and performance requirements. [GRI 3-3]

To ensure continuous improvement in environmental performance, the Company sets annual targets that take into account the leading aspects and impacts for each asset and territory. The targets and indicators applicable to 2023 will be mentioned throughout this chapter, as part of the approach to material environmental issues - biodiversity, water, waste, energy, and emissions - the latter reported under the Climate heading.

Compliance

The legal compliance of the Company's activities is attested by the appropriate environmental agencies, which are responsible for issuing and monitoring the 117 operating licenses and the 14 new installation licenses being managed by ENGIE Brasil Energia at the end of 2023. Together, these licenses add up to more than 2,900 environmental monitoring and control conditions. **During the year, 11 Operating Licenses (OLs) were obtained and seven renewed, resulting in the Company's operations being 100% compliant**. [GRI 2-27]

As a result of the efforts made by the Company to ensure the compliance of its operations, in 2023, as in the previous four fiscal years, ENGIE Brasil Energia was not ordered to pay any significant monetary penalties[9], due to non-compliance with legal requirements or in relation to environmental impacts. [GRI 2-27]

In 2023, the Company invested around R$27 million in operating assets and R$14.8 million in implementing the environmental programs set out in the Basic Environmental Projects for assets in the process of implementation. These investments are aimed at keeping the Company's actions in line with the social and environmental standards set out in the corporate policies and procedures, as well as complying with current legislation and the conditions required under the Environmental Licenses.

[9] Significant monetary sanctions are considered by the Company as those of more than U$S 10 thousand.

Environmental management at work in progress

In the case of the assets under implementation, the licensing process guides the Company's environmental programs in order to mitigate the risks and impacts of the work on both the environment and local communities. Considering the four projects under implementation in 2023, 119 environmental programs have been completed - 19 at the Assú Sol Photovoltaic Complex, 74 at the Serra do Assuruá Wind Complex, 18 at the Santo Agostinho Wind Complex and eight at the Gavião Real Transmission System.

In addition to these initiatives, the Company also executes a series of voluntary socio-environmental actions, unrelated to licensing processes. In 2023, more than R$1.1 million was invested in socio-environmental initiatives of this nature, benefiting the communities and regions where the projects being implemented are located.



ENVIRONMENTAL RISKS

ENGIE Brasil Energia has structured processes for identifying and monitoring socio-environmental risks, and which are broken down into prevention and mitigation plans that provide for short-, medium- and long-term actions. **Shared between the Company's different management levels, the Environmental Risk Matrix is based on Enterprise Risk Management (ERM), the methodology adopted by the Company for risk management which assesses the probability and impact of the risks applicable to each business.** [GRI 3-3]

The entire management process, from mapping to implementing the plans, is multidisciplinary in nature, involving teams from different areas, such as the Environment, Legal, Operations and Maintenance.

In 2023, considering eight risk categories related to legal compliance, as well as the mitigation actions already implemented, the main socio-environmental risks remained on the agenda for identification within the scope of each asset in operation. **The risk categories listed in this process were distributed between impacts on biodiversity and interrelations with traditional communities and landowners within the areas of influence of the assets, as shown in the table below.** [GRI 3-3]

Main socio-environmental risks

Risk Category	Description
Environmental licensing	Situations which can impact the licensing process, such as divergences in the context and scope of conditioning factors and major alterations in these same factors in the licensing renewal process.
Environmental compensation	Situations arising from the process of environmental compensation linked to the National Conservation Units System (SNUC).
Ichthyofauna	Adverse situations linked to operational, environmental and/or climatic conditions potentially damaging to aquatic fauna in the vicinity of hydropower plants.
Avifauna	Adverse situations linked to operational, environmental and/or climatic conditions potentially prejudicial to bird life in the region of wind farms and transmission lines in operation.
Traditional Communities	Situations linked to licensing processes and in the relationship with traditional communities which have an influence in the region, such as indigenous tribes, riparian settlements and quilombos.
Archeology	Events or situations that may impact the archeological licensing process or threaten the historical and/or archeological heritage.
Environmental Protection Areas	Situations of impact in conservation areas, such as permanent preservation areas, public areas, listed and/or legally protected sites.
Use of reservoir margins	Situations linked to management and use of the areas along the margins of the reservoirs of the Company's hydropower plants, governed by the respective Environmental Plans for Conservation and Use of the Reservoir Margins (Pacuera).

In addition to the socio-environmental risks listed, climate risk has a specific assessment and management methodology, described on page 89.

Biodiversity

[2030 Agenda Goals: 2.5, 6.6; 15.1; 15.5, 15.8]

Attention to biodiversity is a cornerstone of ENGIE Brasil Energia's environmental conservation strategy, which has historically developed programs and initiatives aimed at mitigating the negative impacts of its activities on the integrity of ecosystems, as well as enhancing the positive effects. **Among the foundations of this strategy are the corporate guidelines, which derive from the Sustainable Management Policy, validated by the Board of Directors**.

For this reason, the Company is pleased to see the growing relevance of the issue at a global level, especially since the Kunming-Montreal Global Biodiversity Framework, an agreement signed at the United Nations Conference on Biodiversity (COP15) - held in Kunming, China, in 2022. With the proposal to halt and reverse the accelerated loss of biodiversity on the planet by 2030, the agreement addresses government plans and business initiatives - such as those undertaken by ENGIE Brasil Energia - to protect, restore and promote the sustainable use of ecosystems, preventing the loss of species and increasing the benefits of biodiversity for society.

Reflecting this movement, together with the commitments made by the ENGIE Group in relation to the issue, in 2023 the Company began restructuring the Biodiversity Matrix Program, with the aim of boosting actions that have a positive impact on nature. With a short-, medium- and long-term horizon, this initiative seeks to identify the dependencies and impacts of its operations, as well as opportunities to contribute to the recovery of the biomes in which it operates. [GRI 3-3]

To this end, ENGIE Brasil Energia will incorporate into its biodiversity initiatives, categories set out in the five domains defined by the Taskforce on Nature-related Financial Disclosure (TNFD), based on the material conservation challenges facing each Brazilian biome, from a territorial perspective, so as to act continuously to maximize the positive impact on nature. The following infographic presents the Program's domains and bases. [GRI 3-3]

Bases of the biodiversity strategy



Means of implementation:

- Measurement of impacts/ pressure on biodiversity in ecosystems/territories
- Management of risks and opportunities relating to the biodiversity of territories
- Economic valorization of local biodiversity
- Promoting the conservation of biodiversity in the value chain
- Partnerships for biomes conservation
- Research, development and innovation



The identification of impacts on biodiversity, taking into account their relationship of dependency, is rigorously executed for all activities and phases of the assets of the Company, in order to ensure the development of mitigation actions, guided by the following hierarchy of action: avoid, reduce, compensate. Thus ENGIE Brasil Energia seeks to anticipate and prevent impacts on biodiversity and natural ecosystem services and, only when this is not possible, limit them to the lowest possible impact, rehabilitating or restoring impacted ecosystems and, ultimately, compensating for significant residual effects. [GRI 3-3]

Risk analyses of the biodiversity are carried out right from the development phase of new businesses, with prior assessment of geospatial information and mapping of socio-environmental restrictions, which indicate the proximity of the project to protected areas and other relevant aspects of the local ecosystem, as well as allowing technical adjustments to projects in order to partially or totally minimize these impacts. During implementation, environmental impact assessment studies are carried out as part of the environmental licensing process, anticipating mitigation and compensation measures. [GRI 3-3]

In the context of the operations of ENGIE Brasil Energia, the interface with ecosystem services occurs at various levels of dependence and impact, depending on the characteristics of the operation and the territories in which it operates. The following infographic summarizes this analysis, which is being further developed by the Company as part of the restructuring of its biodiversity program.

Impacts and dependency identified in the operations

[GRI 304-2]

	Energy generation	Energy transmission
Dependency	● Renewable sources – wind, water, sun, biomass. ● Use of the soil ● Maintenance of hydrological cycle	● Use of the soil
Impacts	(-) Diversion of rivers, formation of the reservoir lake, alteration of the characteristics of the aquatic environment, brush clearance, fragmentation of habitats, landscape change, greenhouse gas emissions. (+) Multiple (regulated) use of the reservoir, prevention of fires, recycling of waste, conservation of target species of Brazilian fauna, combating illegal hunting, environmental education, monitoring and control of invasive species, monitoring and control of erosion processes, generation of employment and income, socio-economic development, generation of renewable energy.	(-) Brush clearance, habitat fragmentation, landscape change, greenhouse gas emissions. (+) Prevention of fires, monitoring and conservation of native species, environmental education, monitoring and control of invasive species, monitoring and control of erosion processes, generation of employment and income, socio-economic development, expansion of the transmission network for the flow of renewable energy.

BIODIVERSITY MATRIX

As a complement to the conservation projects and initiatives conducted within the scope of the environmental licensing of its assets, ENGIE Brasil Energia has been developing the Biodiversity Matrix since 2016. **At the end of 2023, this Program reflected the Company's progress in the efficient management of risks and opportunities related to biodiversity**.

The first stage of the Matrix was designed to delve deeper into the status of biodiversity at all the projects in ENGIE Brasil Energia's generation complex and their areas of influence, ensuring a more accurate analysis of impacts. **In addition, it permitted priority actions to be targeted, focusing on the environments or species of greatest interest for conservation in a given territory**.

Based on this understanding, the methodology has constantly evolved, incorporating the analysis of numerous national and international databases, as well as primary data collected through environmental monitoring and control programs. **The methodological innovations have consolidated a data analysis tool for managing the risks, impacts and conservation opportunities of priority targets, areas and ecosystem services for Brazilian biodiversity, applied to decision-making and the sharing of responsibilities between agents in the electricity sector and regulatory bodies**.

In 2023, ENGIE Brasil Energia completed the implementation of the program at the Miranda Hydropower Plant in the state of Minas Gerais, with the highlight being the development of an action plan 100% integrated with the asset's management tools in order to incorporate these same tools into the management and operational routines of the teams.

The planned initiatives have become part of the bi-annual planning for the Jacob Private Natural Heritage Reserve (RPPN), a conservation unit managed by the Company and located in an important area of the Cerrado biome - see more on page 71. **The Reserve is now an important hub for relationships with various stakeholders in the region and in 2023, public visitation activities were resumed at the unit, as well as the promotion of the research support program, through partnerships signed with regional and international teaching and research institutions**.

At the Campo Largo Wind Complex, the strategic assessment and updating of the project's action plan began at the end of 2023. **Among the highlights of the review is the inclusion of the IUCN - International Union for Conservation of Nature - methodology for defining endangered species and planning ecological management focused on the application of Nature-Based Solutions (NBS)**.

In order to adapt to the new global guidelines on the subject, the Program has been restructured and expanded, with the aim of increasing the robustness of governance, as well as enabling a more effective analysis of the materiality of impact, in order to qualify and quantify the Company's biodiversity footprint and boost positive initiatives of impact in different Brazilian biomes.

Management of areas

The areas under the Company's responsibility include those arising from energy concession contracts, as well as its own areas, those leased from third parties and/or those under administrative servitude. **At the end of 2023, these areas amounted to 212,908 hectares, in which actions are adopted to inspect, restore and discipline use and occupation**.[10]

The Permanent Preservation Areas (APPs) circumventing the hydropower dam reservoirs, which total 28,731.2 hectares, have their use governed by the Environmental Plans for Conservation and Use of the Reservoir Margins (Pacueras). These establish the legal and technical rules of use that ensure multiple and sustainable functions. **The Plans are drawn up in compliance with environmental legislation and in broad discussion with the stakeholders involved, such as riverside communities, municipalities, associations, and landowners living in the surrounding area**. After public consultation and discussion in technical committees, the documents are approved by the licensing body and serve as a guide to the socio-patrimonial inspection

[10] Management tools are used, such as use permission, boundary respecting processes, land regularization of the Company's properties, as well as the disposal of properties that are unserviceable for the operation of the projects.

routines. Whenever necessary, these plans are updated to ensure maximum convergence with local realities. [GRI 304-3]

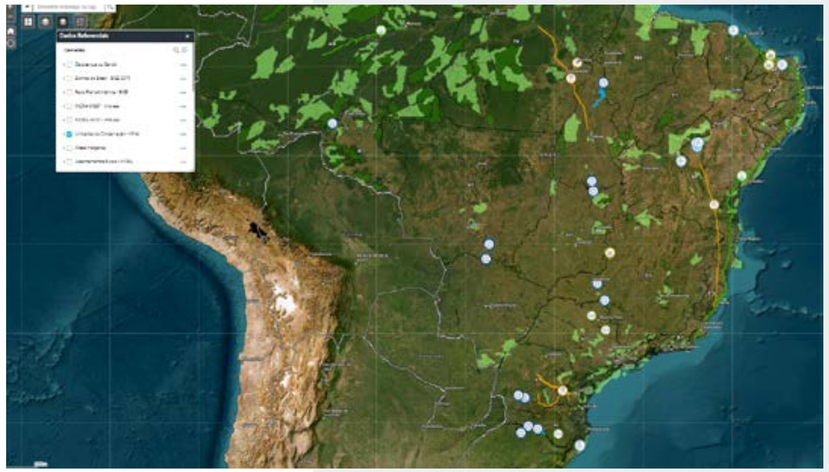
In areas owned by third parties and managed by the Company - such as easement strips for transmission lines and areas leased for the operation of wind and solar generation assets - the minimum rules for use are set out in the respective socio-environmental management plans.

In addition to these, ENGIE Brasil Energia has its own areas where environmental conservation and restoration activities are being implemented. One example is the 358-hectare Jacob Private Natural Heritage Reserve (RPPN) in Nova Ponte, in the state of Minas Gerais, adjacent to the Miranda HPP reservoir. The Company received the Reserve in 2017, on assuming the concession of the asset. [GRI 304-3]

Another area, comprising 750 hectares, is located in the Atlantic Rain Forest biome, in the municipality of Castro, in the state of Paraná. Restoration activities are being conducted there, covering 228 hectares, as environmental compensation for the implementation of the Gralha Azul Transmission System. **Species such as *Araucaria*, *Cedro Rosa*, *Pau Marfim*, *Imbuia* and *Canela* are cultivated, meeting the forest replacement requirements for this asset, in so doing contributing to the conservation of these protected and endangered species.** The planting phase was completed in 2022 and maintenance, monitoring and replanting campaigns were run in 2023, with the aim of achieving 95% effectiveness.[11] By the end of the period, approximately 136 thousand saplings had been planted (between planting and replanting). [GRI 304-3]

Geoprocessing

In view of the extent of its assets and the complexity of the environment in which they operate, the Company developed **the ENGIS geoprocessing platform. Using this instrument it creates, stores, shares and consults geospatial information** from public sources and from the internal database, resulting from integration with other corporate systems, allowing various useful applications for different areas and lines of business, such as spatial analysis, fire alerts, monitoring of environmental programs and field inspections, among others. **The benefits of the tool also include the standardization of norms, procedures and methods, cost optimization, security, and transparency of information**.



In the light of progress with the initiative, in 2023, the Company's Geoprocessing Center, with the support of other areas, held ENGISDAY. This event was attended by dozens of employees with direct involvement in the platform with the objective of sharing information on the Geographic Information System and its current applications at ENGIE Brasil Energia.

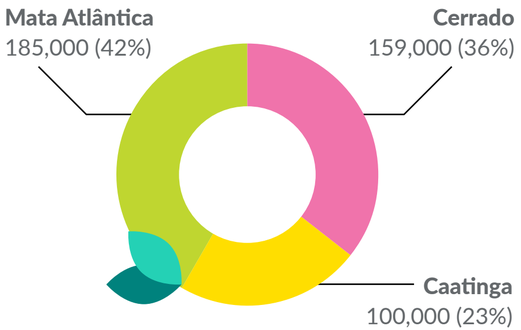
[11] Due to the initial stage of planting, in the process of implementation at the end of 2023, it was still not possible to measure effectiveness in regenerating the area.

CONSERVATION OF THE FLORA

ENGIE Brasil Energia maintains **eight forest nurseries** in seven Brazilian states, which contribute to the conservation of local biomes by producing seedlings of native vegetation species. **The total annual production capacity of these nurseries is approximately 444,000 seedlings**.

Donations are usually made during educational activities, such as events held in schools or community spaces. The seedlings are also used to protect headwater springs, as well as to restore APPs and Conservation Units in the regions surrounding the assets.

Annual production capacity of the nurseries, by biome



The forest nurseries supply seedlings of native species from three of Brazil's six biomes, for planting both in the Company's areas and those of third parties, through donations to schools and local communities. In regions where the Company has no nurseries of its own, seedlings are supplied through local partners.

Seedlings donated and/or planted in 2023, by biome



Initiatives in focus - 2023

- **Araucaria Conservation:** Combining the conservation of native species with income generation for rural producers, the Company is developing the ConservAção Araucária project in partnership with Embrapa Florestas. The **initiative covers 12 municipalities through which the Gralha Azul Transmission System passes, in the state of Paraná, and proposes models of environmental recovery, with targeted production. Since 2021, around 60 people, including farmers and extension technicians, have been trained in Araucaria forest conservation with 25,400 saplings of the species planted**. In addition, boxes of native stingless bees have been distributed to producers as another option for generating income. By the end of 2023, 16 Technological Reference Units (URT) had been set up to recover degraded areas in Paraná. Due to the results obtained, the project was highlighted in two awards: at the One ENGIE Awards, aimed at innovative initiatives developed by ENGIE Group employees around the world, and among the finalists of the SESI ODS 2023 Award promoted in the state of Paraná.

- **Regenera+ :** A joint effort in partnership with the Brazilian Micro and Small Business Support Service (Sebrae), in the region of the Passo Fundo Hydropower Plant, the project seeks to disseminate regenerative agriculture practices among producers in the Alto Uruguai region of Rio Grande do Sul. It **includes technical assistance for the sustainable use of agricultural areas, including biological control of pests and diseases, with a focus on increasing the resilience, efficiency, and sustainability of food production**. In the first year of intervention, 2022, Regenera+ reported a real reduction of 32.06% in grain production costs, covering an agricultural area of 533.64 hectares. The properties reported a carbon emissions balance and the removal of -1,004.53 tons of CO2e. **By 2023, there had been an average improvement of 50% in the socio-environmental indicators assessed and 30% of the properties had invested in the improvement of regenerative crop cultivation** - as a result, every R$1.0 invested in the project generated savings of R$1.78.

- **Reforestation:** In the Assú Sol Solar Complex project, the Company has established a partnership with the National Institute for Colonization and Agrarian Reform (INCRA) to carry out reforestation projects in degraded Legal Reserve areas in rural settlements in the Assú region (RN). **In all, 260 hectares comprise the target areas, distributed over four settlements, where around 645,000 saplings of native species will be planted**. In 2023, the projects were prepared and presented to the residents of the local settlements. [GRI 304-3]

CONSERVATION OF FAUNA

In addition to the native vegetation, local fauna is also the focus of the Company's environmental management in the different areas for promoting their conservation and ensuring the role they play in balancing the local biomes. **To this end, specific monitoring programs are developed, both to comply with licensing conditions as well as engagement in voluntary initiatives**. [GRI 3-3]

These programs are intensified in relation to species most potentially affected by operations - the case with ichthyofauna. With almost 80% of the Company's power generation capacity coming from hydropower, aquatic species are the subject of permanent monitoring and conservation programs, developed in different river basins across the country, where plant reservoirs are located. [GRI 304-2]

Environmental teams made up of specialized professionals conduct these programs, often developed in partnership with teaching and research institutions, such as local universities, which ensures scientific rigor in the adoption of methodologies and the quest for innovative solutions. At the hydropower plants on the Uruguai and Iguaçu Rivers, in the Southern Region, for example, the Company is developing a set of **initiatives focused on the conservation of endemic species, with the formation and maintenance of a genetic bank** (*in vivo* and *in vitro*), contributing to the conservation of endemic fish species.

At the São Salvador Hydropower Plant, in the state of Tocantins, **the "e-DNA" research project** has been underway since 2020, **with the aim of developing genetic and molecular tools to be used in environmental monitoring and in analyzing the genetic structure of the ichthyofauna** present in the plant's reservoir. By the end of 2023, in the three sampling campaigns run, 27 families and 98 species of fish had been identified, including variants, lineages or distinct populations, as well as species that have not yet been identified but belong to the same genus. While still partial, these results represent significant progress in monitoring the region's aquatic biodiversity.

In the Pantanal of Mato Grosso, the Company supported an initiative led by the federal environmental protection agency, Brazilian Institute for the Environment and Renewable Natural Resources (Ibama) to control exotic fish in the region. The aim is to strengthen the culture of not releasing/returning non-native species when they are caught through sport or amateur fishing in local rivers, in order to reduce the incidence of these populations and encourage the reproduction of native species.

In the case of birdlife, assets in operation for wind power generation and electricity transmission are monitored. Conducted by specialized technical teams, campaigns are held to identify species using scientifically based methods. [GRI 304-2]

Among the factors systematically assessed are points where collisions may occur or where carcasses are found near structures. In power transmission systems, with the identification of species at sampling points, assessment of migratory routes and systematic mapping of risks or occurrences of collisions, in 2023, around 44,000 sightings of individuals were recorded. [GRI 304-2]

It should be noted that all the data recorded in the monitoring processes feeds back into the Biodiversity Matrix Program, expanding the information base on the ecosystem of the territories where the Company operates, and guiding the continuous improvement of performance in this area.

Information on a) areas of environmental protection or high biodiversity value; and b) species included on the IUCN red list; adjacent to the Company's operations, are available in the Complementary Folder.

Meliponiculture

Developed in the vicinity of the Gralha Azul Transmission System, its aim is to disseminate knowledge about the diversity, ecology and importance of the conservation of native stingless bees and to encourage meliponiculture. Begun in 2021, it highlights the breeding of endangered species, carrying out environmental education activities in local educational institutions. In 2023, the project was implemented in four schools, which accepted the challenge of becoming guardians of native bees, joining two others that were already part of the initiative. The native bee colonies used by the Melipomar Project were rescued during brush clearance activities, as part of the project's Fauna Rescue Program.

In the state of Minas Gerais, meliponiculture has also been engaging the local community in conservation initiatives, in the region of the Miranda Hydropower Plant. With the Company's support, a project has been developed involving the management of hives and including the training of local beekeepers. In 2023 alone, 50 kilograms of honey were harvested from the 17 active hives.



Water

[2030 Agenda Goals: 6.3; 6.4; 12.2]

Water management is one of the pillars of ENGIE Brasil Energia's Environmental Policy, given the essential nature of this resource not only for its operations, but for society as a whole. **In accordance with the ENGIE Group's Non-Financial Objectives, the Company seeks to be increasingly efficient in its use of water resources and is working to reduce the consumption of fresh water for energy it produces by around 70%, using 2019 as a benchmark, reaching 0.1m³/kwh by 2030**. [GRI 3-3]

In addition to identifying potential contributions to water conservation, quality and availability, the Company is developing initiatives to reduce consumption and the water footprint of its activities overall. The following infographic categorizes these initiatives. [GRI 3-3]

Water consumption reduction and conservation initiatives

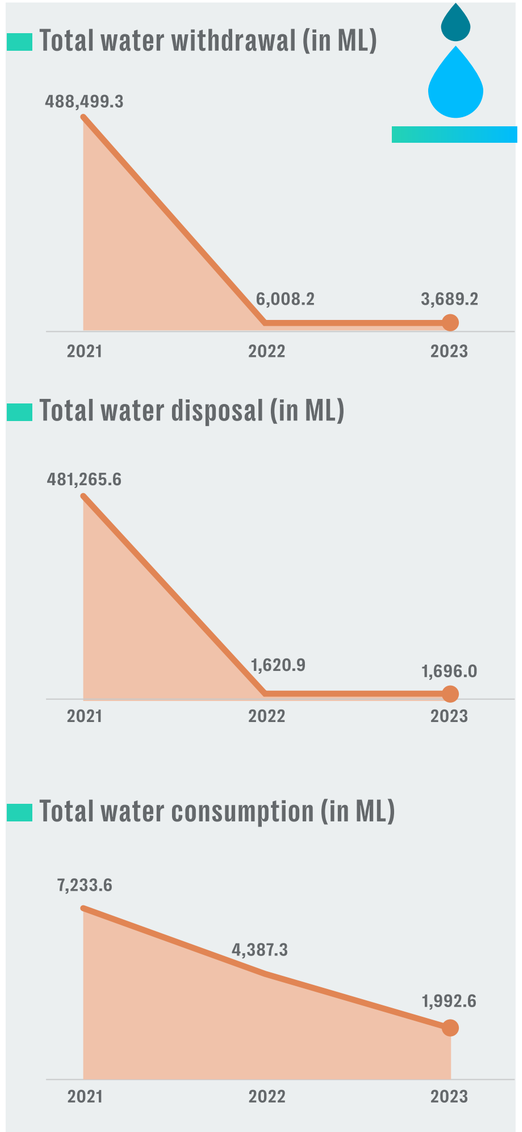
- **Conservation**
  - Water quality monitoring
  - Environmental Plan for Conservation and Use of the Surroundings of Artificial Reservoirs
- **Recovery**
  - Water Spring Recovery
- **Reuse**
  - Rainwater harvesting
  - Percolation water capture
  - Effluent reuse
- **Reduction**
  - Efficient devices

The demand for water from the Company's operations is predominantly concentrated in hydropower plants, where the entire volume withdrawn for generation purposes is returned to the water body in the same or better condition than at the time of withdrawal[12]. [GRI 3-3; 303-1]

In 2023, the total volume of water withdrawn from water sources was 3.7 thousand megaliters, which represents a reduction of 38.6% compared to the previous year – due, in particular, to the exit from the asset portfolio of the Pampa Sul Thermoelectric Power Plant where water was used in the plant cooling tower. Compared to 2021, reduction in volumes is even greater as a result of the strategy to decarbonize the Company's portfolio. Considering the indicator and target set by the Group for ENGIE Brasil Energia, the rate of freshwater consumption decreased from 0.19m³/MWh in 2019 to 0.046m³/MWh in 2023, a reduction of approximately 76%. [GRI 2-4; 303-3; SASB IF-EU-140a.1]

With regard to water disposal, the Company sets standards that consider the characteristics of the receiving water body and the strictest limits laid down in current legislation. **All effluents generated in operations, as well as in relation to implementation activities, are treated before final disposal or release.** [GRI 303-2]

[12] With the exception of temperature, which increases in the process of refrigeration but remains within the parameters established by the legislation.



Main risks in water management

[GRI 3-3; 303-1; SASB IF-EU-140a.3]]

Potential Risk	Strategies and practices for mitigation purposes
Risk of emergency oil leakages at the energy generation plants, particularly hydropower plants with the potential for water contamination.	Environmental Management System certified according to NBR ISO 14001, with preventive maintenance procedures, operation tests and inspections, fire-fighting systems, containment basins, water-oil separator systems and, in the event of an accident, the Emergency Response Plan. Surface water quality monitoring.
Pollution of the hydropower plant reservoirs due to illegal use and occupation of reservoir margins.	The Environmental and Social Surveillance Teams work on the reservoirs and their margins, implementing the Environmental Plans for Conservation and Use of the Reservoir Margins (Pacuera), as well as periodic monitoring of surface water quality.
Disposal of effluent outside the standards established in the current legislation.	Monitoring of effluent and surface water quality.
Use of water in areas of hydrological stress.	Optimization of water consumption, prospecting for innovative solutions for cleaning photovoltaic panels, encouraging water conservation practices in the regions where we operate.

HYDROLOGICAL STRESS

ENGIE Brasil Energia maps the vulnerability of its assets to the risk of water stress using the definitions in the Aqueduct Water Risk Atlas - a tool produced by the World Resources Institute (WRI) and adopted globally to assess water stress, drought and flood risks in 189 countries. According to **the tool's classification, the Company's only asset in an area of high water stress is the Floresta Photovoltaic Complex, located in the state of Rio Grande do Norte (which corresponds to 3.7% of its total generation assets, or 1.0% of its proprietary installed capacity)**. [GRI 303-3; IF-EU-140a.1]

Acquired in 2022, this solar generation asset does not use water directly in its production process but only for cleaning and annual maintenance of its photovoltaic panels. Despite being located in a hydrologically stressed area, the risk is classified and deemed manageable considering, in addition to location, being contingent on annual consumption not exceeding the global 0.10 m3/MWh target. **In 2023, consumption was 0.2 ML, 98% below the target**.

All the Company's other assets are in regions classified in the range from very low to medium risk of water stress.

QUALITY CONTROL

To ensure the upper end of the parameters required by legislation in the conservation of water resources are achieved, the Company conducts surface water quality monitoring programs in the reservoirs it manages, with the support of specialized and independent companies. In 2023, the consolidated results of the monitoring classified the water quality of the reservoirs as "Optimum" or "Good" in general, according to the methodology established by the São Paulo State Environmental Company (Cetesb) for the Water Quality Index. [GRI 303-1]

In addition to the artificial reservoirs, the Company monitors surface and ground water quality depending on the location and necessities of each asset.

EMERGENCY SERVICE

In addition to quality monitoring programs, there are Emergency Response Plans for each asset, which take into account the risks of accidents or incidents with a potential impact on water resources. Adapted to the reality of each site, the Plans include all the preparation and response to emergency situations, such as training for local teams and materials for emergency use, such as containment of leaks and oil and water separators, for example. More details on emergency preparedness are available in Chapter 7 "Operational and Financial Performance", item "Operational safety in the areas of influence of hydropower plants". [GRI 303-1].

More details on emergency preparedness are available in Chapter 7 "Operational and Financial Performance" item "Operational safety in areas of influence of hydroelectric plants". [GRI 303-1]

ENGAGEMENT

Engaged in the conservation of water resources, ENGIE Brasil Energia participates in the Hydrographic Basin Committees of the Rio Grande, Rio Iguaçu, Rio Uruguai and Rio Tocantins, as well as the state water resources councils of the states of Santa Catarina and Paraná, with the aim of actively contributing to public policies on the use of water resources and the management of multiple uses of the reservoirs under its concession. [GRI 2-28; 303-1]

PROTECTION OF WATER SPRINGS

Fostering a culture of water conservation, based on raising awareness and engaging the local community on the issue.: this is the main objective of the **Headwater Spring Protection and Conservation Program**, which the Company has been carrying out on a voluntary basis since 2010 in different regions of the country. Through partnerships with governmental and third sector organizations, it promotes the conservation of spring heads while at the same time helping to improve the quality of water consumed by the local population.

Since the program began, around 2,500 springs have been protected in the area of influence of 14 assets. In general, the activities involve identifying the spring heads and assessing the local environmental conditions (including contamination risks), building protective infrastructure, and

restoring the surrounding forest cover. The whole process is monitored by the local community as part of the integration into wider environmental education activities.

In the water context of the *caatinga*, the conservation of headwater springs is even more important in the Northeast. **With a focus on the community of Brejo da Brásida, located in the Boqueirão da Onça National Park, close to the Campo Largo Wind Complex, in the state of Bahia, the initiatives have been part of the Brazilian Waters Program of the Ministry of Regional Development, since 2021** - the year in which an agreement was signed between the Company and the Brejo da Brásida Residents' Association (AMBB) to handle the activities. These included planting seedlings of native species and training youth multipliers in Environmental Education, through payment for environmental and ecotourism services. The success of the program in the region was recognized at the end of the year as a finalist for the Sustainable Bahia Seal, awarded by the Bahia State Government.

More details and indicators related to water are available in the Complementary Folder.

Waste

[2030 Agenda Goals: 11.6; 12.5]

Under the Company's Sustainable Management Policy - and in compliance with the National Solid Waste Policy (Law 12.305/2010) - ENGIE Brasil Energia's waste management complies with strict criteria and guidelines, applicable to all its units, and primarily aimed at eliminating or reducing waste generation as much as possible. When this is not achievable, the priority becomes reuse, recycling, treatment and correct final disposal (in that order).

Thus, all business units have their own Solid Waste Management Plan (PGRS), compatible with their activities, duly updated and in compliance with current legislation. **The waste for which the Company is responsible is stored in appropriate locations, segregated according to its physical state, level of hazardousness and chemical incompatibility, to ensure complete compliance with legislation and good environmental practices**. [GRI 3-3; 306-1]

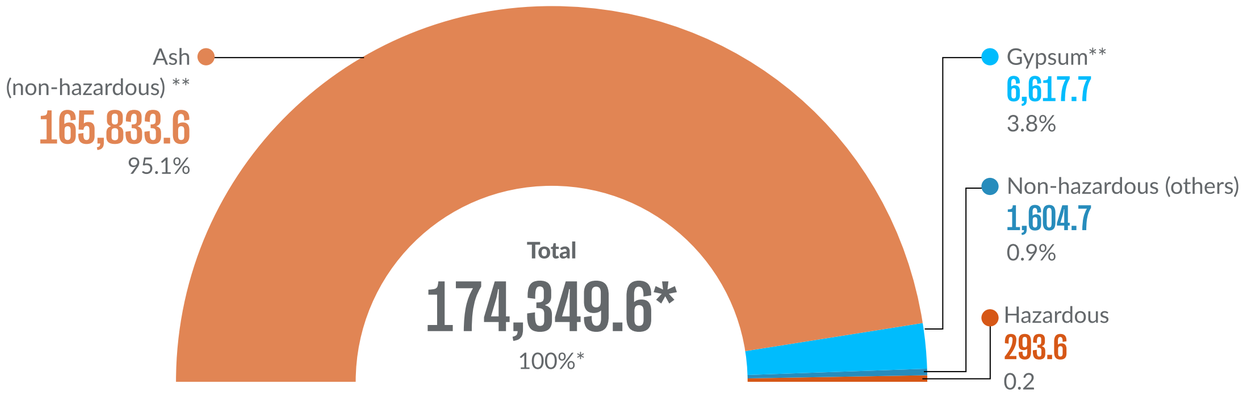
Processes are controlled and traceable digitally using specific software that ensures compliance and standardization. This software also checks supplier documentation for approval, so that the transportation and disposal of waste is conducted by companies suitably equipped for the activity. [GRI 3-3; 306-1]

Throughout 2023, the subject of the Circular Economy and Waste Management was systematically addressed in monthly meetings of an internal Working Group, which is responsible for assessing ways of mitigating risks and capturing opportunities for improvement, in a collaborative manner, taking into account the realities of each of the Company's assets. Raising of awareness is systematically proposed in order to minimize generation and enhance correct disposal, with a view to finding alternative disposal options. Training takes place online, through a program for all employees on the ENGIE University platform. The subject is also reinforced during the execution of the PGRS (Solid Waste Management Plan) and the Environmental Education Program at all assets on an annual basis. In addition, guidance on waste disposal is also given when new hires and third parties join the Company. In 2023, more than 250 people were in this category.

Performance indicators related to waste are monitored regularly, using monthly reports to assess parameters for the generation, disposal and recovery of materials. In **2023, a target of 72% average waste recovery was established. The result at the end of the period was 80%, 8 p.p. higher than the target**. For hazardous waste, the average recovery target was 57% while in fact the Company achieved 60%. [GRI 3-3; 306-1]

Percentage of waste generated by type (in tons)

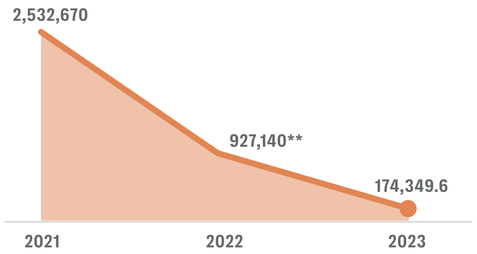
[GRI 306-3]



* Of the reported total, 177.7 tons are stored pending disposal by the Company.
** 100% of this waste was recovered.

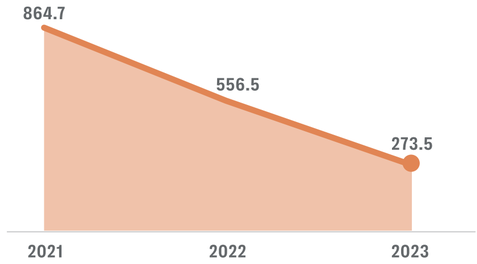
Average recovery of 80% of waste, a result higher than the established target.

Total volume of waste generated (in tons)* [GRI 306-3]

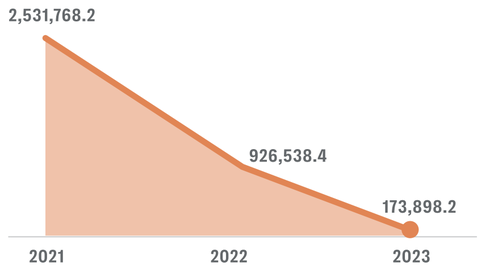


Total volume of disposal of hazardous waste (in tons)

[GRI 306-3]



Total volume of disposal of non-hazardous waste (in tons) [GRI 306-3]



* Considers waste sent outside the organization and also stored onsite.
** In 2022, there was a 63.4% reduction in the total volume of waste disposal due to the exclusion of ash generated from the Jorge Lacerda Thermoelectric Plant, an asset which was sold in 2021.

CIRCULARITY

[GRI 306-2]

ENGIE considers the integration of its activities into a more circular economy to be an essential factor in its economic and environmental performance and, consequently, in reducing the pressure on natural resources. **It is therefore acting on three fronts: reuse of organic waste, management of materials at the end of their useful life and sustainable use of resources**. The focus is on increasing the recycling rate of waste generated by industrial activities and identifying ways of recycling materials used in solar and wind generation.

In this regard, the following initiatives were highlighted in 2023:

- **Recycling photovoltaic panels:** Despite their long lifespan, photovoltaic panels may require early replacement due to cracks and fissures in the cells (compromising their efficiency), an impact that has been identified on a global scale. Destined for recycling, the replaced parts, which are made up of high value-added materials, are transformed into components for new modules, or for use in other sectors of industry. **Since 2022, in partnership with a Brazilian startup that is a pioneer in Latin America in the complete recycling of photovoltaic panels, the Company has recycled more than 300 tons of panels, achieving a 99% efficiency rate in the reuse of this material and thus avoiding final disposal in industrial landfills**.

- **Reverse logistics for stationary batteries:** The stationary batteries used in the solar trackers of photovoltaic plants and generators in general, when unserviceable, are 100% recycled through a reverse logistics process. When they return to their source, the materials are separated and crushed for later reuse in the battery supplier's manufacturing process. In 2023, more than 12 tons of batteries were sent for recycling.

- **Reuse of electrical and electronic equipment:** Since 2020, the Company has been working towards the digital inclusion of communities by donating laptops and computers that have been replaced at its facilities. Previously discarded, this equipment undergoes maintenance and subsequently used by the communities, has its useful life extended. In 2023, 115 laptops were donated to institutions in the states of Santa Catarina, Minas Gerais and Bahia.

- **Use of ash from thermoelectric plants in agriculture and the cement industry:** As part of the commitments made in its Environmental Policy, ENGIE Brasil Energia earmarked the heavy ash from the generation process at the Pampa Sul Thermoelectric Plant[13] for use as a base for recovering degraded areas - since the material has the capacity to neutralize the acidity of the soil when recuperating a spent open cast mine. The light ash, in turn, was used to make cement, reducing CO_2 emissions by replacing limestone in the cement industry. The light ash from biomass power plants is used in agriculture to replace conventional agricultural inputs.

- **Partnerships to reuse materials:** In 2023, the Paracatu Photovoltaic Complex used wooden pallets that would have been discarded by a neighboring photovoltaic complex operated by another company to properly package solar modules and other equipment - extending the useful life of more than a thousand units of this material.

- **From waste to energy - transforming organic waste into biogas:** The ENGIE Foundation, in partnership with ABiogás (Brazilian Biogas Association), has donated biodigesters to schools and communities neighboring the assets, thus transforming organic waste into biogas. The biogas generated is used as a substitute for cooking gas, helping to reduce consumption of traditional gas, reuse waste generated and reduce greenhouse gas emissions.

As well as promoting sustainability, the

[13] Disposal occurred between January and May 2023, the period during which the Company was still responsible for the environmental management of the asset, the sale of which was concluded in 2023.

project also promotes environmental education, reinforcing the importance of ecological practices and more responsible decision-making.

- **Waste Selection Center:** the Company has set up a Waste Selection Center in the municipality of Trairi (CE), close to the Trairi Wind Farm. **The initiative, developed in partnership with the city government, aims to provide a safer and more suitable space for waste scavengers who hitherto had collected waste deposited in situ anywhere in the municipality**. As well as providing suitable physical facilities, the space has machinery and equipment to help with the proper handling and treatment of waste during sorting. In addition, to ensure the project's sustainability, the Company supported the formation of the Sol Nascente Association, which operates the center as a cooperative, in this way increasing income generation for the families involved.

More details and indicators related to waste are available in the Complementary Folder.

Other controls

In 2023, following the sale of the Pampa Sul Thermoelectric Plant, atmospheric emissions resulting from the Company's operations are concentrated in the three biomass-fired plants (sugar cane and wood), which have efficient pollution control systems. Legal limits and/or limits established in the operating licenses were set as parameters for defining emission limits and targets.

Specific environmental programs have been developed to control atmospheric emissions and particulate matter at the assets being implemented. At the Assuruá and Gavião Real projects, for example, the program's activities include control and prevention actions, humidification of access roads and common areas, maintenance and overhaul of equipment, covering of truck beds, signage and speed control on access roads. In Assuruá, emissions are controlled at the concrete plants and black smoke emissions are monitored. In Gavião Real, where there is no concrete plant, demand is met by concrete mixer trucks. Air pollution from the trucks is monitored monthly using the Ringelmann Scale method.

Ferrari Thermoelectric Plant (Biomass)



Data on other significant atmospheric emissions (NOx, SOx, Particulate Matter and SDO) from biomass and coal-fired thermal operations are presented on the next page.

Emissions of NOX, SOX and other significant atmospheric emissions (t)

[GRI 305-7; SASB IF-EU-120a.1]

	2021	2022	2023	Variation 2023/22	Percentage of emission in a densely populated area 2023
NOX	17,795.3	3,023.8	2,709.79	-10.4%	3%
SOX	97,215.8	1,617.7	244.79	-84.9%	0%
Persistent Organic Pollutants (POP)	Not Measured	Not Measured	Not Measured	Not Measured	-
Volatile organic compounds (VOC)	Not Measured	Not Measured	Not Measured	Not Measured	-
Hazardous Atmospheric Pollutants (HAP)	Not Measured	Not Measured	Not Measured	Not Measured	-
Particulate material (PM)	4,530.4	2,322.7	1,769.02	-23.8%	1%
Lead (Pb)	Not Measured	Not Measured	Not Measured	Not Measured	-
Mercury (Hg)	0.133	0.030	0.002	-94.3%	-

Greenhouse Gas emissions are shown in the Climate section, on page 95 and 96.

Emissions of NOX, SOX and other significant atmospheric emissions (Kg/MWh) *

[GRI 305-7; SASB IF-EU-120a.1]

	2021	2022	2023	Variation 2023/22	Percentage of emission in a densely populated area 2023
NOX	0.49	0.09	0.06	-30.3%	3%
SOX	2.67	0.05	0.01	-88.7%	0%
Persistent Organic Pollutants (POP)	Not Measured	Not Measured	Not Measured	Not Measured	-
Volatile organic compounds (VOC)	Not Measured	Not Measured	Not Measured	Not Measured	-
Hazardous Atmospheric Pollutants (HAP)	Not Measured	Not Measured	Not Measured	Not Measured	-
Particulate material (PM)	0.12	0.07	0.04	-41.5%	1%
Lead (Pb)	Not Measured	Not Measured	Not Measured	Not Measured	-
Mercury (Hg)	0.00	0.00	0.00	0.0%	-

COMMUNITY ENGAGEMENT

Engaging local communities is an inseparable part of the environmental conservation strategy adopted by ENGIE Brasil Energia. For this reason, the Company is responsible for a series of activities dedicated to promoting sustainable development, with a focus on Environmental Education.

In the case of projects under implementation, these activities are carried out within the scope of the licensing process and involve guidance for both construction site employees and members of the community, through lectures and educational materials. In the case of assets already operating, Environmental Education activities are part of the Conexão (Connection) Program, which is focused on a wide range of audiences, including local communities, public and private schools, public authorities and the academic and scientific community in general, also offering structured routines for public visits to the plants and other facilities in the Company's generating complex. [GRI 2-29]

Developed in different regions of the country, the Program gives participants an understanding of how assets function, the energy generation process and its interfaces with the environment and society, as well as addressing relevant and important socio-environmental issues in the regional, national and even global context, such as climate change and its consequences, especially with regard to the worsening climate crisis. [GRI 2-29]

Over the course of the year more than 122 thousand took part in the Connection Program.

conexão
PROGRAMA DE EDUCAÇÃO AMBIENTAL ENGIE



more than **122 THOUSAND**
took part in the Connection Program

Quilombo and indigenous communities

Respect for traditional communities - indigenous peoples, quilombos, among others, in regions close to operating assets and/or those in the process of implementation, is part of ENGIE's fundamental commitment to people and the planet. Under guidelines of Convention 169 of the International Labor Organization (ILO), interaction with these communities is based on the premise of prior, public and informed consultation on issues of interest to them and support for their socio-economic development, in a manner compatible with their culture, guaranteeing full preservation of their rights.

In 2023, the initiatives involving the Bela Vista do Piató Quilombo Remnant Community, in the rural area of Assú (RN), close to the site of the Assú Sol Photovoltaic Complex and the area of influence of the Assú V Photovoltaic Complex, are a case in point. Throughout the year, meetings were held with members of the community to present the concept of the new project, clarify doubts, listen to their opinions and establish a direct line of communication with the Company. Following these meetings, a Participatory Diagnosis was drawn up, with the aim of identifying the socio-economic profile of the community and demands related to its sustainable development. As a result, a series of socio-environmental actions were planned to be implemented in the region from 2024. These actions were presented and validated by the community and the licensing body, the Rio Grande do Norte Institute for Sustainable Development and the Environment (Idema).

In the state of Bahia, traditional communities close to the site of the Serra do Assuruá Wind Complex also held meetings with ENGIE Brasil Energia to learn more about the project and express their opinions. In this region, as with the Assú Sol Photovoltaic Complex, participatory diagnoses were made and socio-environmental actions were planned, focusing on four traditional communities: Fundo e Fecho de Pasto, and two Quilombo communities. The residents of the communities actively participated in the process, through interviews, responding to questionnaires, welcoming people to visit the communities and monitoring the social mapping activity.



In the Central-Western Region, the Work Plan was continued with a focus on the Avá-Canoeiro Indigenous Land, in the area of influence of the Cana Brava Hydropower Plant. **Validated by the National Foundation for Indigenous Peoples (FUNAI's new denomination), this plan aims to complement the impact studies on the indigenous community and includes field campaigns to collect socio-economic and environmental data**. The results of these campaigns, together with diagnoses carried out by anthropologists specialized in the ethnic group and the community, will indicate, in the next stages, any actions and measures that still require mitigation and compensation. **The work plan conceived aims, in particular, to rescue and strengthen the Avá-Canoeira ethnic and cultural identity, considered to be indigenous to the Araguaia and Tocantins River Basin regions**.

CLIMATE

Context and strategy

[2030 Agenda Goals: 7.2; 9.4; 13.1; 13.2; 13.3]

The year 2023 was marked globally by the consolidation of the consensus, led by the scientific community, regarding the climate emergency. More frequent and intense extreme weather events hit various regions of the world, including Brazil, and confirmed the urgency of effective measures needed to contain global warming and the resulting economic, social and environmental impacts.

November's 28th United Nations Climate Conference (COP 28) in Dubai, United Arab Emirates, strengthened the proposal to accelerate the energy transition by gradually reducing the use of fossil fuels. Another important step forward in the international discussions was the approval of mechanisms aimed at adapting to climate change, including the provision of resources to support developing countries in this process.

The global demand for **climate action** reflects the movement undertaken by ENGIE to "**act to accelerate the transition to a carbon-neutral economy**". At the heart **of the Company's corporate purpose, proactivity in the fight against climate change is revealed in global public commitments: a focus on achieving NetZero status by 2045**, by decarbonizing ENGIE Brasil Energia's operations, as well as those along the value chain, drastically reducing emissions and offsetting residual emissions. By generating 100% energy from renewable sources, ENGIE is also contributing to the decarbonization of its customers.

Aware of the importance of ensuring qualified and accessible knowledge to the public on issues related to the energy transition to a low-carbon economy with sustainable growth, the Company is a member of the Editorial Committee of the Beyond Energy platform. In 2023, the project reached the milestone of four million users accessing content on renewable energies, the Free Energy Market and sustainable cities, as well as the energy transition.

JORNADA PELO CLIMA

Playing a key role in achieving the Group's commitments, in 2023 ENGIE Brasil Energia strengthened its Journey for the Climate - a climate governance platform designed by the Company to consolidate strategy, risk management, metrics and targets related to the issue. By addressing the mitigation and adaptation plans being implemented by ENGIE Brasil Energia and which will continue over the next few years, **the Journey represents the new cycle of a successful path to decarbonizing operations. This culminated during the year in the generation of energy exclusively from renewable sources** - a milestone reached with the sale of the last coal-fired thermoelectric plant in the Company's generation complex. [GRI 3-3]

ENGIE's positioning in meeting the challenge of climate change

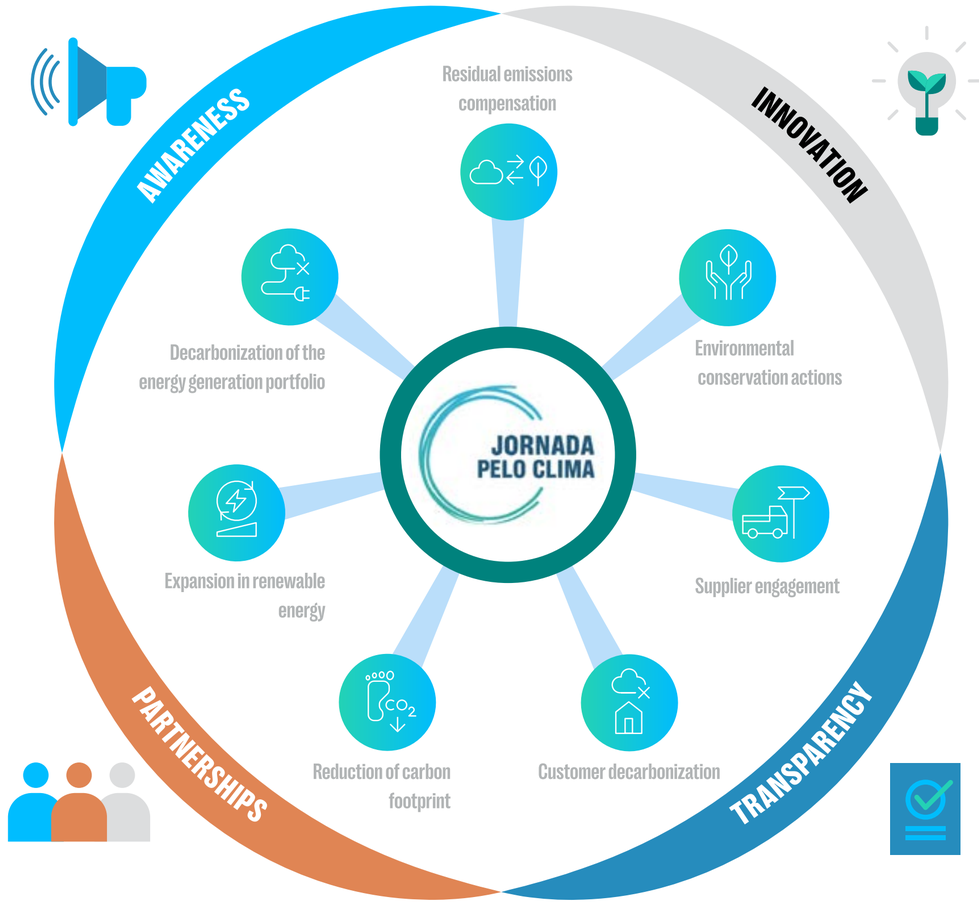
ENGIE Brasil Energia believes and recognizes that:

- Climate change is already a latent threat and is tangibly impacting our planet;
- The global ecosystem is facing irreversible losses of biodiversity due to climate change, with significant impacts on food chains and the sustainability of natural resources;
- Mitigating climate change is an urgent necessity to preserve the health of our planet and living conditions for future generations;
- Joining forces in strategic partnerships enables companies not only to fulfill their moral duty, but also to take a proactive role in building a more resilient, equitable and sustainable future for all.

ENGIE Brasil Energia will therefore:

- Invest in the expansion of the generation of renewable energy, supporting the decarbonization of different companies, sectors, and the country;
- Invest in projects that support the viability of green hydrogen, considered one of the main energy vectors in the transition to a low-carbon economy;
- Invest in projects that will reduce the Company's GHG emissions and engage its supply chain to do the same, through strategic partnerships;
- Annually disclose Greenhouse Gas (GHG) emissions and performance in reaching established decarbonization targets;
- Implement the roadmap set out in the Journey for the Climate, which is aligned with the science and objectives developed within the ENGIE Group, contributing to the reduction efforts needed to meet the objectives of the Paris Agreement.

Climate Journey



Climate Journey

2010 — First GHG Inventory

2011 — First CDM/ UNFCCC Carbon Credit Project

2014 — Closure of Alegrete TPP (heavy oil)

2015 — Coal exit ENGIE Global Strategy

2016 — Coal Exit – Decomissioning of Charqueadas TPP

2017 — Entry into the Transmission Line Segment

2018 — First ENGIE-REC sale (Renewable Energy Certificate)

2019 — Sale of Willian Arjona TPP (gas)

Entry into the natural gas transport segment (TAG)

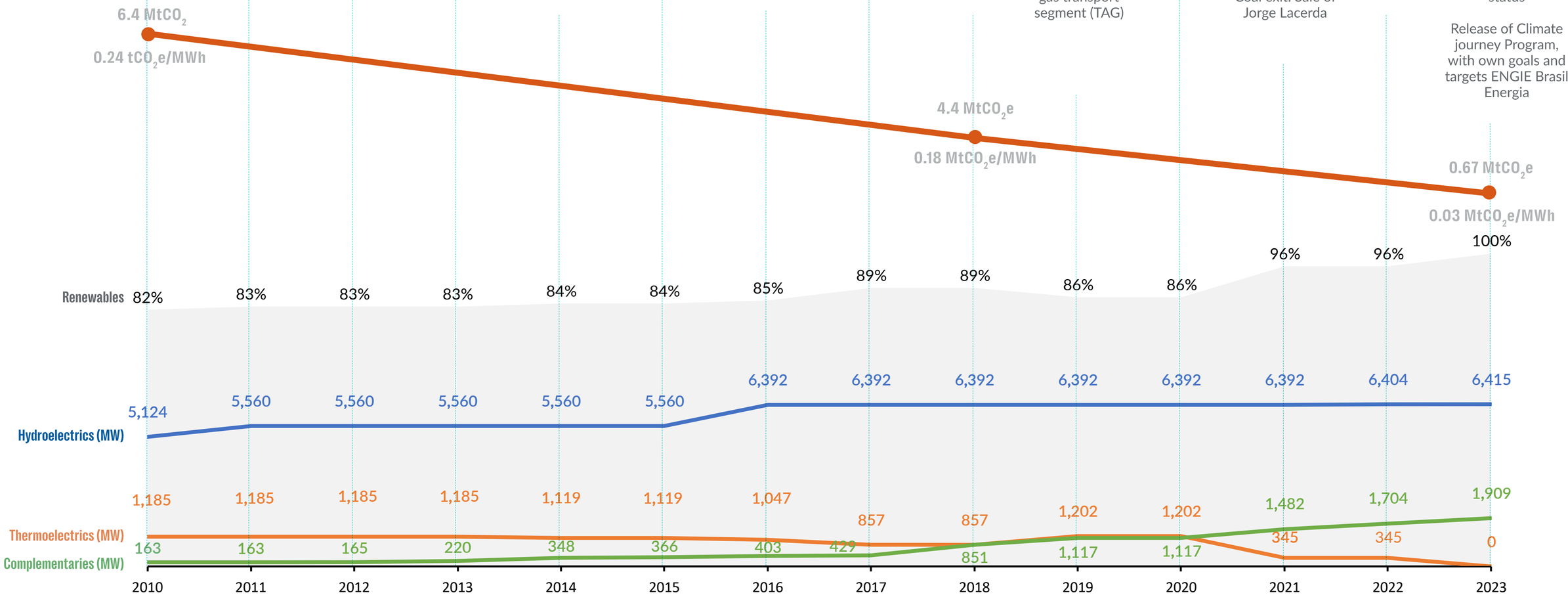
2021 — Reached 1.2 GW of installed capacity in wind power

Coal exit: Sale of Jorge Lacerda

2022 — Reached 3.5 GW in pipeline of renewable projects

2023 — Conclusion of the sale of Pampa Sul Thermoelectric Plant, reaching 100% renewable generator status

Release of Climate journey Program, with own goals and targets ENGIE Brasil Energia



The Journey for the Climate was structured into three pillars (see infographic beside) based on an in-depth diagnosis, which considers all the Company's direct and indirect emissions, as well as an analysis of the materiality of its Scope 3 - with a view to covering all the emissions in its value chain. **Based on this diagnosis and the different projected scenarios, ENGIE Brasil Energia has begun to evaluate initiatives to reduce, eliminate and offset emissions in order to steer ambitions and initiatives aligned with science - based on the parameters established by the Science Based Targets initiative (SBTi).** [GRI 3-3]

Journey for the Climate has as its focus the mitigation and adaptation plans

Pillars of the Journey for the Climate

	Management	Mitigation	Adaptation
Focus	**Catalog, engage and raise awareness.**	**Reduce, eliminate, compensate, and innovate.**	**Focus: Map and address the risks and opportunities.**
Key activities	• GHG inventory; • Building skill and training; • External/internal reports: CDP, DJSI, GRI; • Customer and supplier engagement; • Public commitments and adherence; • Regulatory monitoring, especially of the regulated carbon market; • Internal and external communications.	• Definition and monitoring of commitments and targets; • Identification of opportunities to reduce emissions; • Offsetting residual GHG emissions; • Expanding the supply of carbon credits in the portfolio; • Monitoring, transition, and management of projects in the UNFCCC mechanisms; • Promoting actions to conserve areas and biodiversity.	• Identification, quantification, valuation and management of risks and opportunities; • Adaptation plans for vulnerabilities identified; • Promoting the implementation of Nature-Based Solutions; • Analysis of climate requirements in new business projects; • Monitoring climate events and modeling future projections; • Alignment with TCDF, IFRS-S2, among other frameworks.

Climate governance

Directly connected to the Company's purpose and business model, the fight against climate change is a strategic corporate issue and is therefore present in the analysis and decision-making processes of Senior Management. **The Chairman of the Board of Directors is responsible for guiding the implementation of the ENGIE Group's global commitments in Brazil, aligning policies and practices and advising the Executive Board on investments[14] and initiatives that contribute to the Parent Company's climate action.** [GR 2-12]

The Board of Executive Officers is responsible for approving the Corporate Risk Matrix, which includes climate risk and an analysis of the financial impacts in the event risks materialize, as well as action plans for mitigating, adapting to, and monitoring these risks. **In 2023, In addition to being made cognizant of the Risk Matrix, in 2023, ENGIE Brasil Energia's Board of Directors approved publicly disclosed targets and commitments related to the Journey for the Climate Program.** [GR 2-12]

The Executive Board, in turn, is responsible for monitoring climate risk and its operational, financial and socio-environmental impacts, as well as validating and monitoring mitigation and adaptation plans. **As part of adapting to climate change, the executive officers also coordinate the contracting of operational risk insurance.** [GR 2-13]

Every year, both directors and managers approve the Sustainability Report published by the Company, which presents public information on ENGIE Brasil Energia's progress in this area based on global performance indicators and the prospect of progress in relation to the ENGIE Group's Non-Financial Objectives and other voluntary commitments made. [GR 2-14]

Reinforcing the governance mechanisms, the **Sustainability Committee**, which is transversal and multidisciplinary in nature, advises senior management on the assessment of climate issues, systematically monitoring the development of the Climate Journey and its results. [GR 2-9]

14 All transactions over R$ 50 million are subject to a decision-making process of the Board of Directors, based on the Environmental and Social Responsibility Score (ESR Score), a document that summarizes the socio-environmental issues and impacts of the project analyzed by means of 12 criteria, including climate mitigation and adaptation.



Linked remuneration

To demonstrate its managers' commitment to the issue, the Company has included requirements linked to climate action in its Variable Remuneration Program, applicable to all officers and management positions. Thus, objectives and targets related to the issue are distributed among the teams, who concentrate their efforts on the following fronts:

- Decarbonization of the portfolio;
- Sustainable growth;
- Consumption of fuels from renewable sources;
- Recovery of waste generated;
- Production and planting of seedlings of native vegetation species; and
- Recognition of the Company with respect to the ESG theme in Brazil, composing Sustainability Indexes and improving the Company's risk scores.

Management of risks and opportunities

Classified among the 10 main groups of risks to be managed by ENGIE Brasil Energia, climate risk requires a methodology of comprehensive and transversal assessment. As such, the management process is aligned with the ENGIE Group's guidelines - based on Enterprise Risk Management (ERM) and ISO 31000 - and involves, in addition to Senior Management, the Audit Committee, the Corporate Risk Management Forum, Governance, Risks and Internal Controls Management, Environment and Climate Management and Investor Relations, among other areas.

The climate risk analysis also considers the different ways in which the Company's supply chains, infrastructures and activities could be affected by the greater incidence of extreme weather events such as droughts, fires, storms, excessive rainfall and floods. **In the context of new investments, in order to ensure the sustainability of these projects, a matrix analysis of ESG aspects is performed, including mitigation and adaptation criteria, covering short-, medium- and long-term objectives set by the ENGIE Group**. Added to this assessment are the risks connected to changes in technological and social structures demanded by the energy transition, which can increase the resilience of the business model, as well as the capacity for innovation.

The assessment and management of climate risks adheres to the recommendations of the Task-Force Climate Financial Disclosure (TCFD), involving different areas of the Company meeting as a single multidisciplinary technical climate risk group, and is disclosed annually in a report sent to the Carbon Disclosure Project (CDP). The process involves assessing the physical and transition risks of the assets belonging to ENGIE Brasil Energia, as well as any possible impacts on the business or surroundings, evaluating the vulnerability, exposure, and resilience of the assets in the face of the main extreme weather events.

Based on the risks identified, Climate Change Adaptation Plans were drawn up, providing for a set of strategies and actions developed to manage the impacts and risks associated with climate change, considering projections and multiple possible futures. In this way, the plans support the Company's preparation to respond effectively to changes in environmental conditions caused by climate change.

In 2023, ENGIE Brasil Energia began drawing up adaptation plans for each asset, considering the risks, causes, consequences and financial impacts of the effects of climate change, among other aspects. Over the course of 2024, new risks and opportunities will be assessed, with those considered critical for the Company being monetized. Based on this analysis and the proposal of plans by asset, senior management will be able to direct the resources needed to mitigate and adapt to climate change. The following infographic shows the main extreme events by type of asset, considering the TCFD taxonomy, and examples of actions considered in the adaptation plans.

Assessment of Climate Risks

In order to further analyze the impacts of climate change on ENGIE Brasil Energia's assets, studies are carried out on a local and regional scale. Based on the methodology for analyzing and identifying climate risks developed by the Parent Company, the indicators have been adapted to more accurately represent Brazil's climate reality.

Heat waves, extreme winds, floods, landslides, and water stress are the main extreme weather events assessed in the risk analysis. For each of the indicators used to characterize these events, adaptations were made for the regional context, using historical data series recorded by weather stations of the National Meteorological Institute (INMET).

The studies also include official databases from Brazilian bodies such as the National Water Agency (ANA), the National Institute for Space Research (INPE) and AdaptaBrasil - Ministry of Science, Technology and Innovation (MCTI). The aim is to guarantee the resilience of activities over time, the integrity of physical facilities, support for the surrounding regions and employee health and safety.

After identifying the level of local exposure, the asset's sensitivity to extreme weather events is investigated. The combination of exposure and sensitivity assessed determines the actions to be incorporated into the asset's adaptation plan.

List of risks and opportunities by source and respective action plans [GRI 201-2]

	Climatic events	Water source	Wind source	Solar source	Biomass source	Transmission	Actions involved (focus on adaptation)
PHYSICAL RISKS	Heat waves	X		X	X	X	Weather monitoring and climate control plans
	Floods	X					Hydrological monitoring and dam safety program
	Extreme winds		X	X		X	Hydrological monitoring and dam safety program
	Hydro stress	X		X	X		Participation in the Basin Committee in the regions of operation Asset water management
	Landslide		X			X	Review of Emergency Response Plans
	Fire				X	X	Review of Emergency Response Plans Preparation of Emergency Brigades
	Climatic events						**Macro action plan**
TRANSITION RISKS	Legal and political	X	X	X	X	X	Through the Regulatory and Market Affairs area, ENGIE Brasil Energia maintains its active participation in debates on regulatory changes in the sector, through representative entities, combined with a strategic process that allows the Company to anticipate possible changes.
	Technological	X	X	X	X	X	From the Performance and Innovation Management Area, the Company fosters a culture of innovation through initiatives, policies and tools that encourage the creative participation of employees in the search for solutions to economic, operational, administrative and socio-environmental issues.
	Reputational	X	X	X	X	X	Regarding Reputation Management, there are ways of measuring and monitoring with different stakeholders, which include: Employee Engagement Survey; Customer and Investor Satisfaction Surveys; Image Audit Research; Dialog with Stakeholders, in addition to constant monitoring of the Company's reputational risk index through the global RepRisk platform.
	Market	X	X	X	X	X	ENGIE works to apply a proactive commercial strategy and intelligent management of the energy portfolio, minimizing risks and maximizing gains.
	Type of opportunities						**Macro action plan**
OPPORTUNITIES	Increase in renewable installed capacity	X	X	X	X		Invest in business expansion and diversification, commercial dynamism, portfolio management, Innovation and transition to a carbon neutral economy.
	Investiments in energy transmission					X	Expand and diversify operations in the transmission segment, contributing to the energy transition with the efficient flow of renewable energy.
	Development of green products	X	X	X	X		Support for other companies to decarbonize their operations, through the portfolio of contracts with guarantee of origin, renewable energy certificates and carbon credits.

Targets and metrics

ENGIE Brasil Energia's Journey for the Climate includes short-, medium- and long-term commitments and targets related to the three fundamental pillars: management, mitigation and adaptation. Progress towards the targets is measured by specific science-based metrics, as shown in the table below.

[GR 3-3; SASB IF-EU-110a.3]

CDP DISCLOSER 2023

ENGIE Brasil Energia also scored an

"A -" in the CDP Climate



International recognition

In 2023, ENGIE Brasil Energia achieved an **A-carbon disclosure rating from CDP Climate** in the assessment of its climate governance, a significant improvement on the previous assessment. This progress enabled the Company to join CDP's "A" List, which includes companies spearheading the energy transition. The improvement in the score compared to the previous year shows that the Company is continuously investing in adopting the best practices identified in the market and is recognized as a leading company in the area of climate change.

The Company's assessment was well above the South American average, which scored a B, and higher than that achieved by the renewable energy generation sector, which also scored a B. ENGIE is among 33% of the companies in the CDP that have reached leadership level in their group of activity, by implementing the best practices recognized by organizations such as TCFD and the Accountability Framework.

During the year, ENGIE Brasil Energia also scored an **"A-" in the Supplier Engagement Rating**, which assesses performance in governance, targets, scope 3 emissions and value chain engagement in the climate change scenario.

Journey for the Climate – Metrics and targets

	Management	Mitigation	Adaptation
Targets	• Engage 100% of the main offending suppliers[15] in Scope 3 to set science-aligned targets by 2030. • Conduct two annual training sessions (applicable to employees and/or management and board of directors) on climate change.	• Reduce GHG emissions intensity (scopes 1, 2 and 3) by 30% by 2025 and 56% by 2030[16]. • Increase renewable energy generation by 3.8GW by 2030[15].	• Have 100% of the assets[17] covered by climate adaptation plans by 2030.
Commitments	• To control and record GHG emissions throughout the value chain by means of a GHG inventory audited and certified by a third party, as well as its disclosure to society. • Offer its customers products that help reduce their carbon footprint. • Encourage R&D and innovation projects aimed at energy efficiency, climate mitigation and adaptation. • Select and evaluate suppliers based on sustainability criteria. • Contribute to the energy transition by being guided by a fair energy transition.	• Foster opportunities in green hydrogen. • Seek solutions for absorbing, capturing, and removing CO_2. • Maintain the carbon stock by preserving the natural areas under possession, ownership, and concession to the Company.	• Continuously managing climate risks and opportunities, preparing assets to face climate change, assessing vulnerability, and developing adaptation plans. • Develop nature-based solutions projects that support climate mitigation and conservation of the biodiversity. • Supporting positive climate impact solutions in communities.

[15] Main offending suppliers account for 70% of Scope 3 emissions (Categories 1 and 2).
[16] Targets considering baseline year 2021 without the CTJL and UTPS thermal power plants included in the calculation.
[17] New assets will be eligible two years after entering operation/acquisition.

Reduction initiative

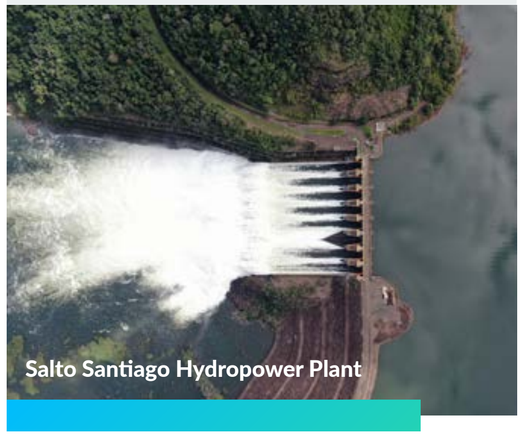
To achieve the mitigation targets, in addition to the adaptation plans, the Company has action plans focused on reducing GHG emissions, which include fleet replacement, prioritizing vehicles that use ethanol or electricity, substitution of refrigerant gases in air conditioners, and insulating gases (SF6) used in substations, consumption of 100% renewable energy, among other initiatives that have contributed to the gradual reduction of emissions at the corporate level.

Recognizing the importance of addressing the entire value chain in the transition to a low-carbon economy, ENGIE Brasil Energia has consistently improved the metrics of its Journey for the Climate. Thus, following the Scope 3 materiality diagnosis, it has made progress in defining the engagement target and creating the **Supplier Decarbonization Program**, the main objective of which is to offer support and guidance to suppliers in establishing their own carbon neutrality trajectory - more details in the Chapter "**Relationships of Value**" , Suppliers item.

Paraná Climate Seal

In 2023, three ENGIE Brasil Energia assets were recognized with the Paraná Climate Seal, an initiative that highlights companies in the state of Paraná aligned with the best environmental, social and governance practices.

The Salto Santiago and Salto Osório hydropower plants, on the banks of the Iguaçu River, remained in the ranking for the sixth consecutive year, with the maximum A concept. Transmissora de Energia Gralha Azul made its debut in the certification in 2023, obtaining a "C" concept.



Salto Santiago Hydropower Plant

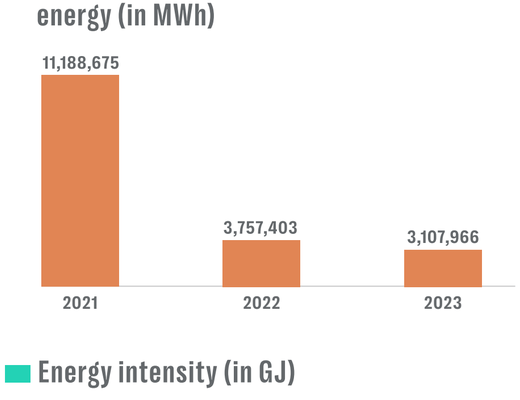
Energy

[2030 Agenda Goals: 7.3; 8.4; 12.2]

Until May 2023, the largest contributor to the Company's energy consumption (direct and indirect) was related to the operation of the Pampa Sul coal-fired thermoelectric plant. **With the exit of this plant from the asset portfolio, there was a 46% reduction in total energy consumption compared to the previous year**. Thus, post-sale, the largest energy consumers are the biomass-fired thermoelectric plants. [GRI 2-4]

By setting a goal of increasing its renewable energy generation capacity, ENGIE Brasil Energia has consequently reduced its consumption of non-renewable energy sources. **In 2022, it maintained 95.9% of its energy from renewable sources, and in May 2023 it reached 100%, significantly reducing the energy consumption needed to operate the assets**.

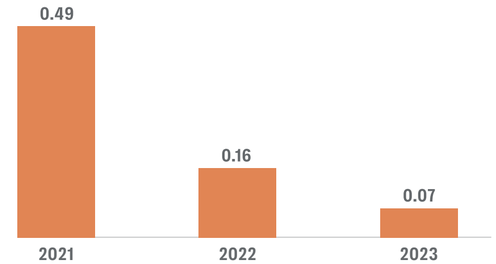
Total consumption of energy (in GJ) [302-1]



Total consumption of energy (in MWh)

Energy intensity (in GJ)

[GRI 302-3]



Greenhouse Gas Emissions (GHG)

ENGIE Brasil Energia has been rigorously controlling emissions from its operations since 2010, assessing the intensity of emissions from its activities and implementing actions to reduce them. The Corporate Greenhouse Gas (GHG) Emissions Inventory is drawn up based on the concepts, principles and guidelines established by the GHG Protocol methodology, published by the Brazilian GHG Protocol Program (PBGHGP), using its specifications for accounting, quantification, and publication of Corporate Greenhouse Gas Emissions Inventories. Equations provided by the Intergovernmental Panel on Climate Change (IPCC) are also used to calculate emissions from certain sources and carbon sinks.

The structure of the report follows the specifications of ISO 14.064:2022 - Greenhouse Gas Management System - International Organization for Standardization. The total GHG emissions of ENGIE Brasil Energia's business group have been calculated and classified into Scope 1 (direct emissions), Scope 2 (indirect emissions due to energy purchased and system losses) and Scope 3 (other indirect emissions) and the Inventory is verified and accredited by an independent external party, consolidating data from the two approaches used by the Program: operational control and corporate control. [GRI 3-3]

With the disposal of the thermal plants, ENGIE Brasil Energia redefined its base year for 2021, when the Jorge Lacerda Thermoelectric Complex was sold, and recalculated its emissions (available in full in the GHG Inventory) taking into account the divestments of the last 3 years and incorporating the other Scope 3 categories, which have become material for the Company's measurement and management.

*Click **here** to access the 2023 greenhouse gas emissions inventory, assured by a third party*

Performance

The Company emitted 671,723 tCO_2e in 2023 under the operational control approach, and 671,774 tCO_2e under the corporate stake or shareholding approach, as shown in the table below - a 39% reduction compared with the previous year in relation to both approaches.

This reduction was mainly due to the sale of the Pampa Sul Thermoelectric Power Plant, data of which was only recorded up to the date of sale, i.e. May 2023. In addition, there was a reduction in emissions associated with electricity consumption (Scope 2) since the origin of the electricity was, demonstrably, from renewable sources.

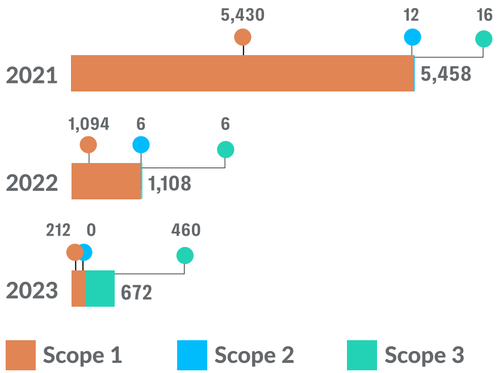
In an evaluation that disregards scopes 2 and 3, there is a reduction of more than 80% in emissions compared to last year, evidence of the sharp reduction in the Company’s direct GHG emissions by decarbonizing its generation portfolio.

Total emissions of scopes 1, 2 and 3

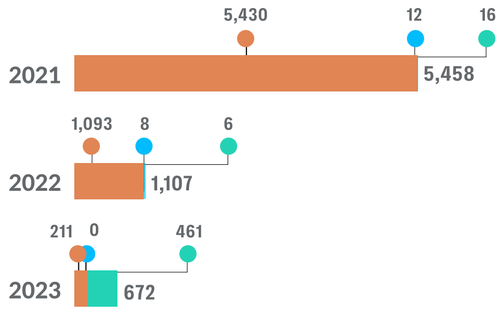
(thousands of tCO_2e)

[GRI 305-1; 305-2; 305-3; 308-2; SASB IF-EU-110a.1; SASB IF-EU-110a.3]

Operating control



Corporate control

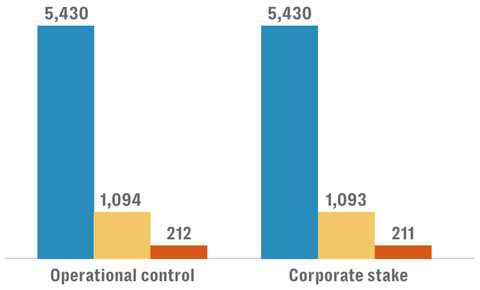


DIRECT EMISSIONS (SCOPE 1)

The company's direct emissions in 2023 totaled 211,947 tCO_2e under the operational control approach and 210,846 tCO_2e under the corporate stake approach - a reduction of 81% compared to the previous year. As mentioned above, the decrease was mainly due to the sale of the coal-fired Pampa Sul Thermoelectric Plant. Emissions from this asset were recorded up to the date of disposal, i.e. May 2023. [GRI 305-1; SASB IF-EU-110A.1]

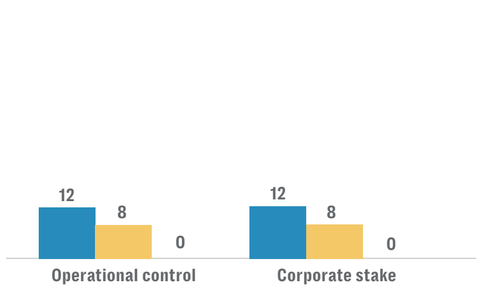
Scope 1

(thousands of tCO_2e)



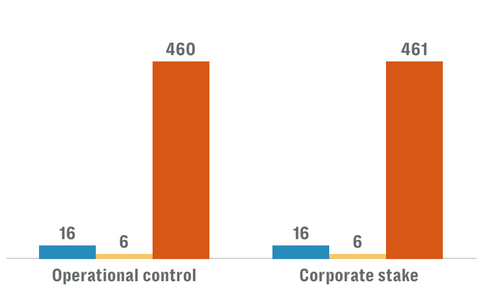
Scope 2

(thousands of tCO_2e)



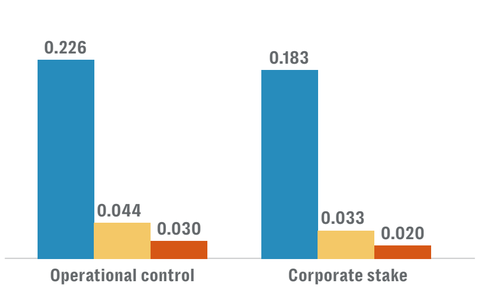
Scope 3

(thousands of tCO_2e)



Intensity of emissions

(tCO_2e/MWh)





INDIRECT EMISSIONS (SCOPE 2)

Indirect emissions–in 2023 were measured using the choice of purchase approach, scope 2 emissions being zeroed out through the issue of certificates of origin (I-RECs) certifying that the Company's energy consumption came 100% from renewable sources in the year. An important step forward in meeting Journey for the Climate targets and reducing its carbon intensity. [GRI 305-2; SASB IF-EU-110A.1]

Scope 2 emissions consider consumption from the electricity grid by the assets and losses in transmission, which correspond to 0.63% for the Gralha Sul transmission line and 1.9% in the Novo Estado transmission in 2023. [GRI 305-2; SASB IF-EU-110A.1]

EMISSIONS FROM OTHER SOURCES (SCOPE 3)

Scope 3 represents a global challenge for the preparation of the Greenhouse Gas Inventory, since it covers indirect emissions from the value chain, over which there is no direct management or control.

Even so, aware that the transition to a low-carbon economy, when based on science, must necessarily cover the entire value chain, ENGIE Brasil Energia, in its Journey for the Climate, has been consistently fine tuning its metrics related to this segment. Thus, based on a Scope 3 materiality diagnosis, it has sought to understand how the decarbonization of its generation assets has redefined the composition of its emissions.

In this context, the result presented for Scope 3 includes the categories indicated in the table below, these having changed following recalculation and the inclusion of the categories indicated to ensure complete coverage of the value chain.

The Company's total Scope 3 emissions in 2023 amounted to 459,776 tCO2e based on the operational control approach and 460,629 tCO2e on the corporate control approach. The significant increase was due to the inclusion, in 2023, of categories 1 (purchased goods and services), 2 (capital goods), 3 (fuel and energy-related activities not included in scopes 1 and 2) and 15 (investments) as an ongoing process of monitoring the Company's indirect emissions. The graph that compares emissions from Scope 3 over recent years is on page 95. [GRI 305-3; SASB IF-EU-110A.1]

Scope 3 categories			Inventory 2023
Upstream	**1**	Goods and services purchased	Booked
	2	Capital goods	Booked
	3	Fuel and energy-related activities not included in scopes 1 and 2	Booked
	4	Transportation and distribution	Booked
	5	Waste generated from the operations	Booked
	6	Business travel	Booked
	7	Labor force commute (residence-work-residence)	Booked
	8	Leased goods (the organization as a lessee)	N/A
Downstream	**9**	Transportation and distribution	Booked
	10	Processing of products sold	N/A
	11	Use of goods and services sold	N/A
	12	End of life treatment of products sold	N/A
	13	Leased goods (the organization as a lessor)	N/A
	14	Franchises	N/A
	15	Investments	Booked

INTENSITY OF EMISSIONS

In 2023, the emissions indicator by generation - the amount of carbon dioxide emitted for the generation of 1 MWh - reached 0.025 tCO_2e using the operational control, and 0.020 tCO_2e in the corporate shareholding control approach, a reduction compared to 2022 of 43% and 42%, respectively. The graph that compares emissions intensity over recent years is on page 95. **[GRI 305-4]**

Disclosure – Task-Force on Climate Related Financial Disclosure

Topic	Recommendations	Page or external reference
Governance (a)	Describe how the Board oversees risks and opportunities related to climate change.	88
Governance (a)	Describe the Board's role in assessing and managing risks and opportunities related to climate change.	88
Strategy (a)	Describe the risks and opportunities related to climate change that the organization has identified.	89, 90
Strategy (b)	Describe the impacts of climate change-related risks and opportunities on business, strategy, and financial planning.	89, 90
Strategy (c)	Describe the resilience of the organization's strategy, considering different climate change scenarios.	87
Management of Risks (a)	Describe the processes used by the organization to identify and assess risks related to climate change.	89, 90
Management of Risks (b)	Describe the processes used by the organization to manage risks related to climate change.	89, 90
Management of Risks (c)	Describe how the processes used by the organization to identify, assess, and manage risks related to climate change are integrated into the organization's overall risk management.	87, 89, 90
Metrics and targets (a)	Indicate the metrics used by the organization to assess the risks and opportunities related to climate change.	91 a 96
Metrics and targets (b)	Indicate the emissions of greenhouse gases for Scope 1, Scope 2 and, if the case, Scope 3 and the risk related to them.	95, 96
Metrics and targets (c)	Describe the targets used by the organization to manage the risks and opportunities related to climate change and the performance in relation to the targets.	92

This table indicates the pages of this Report that present the information recommended by the TCFD.

06

RELATIONS OF VALUE

- CUSTOMERS
- SUPPLIERS
- COMMUNITIES
- INVESTORS
- STAKEHOLDER MANAGEMENT



CUSTOMERS

Customer management at ENGIE Brasil Energia has two strategic roles: to **retain existing customers, based on a satisfactory commercial journey, and to maintain the Company's competitiveness, to attract other potential customers**. The relevance of this work has increased with the expectations surrounding the liberalizing of the Free Contracting Environment (ACL) to all high-voltage consumers – with the potential for adding more than one hundred thousand new customers. [GRI 3-3]

In 2023, the Company recorded a significant increase in the number of ACL customers, from 982 to 1,408, an increase of 43% over the previous year, reflecting the gradual liberalizing of the market in recent years, coupled with efforts to capture and expand market share. The decrease in the volume of energy registered in the same period is mainly due to the lower volume of energy purchases, and consequently, the lower volume available for sale.
[GRI 2-6; G4-EU3; SASB IF-EU-000.A]

Among the strategies adopted by ENGIE Brasil Energia is the acceleration of migration of companies to the ACL through digital solutions that facilitate the interaction of agents and automate the contracting of energy. E-conomiza, for example, is a product line for consumers looking to reduce costs. Through it, the process of migrating to the ACL has been simplified, especially for small- and medium-sized companies. Another advantage is that it increases the autonomy of these consumers, allowing them to self-manage energy supplies required for their businesses. [GRI 3-3]

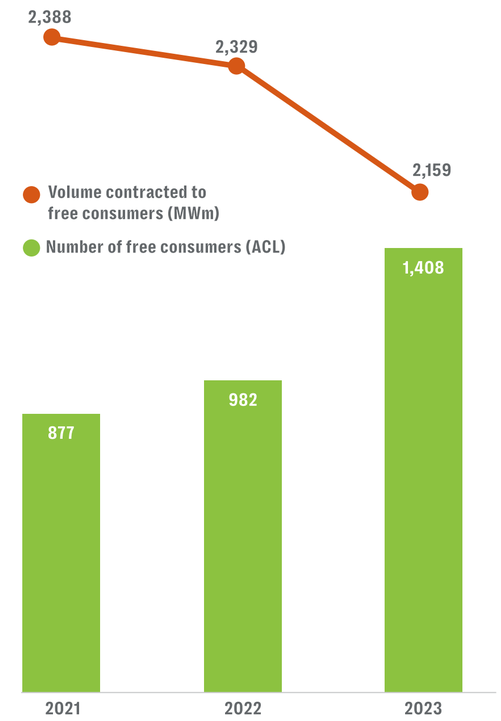
Also noteworthy is Energy Place, a digital platform created by ENGIE Brasil Energia to function as an energy e-commerce for all ACL agents. Here you can quote and buy short- and long-term energy and manage contracts and seasonalization strategies in a practical, agile and 100% digital manner.

Another initiative aimed at more effective customer management was the expansion of service channels in order to strengthen the relationship with the end customer. In addition to service via chat and messaging applications, ENGIE Brasil Energia has added new partners to the chain of representatives it has distributed throughout the country to generate business in the Free Energy Market. The aim is to increase sales capillarity and accessibility to a more personalized service. [GRI 2-29; 3-3]

The Company has also implemented a Customer Success project, which, among other measures, includes a monthly survey of customer samples to identify opportunities for improvement and support the planning of new actions. Each customer responds to the survey once a year. **The satisfaction rate in 2023 was 93.5%, 2.5 p.p. higher than in 2022**.

In addition to facilitating the acquisition of energy on the ACL, ENGIE Brasil Energia positions itself as a partner and supporter of companies seeking to decarbonize their

Number of customers and commercialized energy volume



operations. To this end, it offers solutions to offset emissions identified in the GHG Emissions Inventories, in three scopes: direct emissions (Scope 1), indirect emissions from the purchase of energy (Scope 2) and indirect emissions from sources over which the Company has no control (Scope 3).

The main solutions available for customer decarbonization are:

- **I-RECs (Renewable Energy Certificates):** certifies that electricity consumption is from renewable sources, with no GHG emissions. The certificate is internationally recognized and can be used to neutralize Scope 2 emissions.

- **ENGIE-REC (Renewable Energy Certificates):** allows free consumers, mainly large industrial or commercial companies, to sign a contract with ENGIE to guarantee that the energy consumed in their operations is being generated by a renewable source, free of greenhouse gas (GHG) emissions. With this, the consuming company can zero out Scope 2 emissions in its Inventory.

- **Carbon credits:** allow direct and indirect GHG emissions from scopes 1, 2 and 3 to be offset, including from periods prior to the current year of the GHG inventory. In 2023, 1,238,487 carbon credits were issued to the UNFCCC, linked to the Trairi wind project, which the Company can sell in the future.

In order to boost access to credits for small- and medium-sized companies, the Company this year signed its first venture capital investment contract in a start-up operation focused on this solution. The startup, Descarbonize, is a platform focused on services for neutralizing greenhouse gas (GHG) emissions by offsetting emissions with UN-certified carbon credits. The platform is integrated to automate and simplify the calculation and management of the annual emissions of small- and medium-sized companies, with solutions also for neutralizing events.

Highlights 2023

3,172 (+16%)
Consumer units served at the end of 2023

8.6% (-1.1 p.p.)
Market share in the ACL

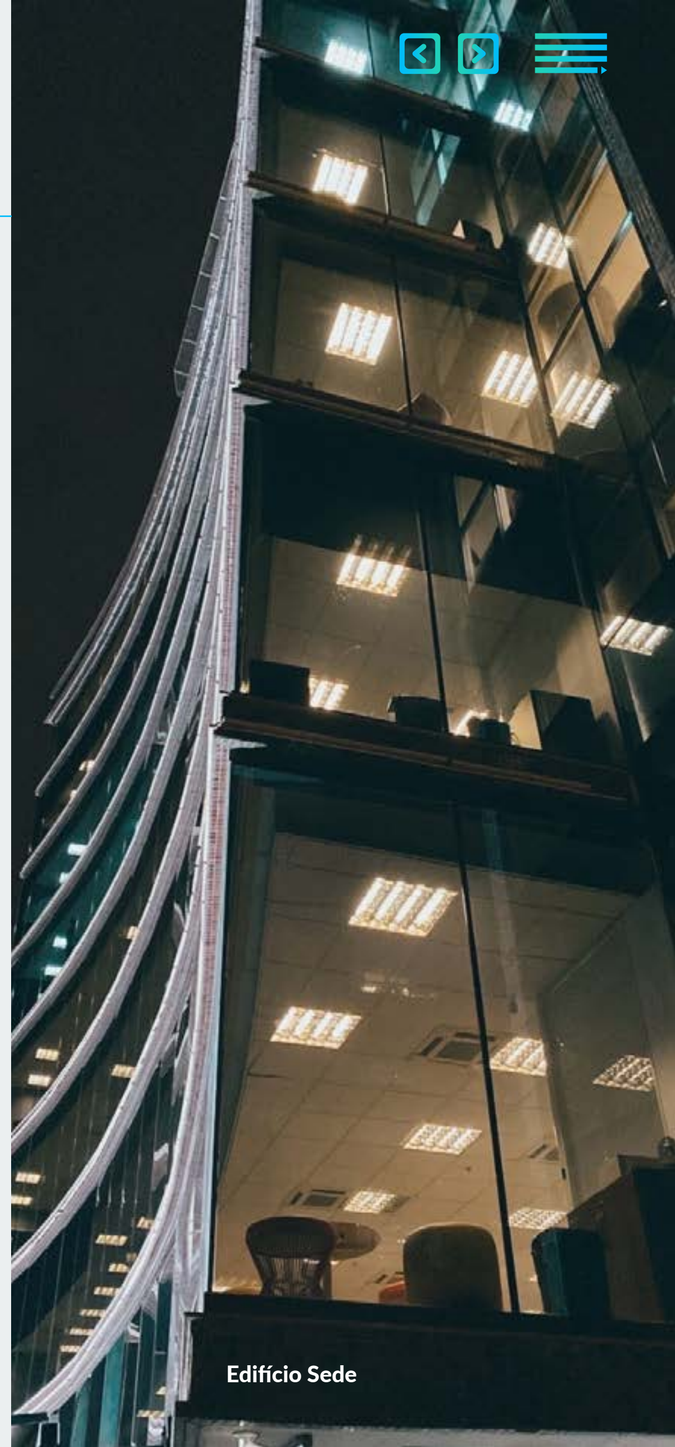
37%
Participation of free consumers in contracted sales which comprise net operating revenue from the generation segment

41%
Participation of Free consumers in 2023's physical sales

104.7 thousand tCO_2
Sold CERs in 2023 (Certified Emissions Reduction)

3.7 thousand GWh
sold RECs in 2023 (Renewable Energy Certificates)

93.5%
Customer satisfaction index in 2023



Edifício Sede

SUPPLIERS

[2030 Agenda Goals: 8.7, 8.8]

Aware of the importance that suppliers of goods and services have in mitigating impacts and risks, as well as in meeting the commitments made in relation to ethics and social responsibility, ENGIE seeks to continuously improve its relationship with this group of stakeholders to strengthen sustainability practices throughout the value chain.

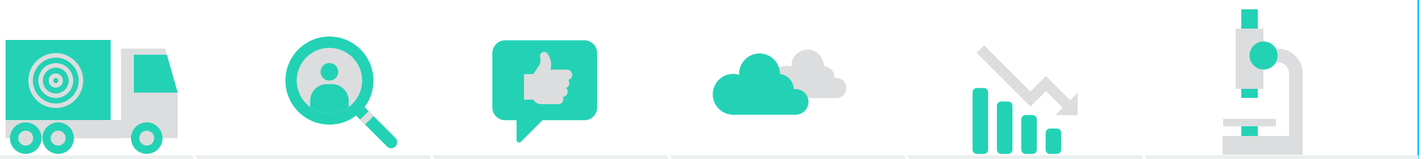
In 2023, one of the main initiatives in this regard was the application of a survey among suppliers to broaden understanding of their ESG policies and practices. A questionnaire responded via digital platform and supported by the provision of evidence revealed challenges in relation to the environment, health and safety, human rights and ethics, among other aspects. [GRI 2-29; 3-3]

Climate Engagement and stricter ESG requirement

Supplier management is of great importance in achieving the targets set by ENGIE Brasil Energia in its Journey for the Climate. In this context, the **Supplier Decarbonization Program** was established, aimed at reducing Greenhouse Gas emissions and intended to engage 100% of the Company's main suppliers – which account for 80% of Scope 3 emissions – to define their decarbonization and mitgation targets up to 2030. [GRI 308-2]

In 2023, webinars were held with the participation of suppliers, which amounted to approximately 60% of the Company's spend in the reference year of 2022, to raise awareness and engage suppliers in the ESG agenda. As well as addressing the climate issue, the events covered biodiversity, social responsibility, governance, ethics, sustainable purchasing and human rights. At the assets operated by the Company, quarterly meetings are also held with local suppliers to engage them in the ESG agenda.

The Company has begun **developing a more detailed program for managing ESG aspects in its supply chain to boost its ongoing actions**, and to be monitored by the Sustainability Committee. The aim is to stimulate a greater maturity among business partners and thus contribute to decarbonizing the supply chain and promoting actions with a positive impact on society. [GRI 308-2; 414-2]



Program steps	Target suppliers	Maturity diagnosis	Joining the program	GHG inventory	Reduction Action Plan	Alignment with science
Goal in 2024	Cover at least 80% of scope 3 emissions	Diagnose 70% of target suppliers	Have the support of 40% of target suppliers	25% of target suppliers with GHG emissions inventoried	Action scheduled for 2025	Action scheduled for 2025

Note: The targeted suppliers are those corresponding to 80% of GHG emissions in December 2023.

The information gathered in the survey, in addition to supporting risk mapping, generates a score that qualifies suppliers according to the degree of alignment they have with the Company's values and commitments. The score **obtained in occupational health and safety performance is also used for qualification purposes in bidding processes, a minimum score being required for participation when bidding for services performed at the Company's facilities.** [GRI 3-3]

The health and safety score is also given a minimum weight in these selection processes to ensure that those with the best performance in this area are given preference in contracts awarded. The data helps to understand the level of maturity of each supplier in relation to the ESG agenda and to plan actions aimed at the continuous development of these partners.

External audits of ISO certifications (9001, 14001, 45001) cover both the purchasing and supplier management process, as well as the activities carried out by service providers in the context of certified processes and assets (see scope of certifications on page 33).

In addition to the new research dynamic that began in 2023, ENGIE Brasil Energia already had mechanisms for evaluating and managing suppliers based on its **Due Diligence Policy**. This reflects the practices of the ENGIE Group, with measures that seek to mitigate risks of corruption and other deviations from the Company's environmental and human rights policies. In summary, this system includes: [GRI 308-1; 414-1]

- **Prior ethical analysis on the entry of any new supplier**, executed using an automated platform with big data resources, covering, among other things, environmental, social and ethical aspects (including measures involving embargos against countries deemed a risk, under the terms of the Company's and the ENGIE Group's Embargo Policy). The previous ethical analysis is reapplied across the entire supplier base on an annual basis.

- **Quarterly assessment of long-term or critical suppliers**, when they provide services within ENGIE Brasil Energia's facilities, covering four approaches: commercial, social, environmental and health and safety. The assessment is carried out by Company teams, who directly monitor the execution of the activities. In the event of poor performance, action plans are drawn up to address the points of correction and identified improvements, with the support and monitoring of the Company.

- **Evaluation conducted by an independent external company and with greater in-depth criteria for the "top 50" suppliers**, which receive larger volumes of funds in the year, observing criteria such as: convictions for acts of improbity, association with slave labor, notification in registers of unfit or punished companies, processes linked to environmental violations, among others;

- **Reputation monitoring**, using the "RepRisk" tool, for two supplier profiles: long-term suppliers and those receiving larger volumes of funds.

Unsatisfactory results in any of the above-mentioned stages of analysis disqualify the supplier from joining or remaining on the Company's list of business partners.

Tackling child, forced and compulsory labor

Committed to promoting human rights, ENGIE Brasil Energia does not tolerate the exploitation of child, forced or compulsory labor under any circumstances. As such, it refuses to enter into commercial relations with organizations involved in such practices and is instructed to report any cases of which it becomes aware to the competent bodies.

The conduct expected of employees, suppliers and partners in relation to this issue is described in ENGIE Brasil **Energia's Human Rights Policy** and **Code of Ethics**, which are widely disseminated to all stakeholders and accessible on the Company's website.

Supplier evaluation and development

[GRI 308-1; 414-1]

Supplier management initiatives are supported by ENGIE Brasil Energia's governance structure, policies, and guidelines. **In 2023, the Company published the Code of Conduct on Supplier Relations**, a document that internalizes, with some adaptations, the guidelines already adopted by the ENGIE Group, in order to guide ethical standards, ensuring compliance in these relationships. Other commitments and expectations relating to suppliers are set out in the Procurement Policy. [GRI 2-24; 3-3]

Supplier management procedures are continually reviewed to ensure alignment with the Supplier Relations Code of Conduct and to avoid conflicts with ESG requirements. In addition, the Company's procurement team and other employees directly involved in supplier relations receive regular training on their role in relation to these requirements.

The guidelines clarify that potential suppliers must be aligned with the Company's ethics and compliance principles as well as ensuring that they respect these commitments within their own supply chains, seeking ways to ensure that their own suppliers comply with the established requirements. In addition, the contracts signed by the Company include clauses on ethics, the environment and social responsibility, which formalize the alignment required of contractors with the values and commitments assumed by the Company in its Code of Ethics, Sustainable Management Policy, and other applicable guidelines.

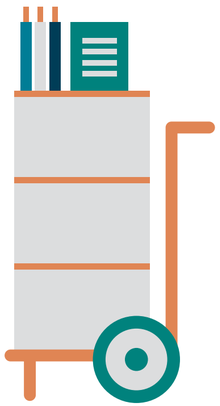
Throughout 2023, the Company maintained commercial relations with 3,993 suppliers. In addition, 2,081 new partners were registered to participate in quotations - 100% of them underwent a prior ethical analysis, in which social and ethical aspects are checked, and 90 (4%) were subject to a more rigorous assessment, including environmental, corruption and human rights risks. This analysis resulted in the deactivation of 225 suppliers due to infringement of rules in the Company's internal procedures. Among the main products supplied to the Company during the year were generators, turbines, and speed regulators for hydropower plants, as well as operation and maintenance services for wind farms and transmission lines, and software licenses. [GRI 2-6; 205-1; 308-1; 414-1]

In the period, around R$2.7 billion was paid to suppliers. Of this total, 99.3% went to companies based in Brazil, the Company prioritizing, whenever possible, the acquisition of inputs from companies in the states where the assets are located and seeking to boost the region's economy. [GRI 204-1]

Assessment and development of suppliers 2023

Total number of suppliers assessed through documentary analysis/ onsite assessments	**2,358**
% of leading suppliers assessed	**45.5%**
Number of assessed suppliers with substantial real/potential negative impacts	**132**
% of suppliers with substantial real/potential negative impacts with corrective action/plan for improvement agreed	**0.8%**
Number of suppliers with substantial real/potential negative impacts which were rescinded	**0**
Number of suppliers supported in the implementation of the corrective actions plan	**31**
% of suppliers assessed with substantial real/potential negative impacts supported in the implementation of the corrective action plan	**23.5%**
Total number of suppliers in skills training programs	**94**
% of suppliers in skills training programs	**27.8%**





More information and indicators related to the supply chain are available in the Complementary Folder.

COMMUNITIES

[2030 Agenda Goals: 4.7; 8.3; 10.2; 11.3; 11.A; 12.8; 17.17]

Social investment strategy

Social responsibility and sustainable development underpin ENGIE Brasil Energia's operations and its way of relating, especially in the communities of which it is a part, covered by the assets it deploys and operates. **In this sense, the Company seeks to position itself as an agent of social transformation, promoting actions and projects that bring quality of life and progress to these territories** - one of the commitments made by the Company in its **Sustainable Management Policy**.

In addition to nationwide structuring projects, the allocation of resources also takes into account demands previously mapped out with local communities, based on active listening to this audience (see more on stakeholder engagement on page 149). In this way, the planning of programs and financial support has a participatory bias, based on principles such as transparency, ethics and cooperation. [GRI 3-3; 413-1]

In 2023, around R$18.6 million was invested in socio-environmental projects, including voluntary investments, unrelated to the licensing process, in the regions where the projects are being implemented. The actions involve own resources and resources resulting from tax incentive mechanisms, as shown in the table below.

Investments in social responsibility (in R$ thousand)

Funding Sources	2021	2022	2023	Variation 2023 x 2022
Non-tax break investments related to operating assets or corporate programs	7,078	3,449	3,944	**12.7%**
Non-tax break and voluntary investments related to projects in implementation	4,601	1,389	4,394	**216.3%**
Investments with tax break resources* [GRI 201-4]	11,105	16,487	10,339	**-37.3%**
TOTAL	**22,784**	**21,375**	**18,677**	**-12.6%**

* Childhood and Adolescence Fund, Culture Incentive Law (Rouanet and Audiovisual), Sports Incentive Law, Municipal Fund for the Elderly, Pronon and Pronas/PcD

R$ 18.6 MILLION

invested in socio-environmental projects

The Private Social Investment Standard prohibits donations or engagement in initiatives of party-political character or of a sectarian, religious, sexist, racist or xenophobic nature, which violate respect for diversity. Likewise, it prohibits projects that do not comply with the **Code of Ethics and the Guide to Ethical Practices** and other Group Compliance Policies, notably the Ethical Due Diligence policy.

In conducting its social responsibility initiatives, ENGIE Brasil Energia also fosters associativism and cooperativism in order to build actions on a lasting and sustainable basis and improve the socio-economic conditions of the most vulnerable social groups. [GRI 413-1]

Priority areas in social investment

1 **Access to education and sport;**

2 **Protection of infancy and youth;**

3 **Income generation.**

The following are the main initiatives supported and developed in 2023, both within the scope of structuring programs and also specific actions focused on social impact. [GRI 413-1]



Mulheres do Nosso Bairro

Created in 2020 as a mechanism for dealing with the socio-economic effects of the Covid-19 pandemic, Mulheres do Nosso Bairro (Women of Our Neighborhood) has become one of ENGIE Brasil Energia's permanent programs. The aim is to promote gender equity based on four fundamental pillars: education, health, income generation and combating domestic violence.

In each edition, the Company makes financial transfers to support businesses led by women (cisgender and transgender) and offers free training in entrepreneurial education and business management.

The program also includes guidance on support networks, physical and mental health support and awareness-raising actions to combat violence.

In 2023, ENGIE launched the 4th Women of Our Neighborhood call for proposals, the largest since the program's inception. In all, 93 projects were selected to receive a financial incentive of R$10,000 each. In addition to supporting a significantly larger number of projects (in 2022, 36 initiatives were contemplated), the new call for proposals focused on the **empowerment of black women**, prioritizing businesses led by candidates declaring themselves to be black.

The scope of the Program was another highlight of the 4th edition: 23 Brazilian states had initiatives considered. One of the reasons for such a wide reach is that Women of Our Neighborhood is supported by the Goodwill Partnerships Program, another ENGIE Brasil Energia program, created to broaden the public impacted by its social initiatives (more details to follow).

The partners in the Program's 4th Call were: WEG, Goedert Group, Fort Atacadista, Portonave, Instituto Consulado da Mulher, Whirlpool Corporation, Voltalia, Jirau Energia, TAG - Transportadora Associada de Gás, Sebrae, Irani, Delas and Oiapoque Energia. To implement the Program's actions, the Company also has a partnership with the Maria da Penha Institute and the EduK education platform.

Mulheres do nosso bairro



93 PROJECTS

from 23 states selected for receiving financial incentives

Mulheres do Nosso Bairro 2023 edition in numbers

620 projects enrolled

93 selected

R$ 930 thousand invested

The selection of Women of Our Neighborhood projects considers, among other criteria, the economic viability of the business and its continuity after the contribution. Alignment with the Sustainable Development Goals and the potential to contribute to improving environmental conditions and the development of the local community were also considered.

The sustainability of the projects is supported by planned monitoring and training action. **In 2023, 33 female leaders of small businesses were trained by the Consulado da Mulher Institute through the management method for entrepreneurs, and a further three leaders of social innovation projects through the Social Good Brazil Institute with the Data Citizen, Business Mentoring and Data Laboratory courses.**

The numbers collected in the follow-up of projects that have already received incentives in previous editions demonstrate the Program's relevance:

- 80% of the selected enterprises declared to have seen an increase in sales following participation in the calls for proposals;
- The happiness index of the women with their businesses is 92%;
- 100% of the entrepreneurs feel more confident and prepared in managing their businesses;
- 100% of the businesses supported have met the targets and objectives proposed;
- In 40% of the cases, the business is already the main source of family income.



Tackling violence against women

In 2023, the combined efforts of Women of Our Neighborhood and the Goodwill Partnerships resulted in an intense campaign to **end violence against women**. The Lilac August campaign promoted talks at ENGIE Brasil Energia's headquarters in Florianópolis (SC) and in four other municipalities in Santa Catarina, with the involvement of 15 partner companies.

Conceição de Maria, co-founder of the Maria da Penha Institute, increased the awareness of the issue in an audience of approximately a thousand, women and men, by presenting data and reports on violence against women. She also provided guidance on the support and protection mechanisms available in each location.

Lilac August also included actions aimed at employees and local suppliers to ENGIE Brasil Energia's projects. Educational material and talks for raising awareness were delivered at the Itá, Passo Fundo and Machadinho hydropower plants and at the Umburanas Wind Complex.

Support for education

Motivated by the power of education to transform society, ENGIE Brasil Energia supports actions that promote social inclusion and improve the learning conditions of children and adolescents. **In 2023, the Company launched the 3rd Call for Educational Projects through which it recognizes and rewards innovative and inclusive educational experiences that benefit elementary and secondary school students**.

Combining the three editions already launched - 2021, 2022 and 2023 - it is estimated that more than 15,000 children and teenagers will be impacted in the municipalities where the Company operates. in total, the 3rd edition in 13 states, while this edition also saw partnerships with the companies, Voltalia and Oiapoque Energia, supporting four of the 35 projects selected.

A new feature of the call was the two-pronged approach - curricular education and education for the future. Candidates were therefore able to apply in two categories:

- Projects which contribute to the mental health and emotional intelligence of students;
- Projects which contribute to youth formation and insertion in the labor market.

Adherence to the Sustainable Development Goals (SDGs) was also a criterion for selection. Each winner will receive an incentive of R$10,000 to invest in their project. The recognized experiences will be monitored for 12 months.

3rd Call for Educational Projects

229 enrolled

35 selected

R$ 350 thousand invested

Chess for social inclusion

One of the projects supported by ENGIE Brasil Energia in its education support program has led to the creation of a Chess Club in the municipality of Sonora (MS), in close proximity to the Ponte de Pedra Hydropower Plant. In addition to the Club, which serves as a sporting and leisure option for the entire community, the project includes chess classes in the municipality's schools, during school hours.

Teachers have been trained to include this activity in the classroom. The Company's contribution to the project amounted to R$32,000, via the municipality's Childhood and Adolescence Fund.

Another initiative to support education was Professions of the Future. In a partnership with the edtech, Cubos Academy, ENGIE Brasil Energia offered f**ive thousand full bursaries** in technology courses, to be filled by June 2024. The beneficiaries are students from communities of which the Company is a part, in more than ten states in Brazil. The only requirement was that those interested should at least have a high school education. As well as technical training, the courses cover preparation for job interviews, behavioral skills, and techniques for highlighting the LinkedIn profile.

The action was planned based on necessities identified in dialog with stakeholders where a concern was raised as to youth unemployment in the communities. Its aim is therefore to **contribute to the training and employability of young people**, increasing their opportunities for professional placement. Up to 100 students who complete at least one introductory course in the program will be eligible for bursaries to further their studies in the desired area.

Dialog with Youth



The year 2023 was also marked by Dialog with Youth, a new initiative that seeks to broaden active listening in local communities through the engagement of young people and adolescents. ENGIE Brasil Energia conducted a pilot project in the vicinity of the projects operated by the Company on the Uruguai River, located on the Santa Catarina - Rio Grande do Sul state divide.

Local educational institutions took part in dynamics in which students from the 9th year of elementary school to the 3rd year of secondary school were encouraged to draw the world in which they would like to live. After visualizing their projections, they discussed the challenges that must be faced, globally and locally, if the sustainable future they had envisioned is to become a reality. They were also able to exchange views on the difficulties experienced by people of their generation in overcoming these challenges.

In addition to this reflection, sustainability experts hired by ENGIE Brasil Energia presented the **global challenges of sustainable development**, based on the UN's 2030 Agenda, and proposed, as a final exercise, that students indicate ways in which society can move forward in achieving the established goals.

The pilot project involved three municipalities - Machadinho, Entre Rios do Sul and Itá and an audience of around 290 young people, aged between 13 and 19. The results obtained will support the definition of socio-environmental actions for the regions of the power plants and will provide the guidance for new approaches for including young people in stakeholder engagement.

Dialog with Youth – pilot project

286 engaged young people

5 participating schools

3 municipalities

13 and 19 years
age group of the participants

Culture and Sustainability Centers

Set up and supported with sponsorship from ENGIE Brasil Energia in different regions where the Company's assets are located, the Culture and Sustainability Centers offer cultural, educational and recreational activities to local communities. **In doing so, the Company is effectively democratizing culture, making music, theater, cinema and other events more accessible to the population.**

The first Centers were opened from 2011, mostly funded by tax breaks, having an amphitheater, museum, library and spaces for workshops and exhibitions. They are managed by the communities themselves, through local associations, autonomously and independent of government and ENGIE.

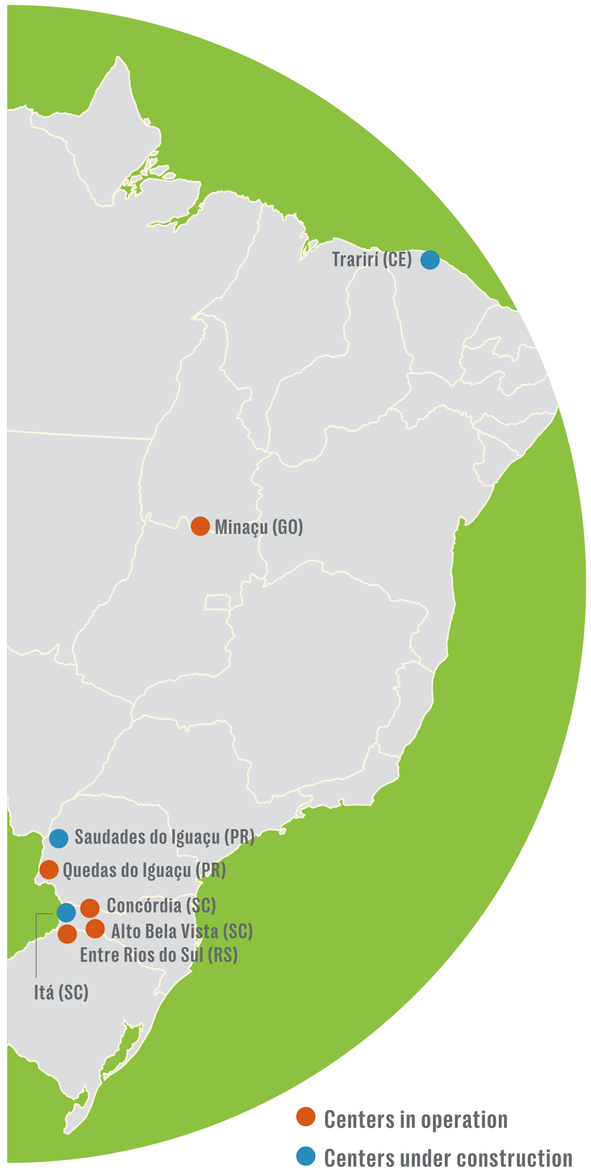
At the end of 2023, five centers were in operation (see map) and three were under construction: Trairi (CE), scheduled to open at the end of the first half of 2024, Saudade do Iguaçu (PR) and Itá (SC). It is estimated that more than half a million people have already visited the centers as well as more than 4,000 young people having been served by fully operational units in one form or another. For 2024, there are also plans to support two associations (Umburanas/BA and Estreito/MA) to repurpose their spaces and turn them into Culture Centers, expanding access to culture and social benefits for local communities.

As well as democratizing access to culture, the Centers promote the appreciation of local customs and traditions and social and digital inclusion. Consequently, they contribute to generating jobs and income and reducing urban and rural depopulation, especially among young people. **In all, ENGIE Brasil Energia has invested more than R$ 22 million in the construction and operation of these spaces.**

Support in 2023

R$ 1,3 million
invested in the construction of new Centers

R$ 769 thousand
invested in operating Centers



Sowing dreams

In 2023, children and teenagers from Entre Rios do Sul (RS) were able to take part in free workshops in ballet, capoeira, graffiti, English, karate, percussion, street dance and guitar. The action was made possible by the "Sowing Dreams" social project and the Entre Rios Culture Center. Around 350 students attended each week.

Opened in 2011, the Center has already provided more than 11,000 hours of activities for children, young people and adults. The municipality of Entre Rios do Sul is home to the Passo Fundo Hydropower Plant, operated by ENGIE Brasil Energia.

Parcerias do Bem

Combining the efforts and resources of ENGIE Brasil Energia's customers and partners of different sizes and segments, Parcerias do Bem (Goodwill Partners) has already been a vehicle for investing R$ 8.3 million in income generation, education and culture programs. More than 150 partnerships have been established since 2021, when the program was launched to broaden the scope of the Company's social responsibility initiatives.

By inviting customers and partners to engage in actions and projects with a social impact, ENGIE Brasil Energia is aligning itself with the 17th Sustainable Development Goal (SDG) of the UN's 2030 Agenda, which provides for "strengthening the means of implementation and revitalizing the global partnership for sustainable development". It is estimated that the existing partnerships have already impacted thousands of people across Brazil.

In 2023, Goodwill Partnerships made it possible to carry out various projects, with significant results - see the infographic below:

Great partners, great numbers

+ 100 partnerships established.

+ R$ 900 thousand invested in income creation programs (Women of Our Neighborhood).

+ R$ 1 million invested in educational projects.

+ R$ 3,5 million fully invested in cultural projects by partners or with a corresponding investment on the part of ENGIE Brasil Energia.

Parcerias do Bem

One of the initiatives has made it possible to train around one hundred professionals from various basic health units in the region of the Estreito Hydropower Power Plant, in Maranhão. The training, focused on the early diagnosis of childhood cancer, was offered through a partnership between ENGIE Brasil Energia and the McDonalds Institute. The aim was to raise the awareness and prepare professionals to identify the first signs and symptoms of the disease, increasing the chances of curing children and adolescents.

Also worthy of mention was an initiative focused on the ocular health of the population of Umburanas (BA), the location of the Umburanas Wind Complex. The partnership was agreed with EssilorLuxottica, a global leader in ophthalmic lenses, and provided eye tests for more than 400 education workers in the municipality. **After this service, 371 eyeglasses were donated to people needing corrective lenses**. This was the second edition of the initiative, the first in 2022 had already promoted the donation of 674 eyeglasses to students from the Umburanas public school system and residents in the Campo Largo (BA) community.



Capacitar

Another way ENGIE Brasil Energia has found to increase opportunities to support communities is Capacitar. The program, which has been in existence since 2016, offers free training to public and private entities, third sector organizations and community leaders in the municipalities in the area of influence of the Company's assets, so that these stakeholders understand and know how to use tax incentive mechanisms such as the Rouanet Law, the Sports Incentive Law, the Fund for the Elderly and the Childhood and Adolescence Fund.

Despite having as a guideline prioritizing these communities when allocating funds, ENGIE Brasil Energia is often faced with a shortage of projects suitable for funding. **Through Capacitar, communities are empowered to formalize and implement ideas that directly benefit their populations, enabling them to render the Company's investments viable in these locations**.

The program also raises awareness among personal taxpayers as to the possibility of contributing part of their tax bill to social causes. In all, Capacitar has already provided 40 training initiatives, including online and face-to-face courses and lectures, covering more than 10,000 participants in 13 Brazilian states. Around 6,000 program booklets have already been distributed.

In 2023, four training sessions were held, involving an audience of around 320 people. In Estreito, in the state of Maranhão, and Maceió, in Alagoas, the training events were face-to-face, bringing together around 70 and 100 participants, respectively. In Florianópolis, Santa Catarina, there was a hybrid edition, held in person at the headquarters of ENGIE and Celesc, and broadcast in real time to the communities of Navegantes and Itapoá, in Santa Catarina, as well as Porto Velho, in the state of Rondônia. This year, several partners were involved in publicizing and organizing the broadcasts - Algar, Ciser, Fort Atacadista, Malwee, Jirau, Multilog, Porto Itapoá, Grupo Portobello and Portonave. By the end of the year, the video of the event, available on YouTube, had already been seen by about 2,000 via ENGIE and Celesc channels combined.



40 TRAINING ACTIONS,

with more than 10 thousand participants, in 13 Brazilian states

Volunteer Program

Aware that volunteering not only transforms social reality, but also brings a number of benefits to those who practice it, ENGIE Brasil Energia maintains initiatives to encourage volunteer work among its employees. And **in order to coordinate its campaigns and projects more effectively and thus increase the engagement of its teams, it launched the Volunteer Program at the end of 2023**.

Even a short time after its launch, the Program already had 68 employees engaged in 243 hours of volunteering. **On another front, the Voluntary Energy campaign was continued. Since 2018, this has encouraged employees to make tax-deductible donations to socio-cultural projects or entities, such as nurseries, orphanages, hospitals and homes for the elderly**. By 2023, more than R$700,000 had been raised under this initiative.

Social action in implementation

The implementation of assets has a significant impact on local communities, including boosting the local economy, generating jobs, taxes, and income, while at the same time leading to an increase in population, heavy vehicle traffic, noise and temporary overloading of public services and equipment, among other consequences. This is the reason why this phase of the projects requires a closer look at the demands and opportunities for support mapped out with local stakeholders. In this regard, some initiatives were especially important in 2023 for the assets being implemented by ENGIE Brasil Energia. [GRI 3-3; 413-1; 413-2]

Serra do Assuruá Wind Complex – Gentio do Ouro (BA)

- **Training of local professionals with the aim of prioritizing the hiring of local labor for the jobs created by the construction work:** by the end of 2023, the project had mobilized around 2,000 workers, 900 of whom were local. The action was supported by Bahia's National Employment System (Sine).
- **Support for productive activities, including training in pest control in 13 communities:** more than 100 farmers were trained.
- **Donation of basic food baskets to the Quilombo Remnant Community** on Black Awareness Day and during the São João festivities.
- **Installation of solar panels and a pump to collect water** in the socially vulnerable Poções community.

Santo Agostinho Wind Complex - Lajes and Pedro Avelino (RN)

- **Construction begins on the Multipurpose Center in Lajes (RN)**, in partnership with the City Council. It will house youth and adult (EJA) and special education centers.
- **Construction of a classroom and renovation of a sports court** at the Cônego Antônio Antas Municipal School in Pedro Avelino.
- **Purchase of musical instruments** for the municipality of Lajes.
- **Purchase of solar panels for three community centers** in Pedro Avelino and Lajes.
- Purchase of furniture and electronic equipment for six schools in the rural area of Pedro Avelino, **benefiting 230 nursery and primary school pupils**. Laptops, printers, televisions, cupboards, whiteboards, drinking fountains and other items were donated.
- **Construction of a community center and renovation of a sports court in the Rio do Feijão community** in Pedro Avelino.
- **Refurbishment and furnishing of the community headquarters at PA 3 de Agosto**, in the rural area of Lajes. The building was equipped with solar panels

Other highlights

[GRI 413-1]

Assú V Photovoltaic Plant(RN)

Donation of meliponaries (boxes containing colonies of stingless bees) to residents living in the vicinity of the asset. **The aim is to enable the pollination and cultivation of honey directly in the homes of the beneficiaries, contributing to both income generation and the environment**.

Umburanas Wind Complex (BA)

The Complex ran electro-technical courses for training the local workforce at the wind farms.. **Offered in partnership with Vestas and SENAI, the course will train 25 professionals**, 50% of whom are women.

Estreito Hydropower Plant (MA)

- **Donation of materials for the Educational Program for Resistance to Drugs and Violence** - PROERD, organized by the police for children from both public and private schools in the municipality.
- **Purchase of a utility vehicle for the *Gotas de Esperança* Institute**, a non-profit organization that assists around 300 socially vulnerable children and adolescents in the city. The vehicle will be used to transport students participating in the after-school program.
- **Training for around 100 health professionals** in the early diagnosis of childhood cancer, in partnership with the McDonalds Institute (more details in Goodwill Partnerships).

Machadinho Hydropower Plant (RS)

- **Donation of teaching kits for robotics classes at the Muriam Piovezan de Lima Municipal School** in Machadinho. The action is part of the Educational Robotics Project, which provides after-school classes for students from 6th to 9th grade. The project also promotes teacher training.
- **Inauguration of the Art Therapy Studio of the Women's Cancer Network of Piratuba (SC)**. The space is part of the Art and Life project, developed by the Network in partnership with the Machadinho Consortium, Sicredi UniEstados and City Hall, and offers craft workshops to patients undergoing treatment.

Florianópolis (SC)

- **Sponsorship of the Nosso Bairro Program, which promotes cultural projects in the area surrounding the Company's headquarters**. The aim is to contribute to access to education, culture and other needs of young people and children in situations of social vulnerability. **In 2023, 60 children took part in percussion workshops**. The instruments and the entire structure needed to execute the initiative, were made possible by the Company and other companies, via the Culture Incentive Law.

Curitiba (PR)

- **Financial support, in the amount of R$ 100,000,00 via the National Program to Support Oncological Care (Pronon), for a project at the Pequeno Príncipe Hospital known as** Precision Medicine in Oncopediatrics: Liquid Biopsies in Nervous System Tumors. **The project aims to predict which patients will not respond to treatment and will develop tumor progression or recurrence in the Central Nervous System**. Currently, the prediction of the response to treatment depends on the type of tumor and conventional prognostic factors, such as age and stage of the disease, with monitoring based on clinical and imaging tests, which are not always accurate in assessing the behavior and evolution of the tumor and the effectiveness of the treatment.

INVESTORS

ENGIE Brasil Energia's relationship with its investors is based above all on transparency and trust. **Aware of its responsibility to conduct business in a sustainable, ethical, and upright manner, the Company reports results in a systematic manner, striving to provide information related to all aspects of its operations, without limiting itself to financial results**.

Some guidelines for this relationship are set out in the **Disclosure of Information and Trading Securities Policy**. All material facts, announcements of results, notices to shareholders and other communications to the market, in addition to being made available in the **"Investors" area of the Company's website**, are disclosed on the websites of the Brazilian Securities and Exchange Commission (CVM) and B3.

At the end of 2023, ENGIE Brasil Energia surpassed the 300,000-shareholder mark, an increase of 9.8% over the previous year. All shareholders, whether legal entities or individuals, receive equal treatment in terms of access to information on strategy, governance, risks and business performance, among other matters of potential interest to shareholders and investors. [GRI 2-6]

And to strengthen this relationship and make it even more transparent and participatory, regular meetings are held with investors and market analysts to present and discuss results and strategies. Every three months, videoconferences are held focusing on quarterly results. In addition, "Inside ENGIE Brasil Energia" is held annually, this a public meeting to discuss the results, strategies, opportunities and challenges facing the Company and the Brazilian electricity sector, broadcast live on the Company's YouTube channel. [GRI 2-16; 2-29]



Interactions with investors 2023

142 analysts and institutional investors attended via conferences (onsite and video) and non-deal roadshows.

Approximately an audience of **5.5 thousand** at the quarterly results video-conferences.

3 lives with a focus on the personal investor.

About **2 thousand** participants at the Inside ENGIE (40 onsite).

More than **55 thousand** visits to the investor website during the year.

STAKEHOLDER MANAGEMENT

For ENGIE Brasil Energia, effective stakeholder management is an essential tool in the design and execution of corporate strategy, not only because it makes it possible to manage a series of risks, but also because it is possible to capture opportunities on different fronts - from the diverse perspectives that characterize the broad spectrum of stakeholders with whom the Company relates. By being consulted and engaged, each of these stakeholders contributes to the continuous improvement of policies and practices.

In this sense, openness to dialog plays a fundamental role, reflected both in the provision of information of interest to stakeholders and in active listening to their perceptions. To this end, ENGIE Brasil Energia maintains structured organizational communication practices.

Various **communication platforms seek both to keep the public properly informed about the Company's activities and to capture their requirements**. Employees, for example, can rely on content disseminated via the intranet portal, newsletter and internal social networks, special campaigns, events and a range of information materials. Frequent climate surveys (ENGIE & ME - see Chapter 4), meetings with leaders and

Engagement with Stakeholders at ENGIE Brasil Energia



GOVERNANCE OF ENGAGEMENT WITH STAKEHOLDERS

- Management governance.
- Identification of stakeholders.
- ESG Metrics and Good Practices.
- Stakeholder prioritization
- Definition of resources, frequency of dialog and communication with stakeholders.



STRATEGY AND MANAGEMENT OF ENGAGEMENT WITH STAKEHOLDER

- Determination of interest and influence.
- Definition of initiatives, means and channels for identifying perceptions and expectations.
- Grouping and categorization of impact themes.
- Materiality diagnosis.
- Prioritization of actions according to material ESG topics.
- Bi-annual strategic planning for engagement with stakeholders.



MANAGEMENT, ACTION PLANS, RISKS AND IMPACTS

- Execution, monitoring and review of action plans.
- Risk controls for relationships with stakeholders.
- Risk controls to the Company's reputation.
- Measurement of initiatives with performance and impact metrics.



COMMUNICATION INITIATIVES

- Preparation of a communication plan defining territories with thematic and geographic areas.
- Proactive relationship with local, national and sectoral press.
- Definition of means and channels for dissemination and engagement of a personal, spontaneous or advertising nature.
- Disclosure of initiatives, performance and impact to stakeholders.

focus groups with specialists in the People Management and Culture areas are also mediums for listening to audiences in the local community. [GRI 2-29]

Integrated in the local communities, employees take part in the Sustainability Panels held to engage the population of the regions in which the Company operates. The last edition of the Panels, held in 2022, covered nine municipalities - eight in the area of influence of hydropower plants and one in Florianópolis, in the state of Santa Catarina, where the Company's head office is located. Together, these events brought together around 430 people - 30% of whom were employees, both direct and outsourced. In addition to the inhouse public, community leaders, educators, local suppliers, and representatives of third sector entities and bodies were invited to indicate the positive and negative impacts of the presence of the Company in each territory, as well as its potential to contribute to sustainable development. In parallel to the panels, individual interviews were held with other members of these communities - especially local government managers - to broaden the listening process. Find out more on page 148 - About the Report. [GRI 2-25; 2-29]

Structured dialogs with communities, usually held every two years, are added to other ongoing interaction platforms, both in operational assets and in projects under implementation. **These platforms include ombudsmen - accessible by phone, e-mail or messaging apps - toll-free telephone lines and e-mail addresses for contact and clarification of doubts**. In addition, field teams and local managers remain attentive to community demands and most of the assets are open to visitors through the **Connection Program** - see more on Page 82. [GRI 2-25; 2-29]

In the assets under implementation - the phase when operations will have the greatest impact on the local community - stakeholder management has been continually improved to ensure that complaints received through the various channels are duly recorded, assessed, and addressed. In addition, the use of technology has boosted this management, through tools that make it possible to analyze data on mapped organizations and interactions with individuals interested in/impacted by the project. Analysis on a case-by-case basis for the records of each interaction and various visual graphics, facilitate decision-making.

The success of this model has led to its adoption in projects under implementation, where the relationship with stakeholders begins even before construction starts, through public hearings dedicated to presenting the project to the local community. On another front, environmental education initiatives and social responsibility projects are important platforms for engagement, enabling the external public to learn more about the Company's activities and their impacts. [GRI 2-25; 2-29]

These interactions make action plans richer and more assertive, especially socio-environmental initiatives, based on the demands presented by the people closest to the operations. **On the basis of this dialog, ENGIE Brasil Energia develops action plans that guide its relationship initiatives and support for the communities around its activities**. One of the Company's non-financial objectives is the commitment to ensure that 100% of its assets and projects include social action plans based on a wide-ranging dialog with stakeholders in accordance with ENGIE Group methodologies. [GRI 2-25; 2-29]

In addition to the audiences already covered in this Report - employees, communities, customers and suppliers - the Company seeks to engage various other stakeholder groups. Entities representing the segments in which it operates, universities, representatives of the government in all its spheres, the press and non-profit organizations, among others, are part of ENGIE Brasil Energia's stakeholder map. Relations with all of them are based on ethics and cooperation.

The following table summarizes the principal means of interaction and topics touched on with the main stakeholders. [GRI 2-29]

Stakeholder group	Relevant topics for engagement	Main sources of communication/engagement
Customers	• Quality of service. • Customer experience and satisfaction. • Complaints and incident management. • Personalized products/solutions. • Information on products that include socio-environmental requirements.	• Conversations to develop solutions/business. • Platforms and purchasing processes. • Commercial team interactions / Events. • Alliances and partnerships. • Digital channels (website, social networks, app, blog). • Non-face-to-face channels (telephone, e-mail). • Satisfaction surveys. • Complaints channels. • Cooperative social projects (Goodwill Partnerships Program). • Ethics channel.
Employees	• Health and safety at work. • Diversity, equity, and inclusion. • Attracting, developing, and retaining talent. • Corporate culture (purpose, values, etc.). • Career plan and benefits. • Well-being actions.	• Daily interactions between peers. • ENGIE&Me climate survey. • Diversity census. • Meetings with leaders. • Intranet, newsletters, and management platform. • Ethics channel.
Labor Unions – Employee representatives	• Health and safety at work. • Career plan and benefits. • Well-being actions.	• Direct contacts with area responsible for the negotiation of collective agreements.
Investors	• Economic and financial performance. • ESG performance and rating. • Share prices and dividends. • Investments and new business. • Impacts of operations. • Strategies for ESG-related claims. • Ethical business conduct. Risk management.	• Investor Day / Inside ENGIE. • Results videoconferences. • Investor surveys. • General and Extraordinary Shareholders' Meetings. • IR website (exclusive channel). • Digital channels (website, social networks, app, blog). • Non-face-to-face channels (telephone, e-mail). • Content published in the press. • Ethics channel.
Community	• Impact on community development (employment, investments, taxes, local purchases, etc.). • Social responsibility actions. • Environmental actions. • Investments in the infrastructure of the region where the project is located.	• Community meetings. • Public hearings. • Ombudsmen (in the field, on the phone, by e-mail). • Face-to-face assistance from local teams. • Alliances and partnerships with local organizations. • Digital channels (website, social networks, app, blog). • Content published in the press (national and local). • Sustainability panels. • Ethics channel.

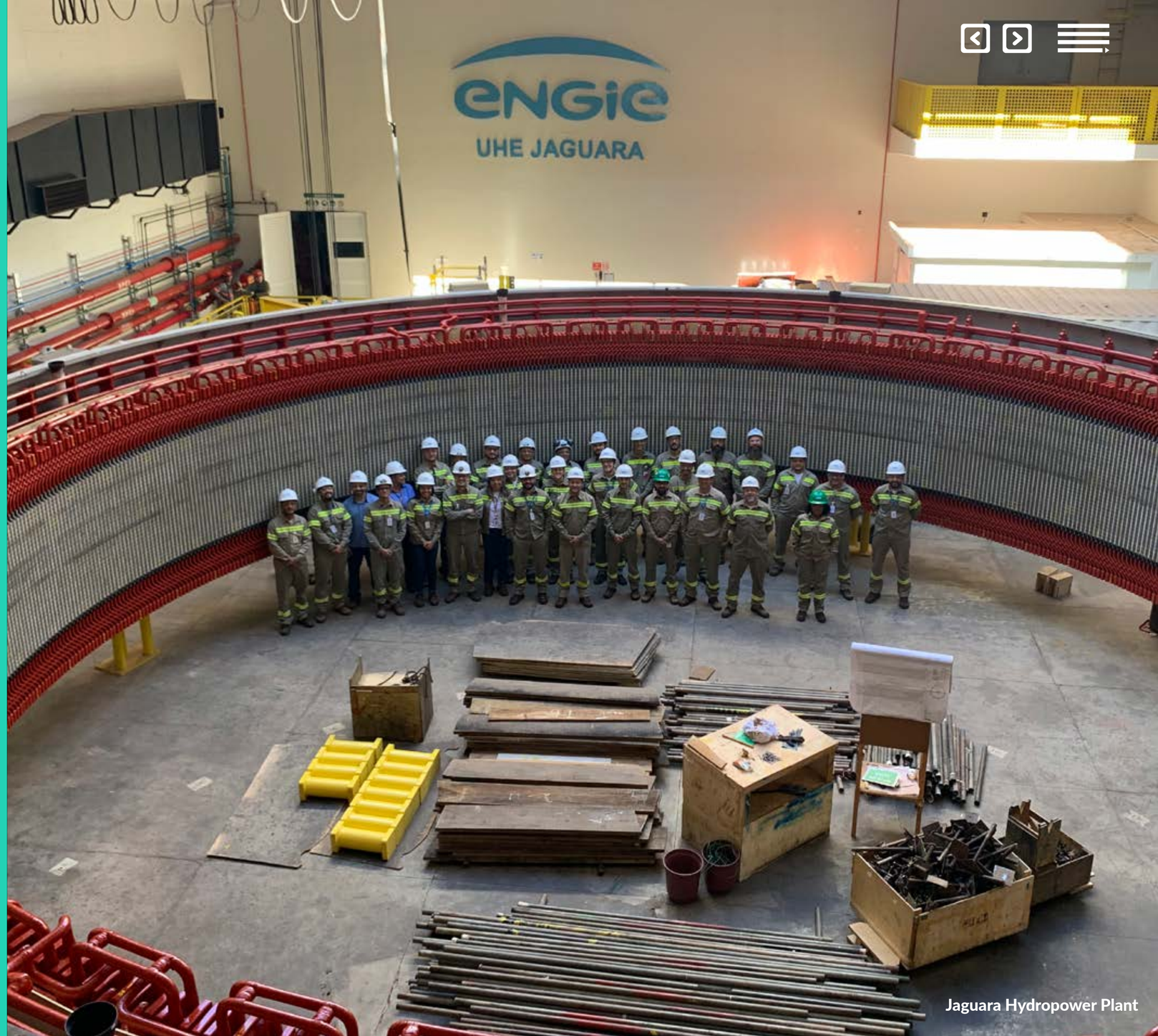
Stakeholder group	Relevant topics for engagement	Main sources of communication/engagement
Suppliers	• Sustainability in the supply chain. • Contracting and payment methods. • New projects. • Actions to support the qualification of suppliers.	• Supplier registration and evaluation platform. • Supplier portal. • Contract managers. • Ethics channel.
Press / Opinion formers	• ESG, economic, operational, and financial performance. • Social impact and contribution. • New projects and operations.	• Corporate website. • Direct contact with local teams. • Events. • Publications / Press Office. • Digital channels (website, social networks, app, blog).
Public sector – Executive Branch	• Transition to a low-carbon economy. • Data on the operation of projects. • Quality of operations. • Expansion of investments. • Economic and financial performance. • Generation of employment and income / taxes.	• Meetings, letters, public hearings.
Public sector – Legislative Branch	• Issues related to business segments, environmental conservation and socio-economic development.	• Meetings, letters, hearings and public consultations.
Public sector – Judicial Branch	• Compliance with environmental regulations. • Compliance with conditions. • Support for society. • Local investment.	• Contact with local teams. • Notifications for clarification.

Stakeholder group	Relevant topics for engagement	Main sources of communication/engagement
Regulatory Bodies	• Compliance with environmental regulations. • Compliance with conditions. • Support for society. • Local investment.	• Contact with local teams. • Notifications for clarification.
Supervisory bodies	• Compliance with environmental regulations. • Compliance with conditions. • Support for society. • Local investment.	• Contact with local teams. • Notifications for clarification.
Local Development Forums	• Sustainable local development / Economic and financial performance	• Meetings and events.
Hydrographic Basin Committees	• Management and conservation of water resources.	• Meetings and events.
Representative entities	• Economic and financial performance. • ESG performance and rating. • Investments and new business. • Impact of operations. • Improving infrastructure conditions and business competitiveness	• Meetings and events.
Third sector organizations	• ESG, economic and financial performance. • Social and environmental impact and contribution. • New projects and operations.	• Meetings and events, sponsorships, and donations.

07

FINANCIAL AND OPERATIONAL PERFORMANCE

- MACROECONOMIC CONTEXT
- SECTOR CONTEXT
- OPERATIONAL PERFORMANCE
- ECONOMIC-FINANCIAL RESULT
- INNOVATION



Jaguara Hydropower Plant

MACROECONOMIC CONTEXT

The global macroeconomic outlook in 2023 can be summarized in two ways. The first, which is positive, is that global inflationary pressures, which have haunted the markets in recent years, have cooled, bringing a little more stability to prices. This allows for less restrictive economic and monetary policies in the medium term, which in turn brings economic growth. On the negative side, geopolitical issues, already complex in 2022 due to the Russian-Ukrainian conflict, have taken on new contours with conflicts in Israel and neighboring territories, generating more instability and the possibility of new inflationary escalations. The overall scenario was one of very modest economic growth.

The Brazilian economy in 2023 performed slightly better than forecast by economists and the market, with more controlled inflation and a cut in interest rates. Gross Domestic Product (GDP) grew by 2.9%, helped by the good performance of the formal labor market and agribusiness. The country turned in a super harvest, benefiting from still higher commodity prices on the international stage. While in 2022 most of the contribution to GDP came from industry and services, in 2023 there was a boost from agribusiness and extractive activities. The industrial and services sectors continued to be affected by continuing high interest rates.

Inflation fell gradually and ended the year at 4.62%, therefore within the target set by the authorities (up to 4.75%). The appreciation of the Real and the commodity price shock, which rose by around 20% in 2022 and fell in 2023, pushed the price index down, as did the increase in food supply. The PTAX dollar ended the year at R$4.84, 7.1% lower than at the end of 2022, when it stood at R$5.21.

Weakening inflation allowed the Central Bank to begin a downward cycle of reducing Selic rates with the first cut announced in August. Although continuing high, the basic interest rate began 2023 at 13.75% but ended the year at 11.75%, with signs of further easing ahead.



By the end of 2023, the Gross Domestic Product (GDP) grew

2.9%

and the basic Brazilian interest rate (SELIC) was 11.75% a.a.

SECTOR CONTEXT

The fall in electricity consumption in advanced economies restricted the growth in global energy demand in 2023. Consumption grew by 2.2% in the year, lower than the 2.4% increase seen in 2022. While China, India and several Southeast Asian countries recorded robust increases in consumption, the advanced economies saw substantial falls due to the decelerated macroeconomic environment and high inflation, which reduced industrial production more particularly.

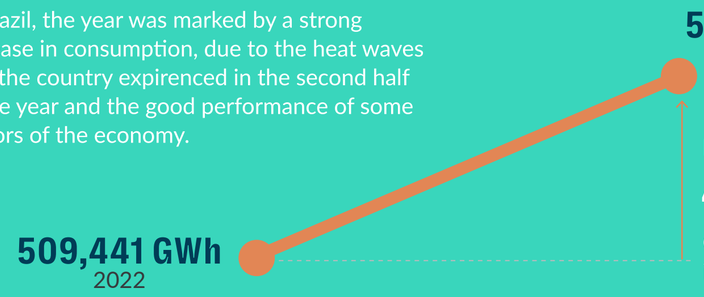
In 2023, one of the most debated themes in the area of sustainable economic development, which has renewable energy as a central element, is powershoring, which consists of attracting industries - where energy consumption represents a large component of both cost and negative externality - to locations where low-carbon energy availability is ample, reliable and competitive, in a move to reposition global production chains. Brazil, given its great potential in renewable energies, has sought to position itself globally as a destination for these companies, combining respect for and protection of the environment with economic development. [GRI 201-2]

In Brazil, the year was marked by a sharp increase in consumption, due to the heatwaves that swept across the country in the second half of the year and the good performance of some sectors of the economy. According to data from the Energy Research Company (EPE), annual electricity consumption in the country was 531,013 GWh, an increase of 4.2% compared to 2022, when it reached 509,441 GWh. Compared to December 2022, the increase in consumption was 9.1% - growth in both the regulated (8.6%) and free (10.0%) environments.

Residential consumption grew by 7.6%, commercial consumption by 5.6% and industrial consumption by 2.0%. With regard to the country's regions, the highlights were the above-average increases in the North (7.7%), Northeast (7.5%) and Midwest (5.2%). The South (3.4%) and Southeast (2.7%) recorded more modest increases.

Increases annual electricity consumption in the country

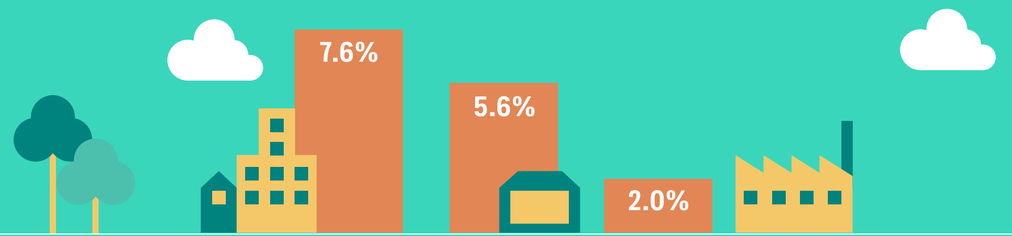
In Brazil, the year was marked by a strong increase in consumption, due to the heat waves that the country expirenced in the second half of the year and the good performance of some sectors of the economy.



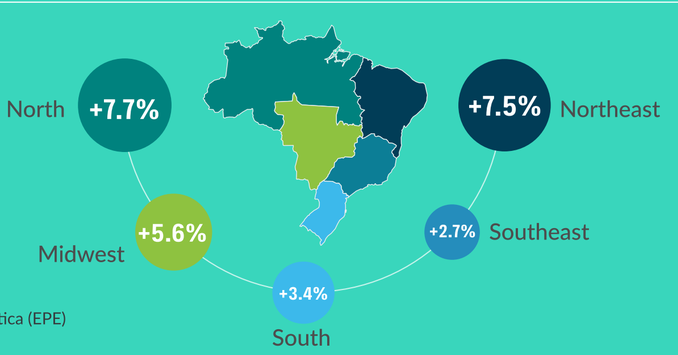
Increase of
4.2%

Compared to December 2022, the increase in consumption was 9.1% - growth that occurred both in the regulated (8.6%) and free (10.0%) contracting environment.

By sector



By region



Source: Empresa de Pesquisa Energética (EPE)

Sector and regulatory debates

The Company participates, either through associations or individually, via formal public consultations, in sector debates with regulatory bodies. Engagement with regulators is always conducted publicly, respecting procedures for interactions with authorities, such as the Code of Ethics and the Guide to Ethical Practices.

The Regulatory and Market Affairs Management is responsible for managing sectoral and regulatory debates at ENGIE Brasil Energia, reporting to the Chief Regulation and Market Officer, who is part of the Executive Board. Acting directly or through associations, and always in partnership with the areas responsible for the topics under discussion, its duties include monitoring, analysis, reporting and information on the evolution and critical points of regulatory matters and bills that impacts the Company.

The following table lists the main regulatory issues that the company will monitor in 2023. A list of all the associations to which the Company is a member and the amounts spent on contributions to these associations is published in the Complementary Folder.

Topic	Why the topic is important to ENGIE Brasil Energia	Company's position
Green Hydrogen regulatory framework (Bill 2.308/23).	The milestone aims to establish the regulatory foundations for low-carbon hydrogen in Brazil, which will influence the development of the domestic market and its competitiveness in the global hydrogen market. The ENGIE Group sees great potential in Brazil for developing the chain.	By monitoring this area, the objective is to leverage opportunities to develop projects to produce green hydrogen and its derivatives, both for export and to meet domestic demand from Brazilian industries seeking to decarbonize their production processes.
Bill 365/22	PDL 365/22 seeks to suspend Aneel's normative resolutions for dealing with adjustments to the methodology for allocating transmission costs in Brazil. Annulling normative resolutions, drawn up after years of discussion with society, would bring legal uncertainty to the Brazilian electricity sector.	ENGIE Brasil Energia supports Aneel in the need to suspend PDL 365/22, in order to protect the Brazilian electricity sector, as well as the tariff methodology approved by Aneel, with a view to better allocating transmission costs in Brazil.
Enhancement of services rendered by the hydropower plants	In addition to generating energy, hydropower plants provide flexibility and reliability for the electricity system. These attributes, inherent to the Company's hydropower plants and several others in the National Interconnected System, are not properly remunerated, even though they are extremely important in the context of the growth of intermittent renewable generation sources, such as solar and wind power.	The company is in favor of additional remuneration for ancillary services and flexibility that power plants provide in addition to generating energy.
Export of hydropower to Argentina and Uruguay	The export of electric energy allows for a reduction in spilled hydropower from the plants, with corresponding increase in revenue for Brazil.	ENGIE Brasil Energia defends the export of spilled hydropower, providing greater efficiency to the system, benefits to national entities, and decarbonization - given that the acquisition in Brazil will reduce the demand for thermal generation in another country.
Reducing taxes on products in keeping with a low-carbon green economy (Bill 2148/15).	ENGIE Brasil Energia's purpose is to act to accelerate the transition towards a carbon-neutral society through reduced energy consumption and more sustainable solutions. In this way, it remains alert to market opportunities, consolidating the Company in a privileged position, in the country and in the world, to respond to the challenges and opportunities involved in the decarbonization movement, supporting other companies and sectors to decarbonize their own operations, through a portfolio of 100% renewable generation, carbon credits and renewable energy certificates of origin. The entire framework of products and solutions on offer not only facilitates the transition to cleaner energy sources, but also promotes a business ecosystem that is more adherent to sustainable principles.	The Company considers it fundamental, and has worked with energy sector entities, to create public policies aimed at establishing a regulated carbon market that will help Brazil meet its commitments under the Paris Agreement and also with the objective of limiting the increase in global temperatures. ENGIE defends the idea of a market of a multi-sector nature, with an efficient and competitive regulatory governance structure at a global level, offering legal certainty to users and transactions. It also supports the creation of properly regulated technical guidelines and parameters to cover all generating sources of credits.

In 2023 ENGIE invested around R$1.2 million in associations and research centers in order to take part in discussions on issues in the electricity sector such as the regulatory framework for Green Hydrogen (Bill 2.308/23), the reduction of taxes for products suitable for the green, low-carbon economy (Bill 2148/15), the appropriate signaling of transmission costs in Brazil (PDL 365/22), the valuation of services provided by hydropower plants and the export of hydropower to Argentina and Uruguay. The list of regulatory partners is on page 182 of the Complementary Folder.

Prohibition on funding of party-political activities

As in recent years, in 2023 no donations or associations were made to, or entered into with political parties or agents, or to political campaigns of any kind. The **Company's Guide to Ethical Practices** disapproves of influence peddling and does not tolerate any financing of political activities, even in countries where such financing is authorized and lawful. In Brazil, political donations by legal entities have been prohibited since the passing of Law 13.165 of 2015. [GRI 415-1]



Regulatory Risks

Summary: The Company is subject to comprehensive legislation and regulations imposed by the Federal Government (more directly by the Ministry of Mines and Energy), by the National Electric Energy Agency (Aneel), as well as being exposed to the effects of any changes in legislation or regulations currently in force with respect to its business and operating results. The risk is also related to penalties imposed on the Company for non-compliance with any provision of the Company's concession and authorization contracts. Another aspect of the risk is linked to regulations which do not directly affect the Company's business, but which influence the competitiveness of its assets or the sector in general.

Impacts in the event of materialization: Changes in obtaining authorization to operate assets or sell energy, changes in licensing processes/maintenance of licenses, or operational changes, such as energy production levels that the Company's plants are able to generate.

There are also impacts from any penalties the Company may receive - in extreme cases, these could lead to the revoking of the authorization or concession of assets.

Another impact is the non-evolution, or involution, of agendas that are not aligned with the Company's purpose of transitioning to a carbon-neutral economy, which may even jeopardize the operationalization of the strategy (see Strategy Operationalization Risk on page 13).

Means of mitigation:

- Proactive action in monitoring and discussing regulations, either through associations or individually, via public consultations.

OPERATIONAL PERFORMANCE

Generator complex uptime

In the 12 months to 2023, considering all scheduled and forced shutdowns, **the plants operated by ENGIE Brasil Energia recorded an uptime index of 92.6%, 93.7% for hydropower plants and 87.5% for plants fired from complementary sources**. [GRI G4-EU30]

Compared to 2022, there was a reduction of 1.5 p.p. in overall uptime, reflecting a drop of 1.5 p.p. and 0.8 p.p. in the uptime of hydropower plants and complementary plants, respectively. For comparison purposes, the Pampa Sul Thermoelectric Plant was not considered in the light of its disposal in May 2023. [GRI G4-EU30]

Reduced hydropower and complementary plant uptime were largely a reflection of the modernizing work on the Jaguara and Miranda hydropower plants, as well as corrective maintenance on wind turbines at Campo Largo and Umburanas.

Transmission system uptime

ENGIE Brasil Energia recorded a near-perfect operational performance in the Gralha Azul and Novo Estado Transmission Systems, reaching overall uptime of 99.95% in 2023. The implementation of these transmission assets was concluded in February 2023.



Energy Production

In 2023, the overall generation of the plants operated by ENGIE Brasil Energia was 43,662 GWh (4,984 average MW), 2.1% more than in 2022 - 42,778 GWh (4,883 average MW), disregarding the generation of the Pampa Sul Thermoelectric Plant, given its disposal in May 2023.

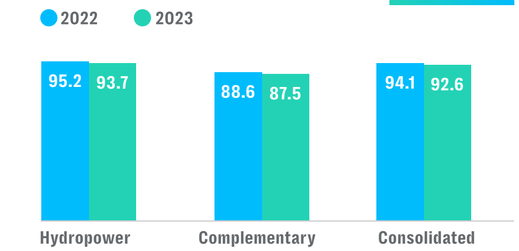
[GRI 2-4; G4-EU2; SASB IF-EU-000.D]

In the case of hydropower plants, production in 2023 was 37,171 GWh (4,243 average MW), 1.8% higher than the previous year, a reflection of the occurrence throughout 2022 of the La Niña weather phenomenon, which persisted until the beginning of 2023. During this period, heavier rains were recorded in the North, combined with drier periods in the South of the country. From the second half of 2023 onwards, the presence of the El Niño phenomenon was established, when the predominance of rainfall was more intense in the South, favoring maximum generation at the plants in this region. As a result, due to the opposing climatic regimes in 2022 and 2023, there was an alternation of favorable hydrological periods, so that the annual average between the two years was very similar. [GRI G4-EU2; SASB IF-EU-000.D]

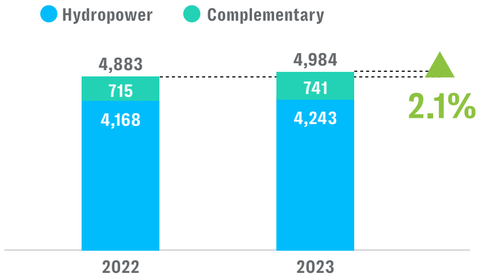
At the complementary plants, energy production in 2023 amounted to 6,492 GWh (741 average MW), 3.6% more than the previous year. This higher production was mainly due to the start-up of the Santo Agostinho Wind Complex and the full-year accounting of the Paracatu and Floresta photovoltaic complexes, acquired in March 2022. [GRI G4-EU2; SASB IF-EU-000.D]

Worthy of particular note is that an increase in the Company's hydropower generation does not necessarily result in an improvement in its economic and financial performance. Likewise, a reduction in this type of generation does not necessarily imply a deterioration in economic and financial performance. This is due to the application of the Energy Reallocation Mechanism (MRE), which shares the hydrological risks inherent in hydropower generation between its participants.

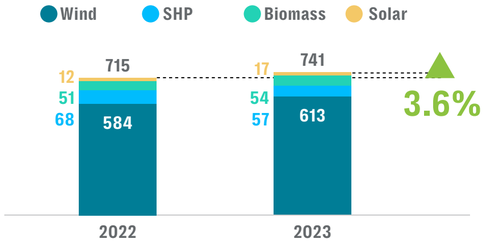
Generator complex uptime

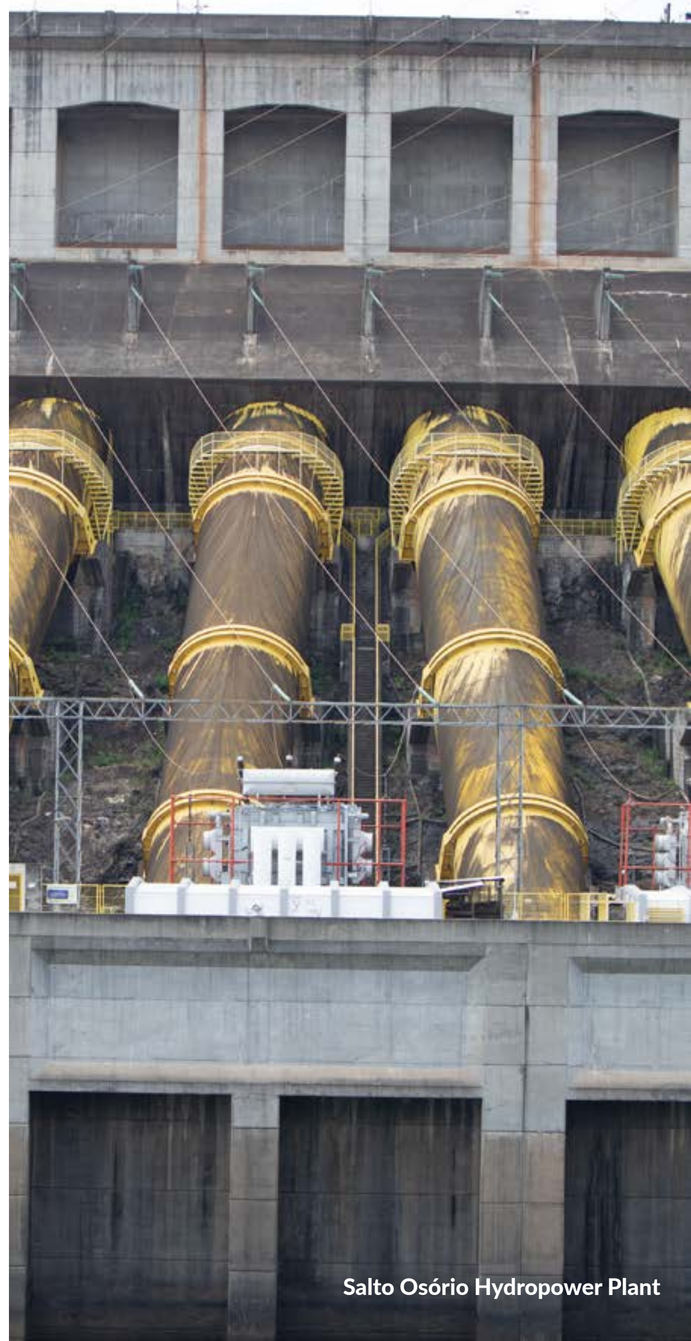


Energy generation (average MW)



Energy generation – Complementary sources (average MW)





Salto Osório Hydropower Plant

Modernization of the generator complex

Essential for ensuring operational efficiency, the modernization of hydropower plants is an important area of investment for the Company. In 2023, the modernization projects for the Salto Osório (PR), Jaguara (SP) and Miranda (MG) hydropower plants continued. At the former, the project began in 2017 and, considered large-scale, includes the replacement of equipment and systems with updated technologies - which, in addition to efficiency gains, may result in an increase in physical guarantee. In 2023, work progressed with the completion of the modernization of the third generator unit - the plan being to complete the modernization of two more units in 2024, concluding the sixth and final unit in 2025.

The modernization work with the installation of the new generator at Unit 1 on the Jaguara Hydropower Plant, in turn, was concluded. In addition, in 2023, the contract was signed for the general modernization of the plant's 4 generator units, which includes the other generators, turbines and supervision and control systems, and expected for completion by 2028. These measures will increase the useful life, reliability and uptime of the plant, concession of which only expires in 2048. At the Miranda Hydropower Plant, the modernization focuses on the control and instrumentation systems (including the generator's speed and voltage regulators, as well as the supervisory system). In 2023, the modernization of two generator units was completed and this upgrading process is scheduled to end in 2024 with the third and final unit.

The three modernization projects mentioned received R$88 million in investments in 2023 alone.



Security Risk

Summary: Related to malicious acts against ENGIE Energia Brasil's assets, people, information or data, including theft, physical attack on individuals and structures, espionage, vandalism or terrorism.

Impacts in the event of materialization

- Partial or total interruption of operations;
- Physical damage to people or assets (transforming into operational risks described below); and
- Reputational damage.

Means of mitigation:

- Equipment and manpower adequate to the levels of exposure to risk and in the local context;
- Reactive and preventive safety awareness and training; and
- Installation access controls management.

Operational safety in the areas of influence of hydropower plants

Efficient management of operational risks and emergencies is fundamental to guaranteeing the safety of the Company's assets, especially in the face of climatic events such as floods and other natural disasters. In line with the preventive culture, ENGIE Brasil Energia and the Itá, Machadinho and Estreito Consortia work closely with local Civil Defense agencies in communities located in the areas of influence of the assets. This collaboration aims to implement actions planned in accordance with the National Civil Protection and Defense Policy (PNPDEC), as established in Law 12.608/2012, and also with the National Dam Safety Policy, regulated under Laws 12.334/2010 and 14.066/2020.

All the projects operated by ENGIE Brasil Energia are operated in normal conditions of safety and have their respective Emergency Action Plans (PAE), which are constantly being updated in compliance with current legislation.

In 2023, the activities relating to population registration and studies of audible alert systems, as well as the delimitation of escape routes and meeting points, were completed and presented to the Civil Protection and Defense agencies.

The following table shows the data on High-Risk Zone (ZAS) areas and the self-protection elements that are being implemented for the operational safety of potentially affected populations.

High-Risk Zone (ZAS)

Hydropower Plant	Escape routes		Meeting points	Alert Systems	
	Hectare	Quantity	Quantity	Quantity	Nr Sirens
Itá	1,706	94	36	22	132
Machadinho	1,021	24	19	11	66
Passo Fundo	1,189	24	21	12	72
Salto Osório	710	9	9	7	42
Salto Santiago	2,568	171	38	16	96
Jose Gelásio (SHP)	59	1	1	1	6
Rondonópolis (SHP)	59	1	1	1	6
Jaguara	1,649	42	23	18	108
Miranda	2,265	57	26	18	108
Cana Brava	3,672	19	9	13	78
São Salvador	2,950	72	31	11	66
Ponte de Pedra	914	51	12	5	30
Estreito	2,150	103	71	18	108
TOTAL	**20,911**	**668**	**297**	**153**	**918**

Risk of operation

Summary: Damage to the integrity of assets, the environment, society and/or people's health and safety as a result of the Company's operational activities.

Impacts in the event of materialization:
The impacts can be of a purely operational and financial nature (for example, an incident that generates a temporary outage in generation), but with a very high potential for negative consequences and magnitude in the most serious scenarios, such as irreversible damage to structures and socio-environmental damage of major proportions. In these scenarios, the impacts would be of various natures - operational, financial, legal, reputational, and socio-environmental.

Means of mitigation:

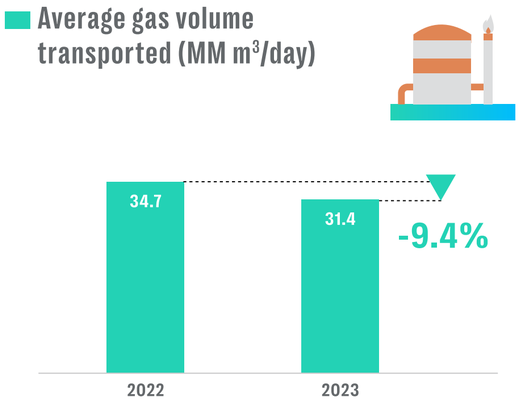
- Maintenance programs and constant monitoring of assets, including modernizations and operational improvements;
- Insurance of assets, loss of profits, operational risk, energy deficit, civil liability related to damage to third parties and the environment;
- Emergency Response Plans included in each operation's Integrated Management System (IMS), including periodic simulations of previously identified emergency scenarios;
- A Dam Safety Plan and permanent Dam Monitoring Committee; and
- Strengthening the culture of ethics and health and safety among employees and service providers.

Performance metrics:

- Operational performance of assets and execution of preventive maintenance plans;
- Compliance with safety inspection schedules;

Gas Transportation

TAG transported average gas volumes of 31.4 million m³/day (34.7 million m³/day in 2022). The volume of extraordinary contracts was 14.2 million m³/day, representing approximately 16% of the total volume contracted by the Company - and 24% if only the integrated network is considered (excluding GTA Urucu-Manaus, where Petrobras remains the sole shipper). In 2023, TAG signed 69 extraordinary contracts with 21 shippers - an increase on the 52 signed in 2022, with 15 shippers in addition to Petrobras (from 11 different economic groups).

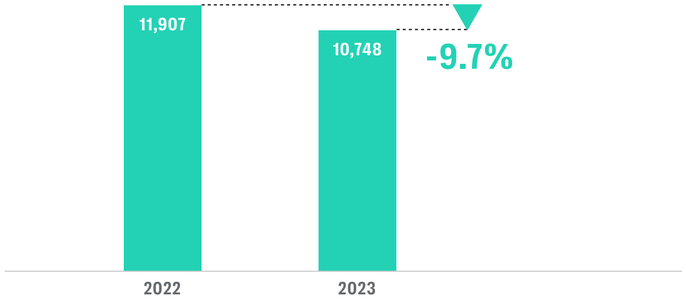




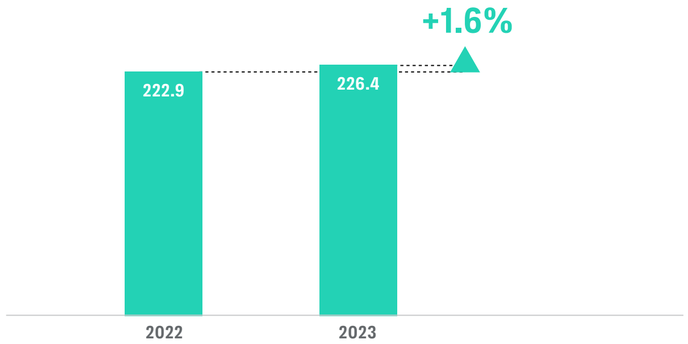
ECONOMIC-FINANCIAL RESULT

A summary of the main components of the financial result is shown below, reported in detail in the Management Report and Financial Statements 2023. [SASB IF-EU-240a.1]

Net operating revenue (R$ million)

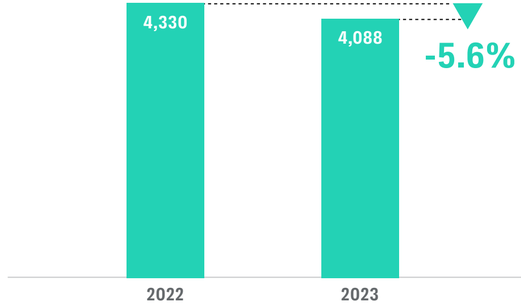


Net average selling price (R$/MWh)*



* Net of tax on sales and trading operations.

Sales Volume (MW average)*



*Net of trading operations.

NET OPERATING REVENUE

Net operating revenue decreased from **R$11.907 billion in 2022 to R$10.748 billion in 2023**, i.e. a reduction of R$1.159 billion (9.7%). This variation mainly reflects the drop in revenue from energy sales contracts in the regulated and free contracting environments, the result of a combination of variations in the quantity of energy sold and the average net sales price, lower construction revenue - related to the transmission assets that came into operation in the year - and a lower trading volume.

NET AVERAGE SELLING PRICE

The **average energy sales price, net of tax on revenue and trading operations, was R$226.42/MWh**, 1.6% higher than the price in 2022, which was R$222.85/MWh. The increase in price between the periods under analysis was substantially due to the monetary restatement of the contracts in force, partially mitigated by the sale of the Pampa Sul subsidiary, which sold energy at values above the average price compared with the remainder of the Company's portfolio.

SALES VOLUME

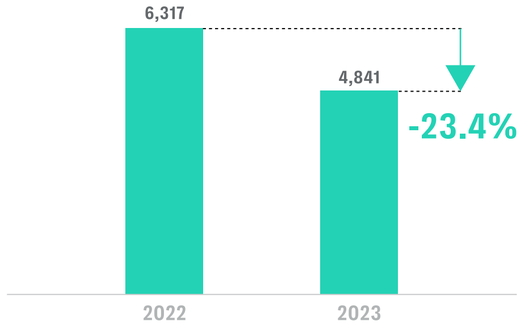
The amount of energy sold in contracts, net of trading operations, reached 35,816 GWh (4,088 average MW) in 2023, compared to 37,932 GWh (4,330 average MW) in 2022 - a decrease of 2,116 GWh (242 average MW) or 5.6%. The reduction in the amount of energy sold was due to the drop in the volume of sales to distributors, again reflecting the sale of the Pampa Sul subsidiary, as well as the lower volume of purchases - and consequently lower volumes available for sale. The reduction in sales volume and the increase in the average selling price led to a year-on-year reduction of R$343 million in the company's net operating revenue - R$348 million refers to the sale of the Pampa Sul subsidiary, which took place in the second quarter of 2023.

OPERATIONAL COSTS

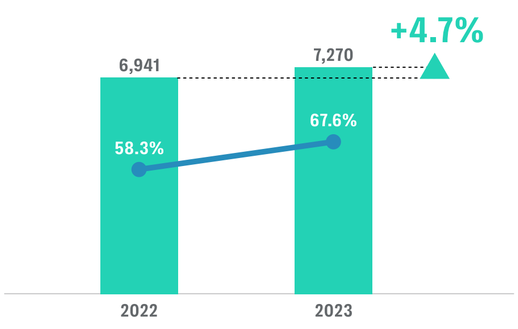
In 2023, operational costs were R$4,841 million, R$ 1,476 million (23.4%) lower than R$6,317 million in 2022. This variation reflects the combination of the following factors: (i) a decrease of R$ 830 million (72.8%) in the costs of the transmission segment, substantially due to the reduction in construction costs; (ii) a growth of R$409 million (9.1%) in the energy generation and sales portfolio; (iii) a reduction of R$234 million (35.0%) in the costs of energy trading operations; and (iv) a variation of R$3 million in the costs of the sale and installation of solar panels following the sale of ENGIE Geração Solar Distribuída.



Operational costs (R$ million)



Adjusted Ebitda (R$ million) and adjusted Ebitda margin (%)*



*Adjusted Ebitda: net profit + income tax and social contribution + financial result + depreciation and amortization + impairment + non-recurring.

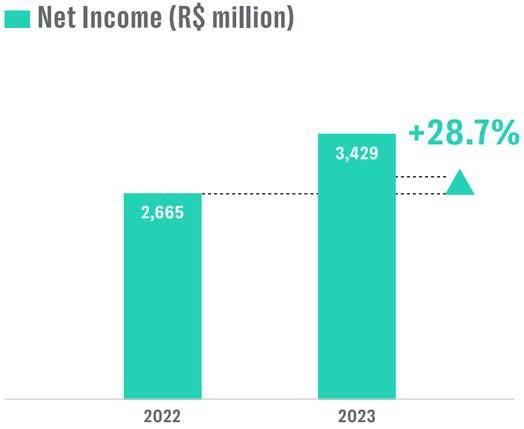
EBITDA AND EBITDA MARGIN

Between 2022 and 2023, **adjusted EBITDA increased by R$329 million (4.7%), from R$6.941 billion to R$7.270 billion**. The variation was the result of the combination of the following positive effects: (i) R$266 million (36.6%) resulting from a higher result from the equity interest in a jointly controlled company - TAG; and (ii) R$185 million (32.3%) from the energy transmission segment. These positive impacts were partially offset by the following negative effects: (iii) R$109 million (1.9%) in the electricity generation and sales segment of the Company's portfolio; (iv) R$11 million from the energy trading segment; and (v) R$2 million in the solar panels segment, sold in the first quarter of 2023.

Considering the non-recurring effects of net impairment, disposal of subsidiary and insurance indemnity, Ebitda increased by R$495 million (7.3%) between the years, from R$6,790 million in 2022 to R$7,285 million in 2023. **The consolidated adjusted EBITDA margin went from 58.3% in 2022 to 67.6% in 2023, an increase of 9.3 p.p.**

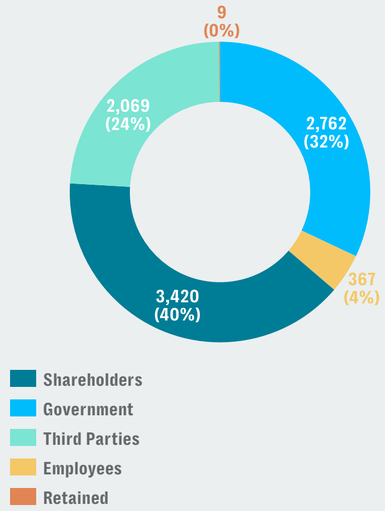
NET INCOME

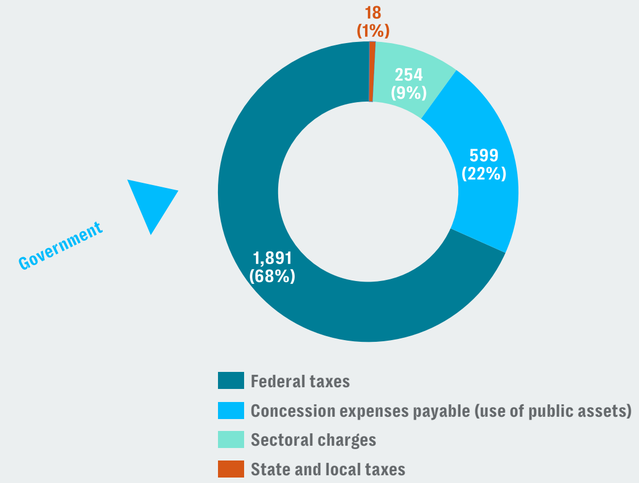
Net income rose from R$2.665 billion in 2022 to R$3.429 billion in 2023, an increase of R$764 million or 28.7%. This increase is the result of a combination of the following factors: (i) a positive effect of R$552 million from the net financial result; (ii) an increase of R$329 million in adjusted EBITDA; (iii) an increase of R$288 million in income tax and social contribution, considering recurring transactions; (iv) a variation in non-recurring effects with a positive net impact of R$107 million; and (v) a reduction of R$64 million in depreciation and amortization. Excluding the non-recurring effects of the reversal and provision for net impairment, the disposal of a subsidiary and insurance indemnities, net income increased by R$657 million (23.8%) between the years under comparison.

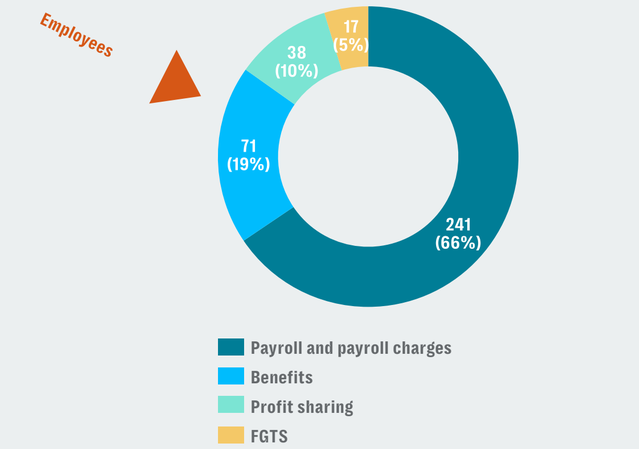


ADDED AND DISTRIBUTED VALUE (DVA)

In 2023, the Company generated R$8,627 million in added value, which was distributed among its stakeholders as shown in the following graphs. This amount was 6.7% higher than the R$8,088 million distributed in 2022. [GRI 201-1]





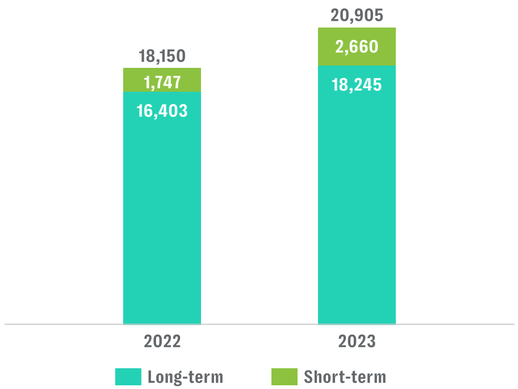


DEBT

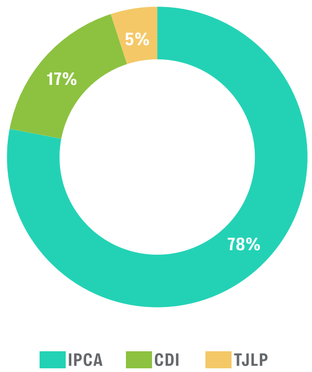
On December 31, 2023, **total consolidated gross debt**, represented mainly by loans, financing, debentures and redeemable preferred shares, net of the effects of hedge operations, **amounted to R$20,905 million** - an increase of 15.2% (R$2,755 million) compared to the position on December 31, 2022. The average debt maturity at the end of 2023 was 7.4 years.

The nominal weighted average cost of debt at the end of 2023 was 10.1% - equivalent to IPCA + 5.3% - 1.3 p.p. lower than at the end of 2022 (11.4% - equivalent to IPCA + 5.3%). The reduction compared to the same quarter of the previous year is mainly due to the deceleration of the IPCA in the period.

Gross debt (R$ million)



Breakdown of debt

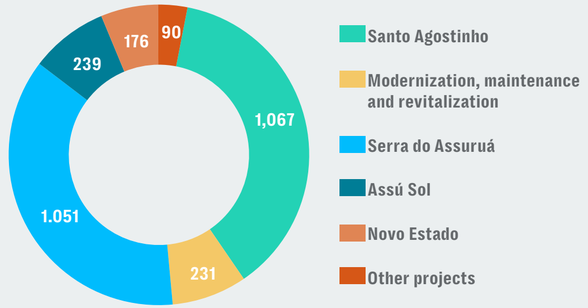


INVESTMENT

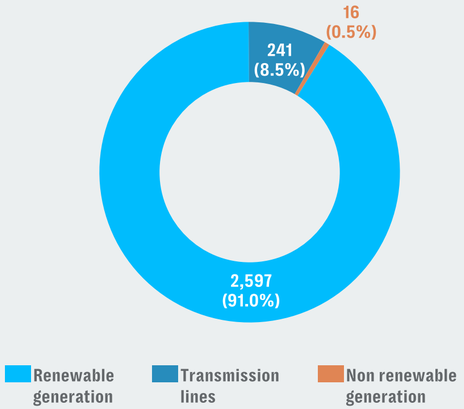
In 2023, the company invested R$2,854 million, distributed as shown in the graphs. Of the total amount of investments, 91.0% was allocated to renewable energies, 8.5% to transmission lines and 0.5% to the Pampa Sul Thermoelectric Plant, which was sold in May 2023.

The Company is estimating R$13.8 billion in investments between 2024 and 2026.

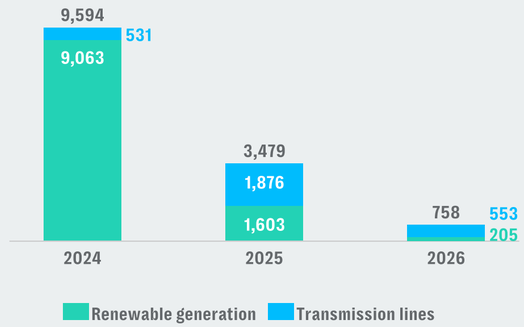
Investments in 2023 (R$ million)



Investments 2023 by business segment (R$ million and % of total)



Estimated investments for the next few years (R$ million)



Capital markets

ENGIE Brasil Energia is a member of more than ten Brazilian market indices. Since joining B3's Novo Mercado, it has been included in the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG), which includes companies that offer minority shareholders greater protection in the event of a transfer of control. Its shares are also part of B3's Corporate Sustainability Index (ISE), which encompasses companies with a recognized commitment to corporate responsibility, as well as the Electric Energy Sector Index (IEE), a sectoral index made up of leading publicly held companies in the Brazilian electricity sector.

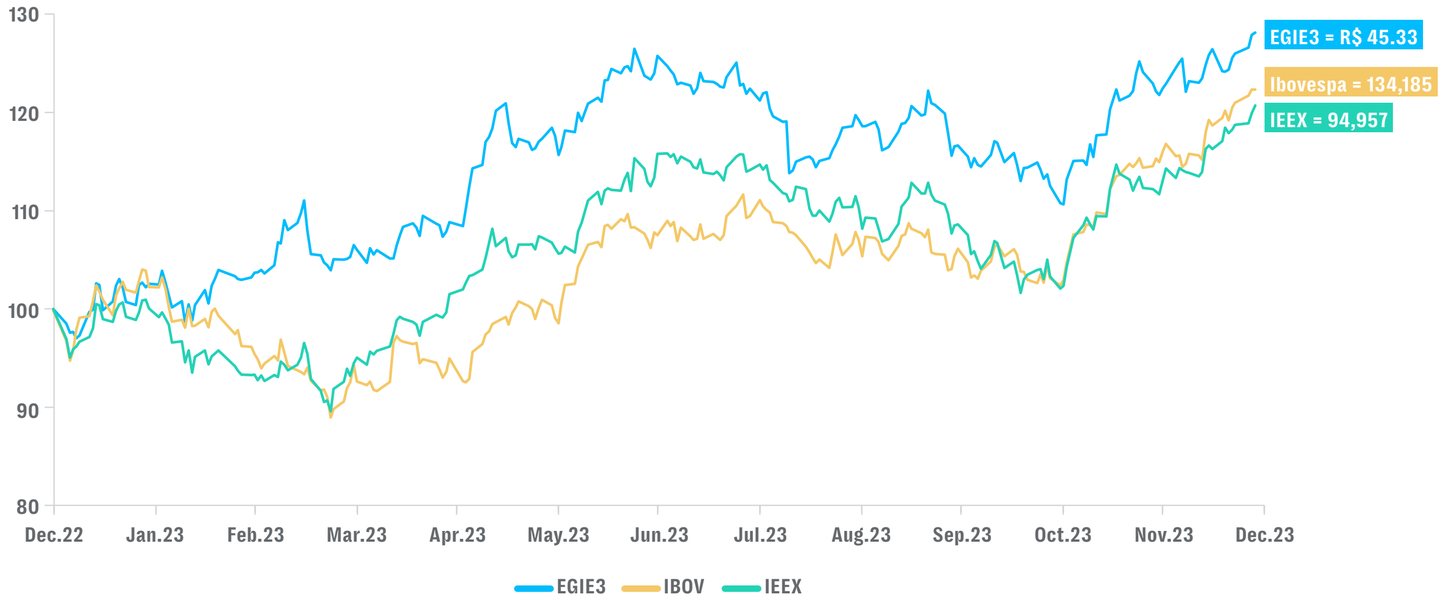
The Company's shares are also part of B3's main stock index - the Ibovespa - and are traded under the **EGIE3** symbol. On the American Over-The-Counter (OTC) market, the company's Level I American Depositary Receipts (ADRs) are traded under the EGIEY symbol, with a ratio of one ADR for each common share.

Share performance

The Ibovespa experienced substantial volatility over the course of 2023. Nevertheless, it closed the year with its best performance since 2019 at an historic 134,000 points. **In 2023, EGIE3 outperformed the Ibovespa and the Electric Energy Sector Index (IEEX), accumulating a positive appreciation of 28.2%, compared to 21.0% for the IEEX and 22.3% for the Ibovespa**.

The average daily trading volume reached R$68.7 million in the year, an increase of 2.8% compared to R$66.8 million 2022. **In the last trading session of December 2023, the company's shares closed at R$45.33/ share, giving ENGIE Brasil Energia a market cap of R$37.0 billion.**

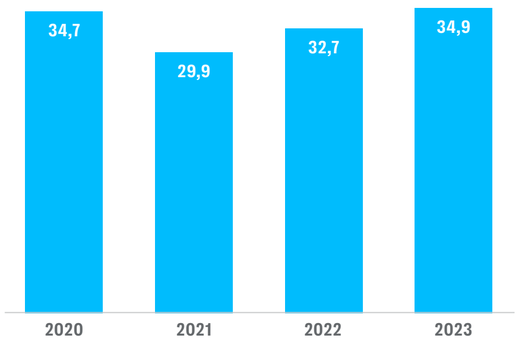
EGIE3 vs. Ibovespa vs. IEEX (Baseline 100 – 12.31.2022)



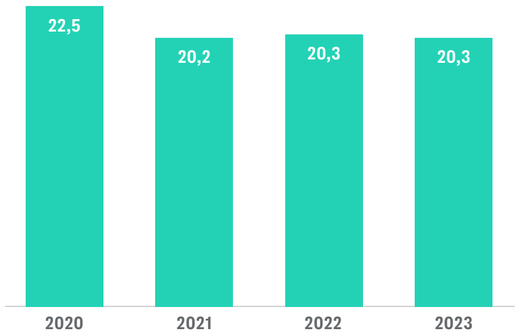
ROE and ROIC

Return on Adjusted Shareholders' Equity (ROE) and Return on Adjusted Invested Capital (ROIC) are two of the main financial metrics for measuring the generation of shareholder value and profitability shown in the following graphs.

ROE[1] – Return on Adjusted Shareholders' Equity (%)



ROIC[2] – Return on Adjusted Invested Capital (%)



Notes: ENGIE Brasil Energia internal study based on the Company's Financial Statements.
1 - ROE: net profit for the last 4 quarters / net shareholders' equity. Adjusted ROE disregards non-recurring items.
2 - ROIC: effective rate x EBIT / invested capital (invested capital: debt – cash equivalent – deposits linked to debt service + shareholders' equity). Adjusted ROIC disregards non-recurring items.



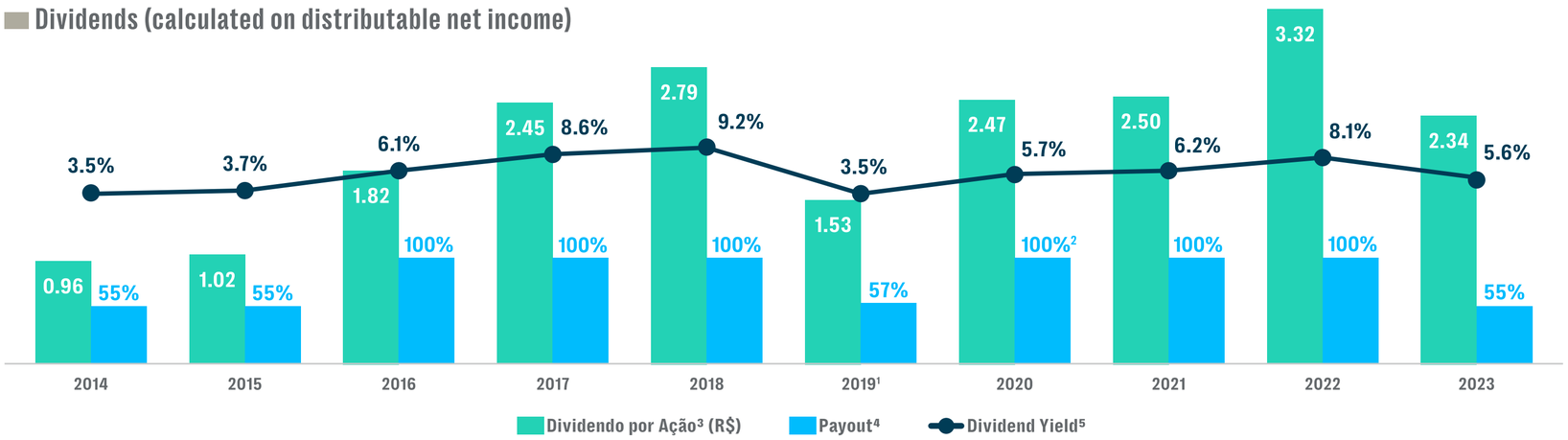
Dividends and Interest on Capital

At a meeting held on 08.08.2023, ENGIE Brasil Energia's Board of Directors approved the crediting of interim dividends based on the Financial Statements for 06.30.2023 in the amount of R$767.2 million (R$0.94027879765 per share), representing a payout of 55% of the distributable net profit for the first half of 2023. The amount was paid on December 27, 2023.

Subsequently, at the meeting held on December 8, 2023, the distribution of interest on equity for 2023 was approved, in the amount of R$145.0 million (R$0.17771181551 per share). The ex-dividend date was December 22, 2023 and the payment date will be defined later by the Executive Board.

In addition, at the Board of Directors' Meeting of 02.27.2024, and subsequent to this Report, the proposal to distribute mandatory and complementary dividends for 2023 was approved, amounting to R$994.5 million (R$1.21880323443 per share). This proposal will be ratified at the Annual General Meeting, which will define crediting and payment conditions.

The total amount proposed for dividends in 2023 was R$1,906.7 million (R$2.33679384759 per share), equivalent to 55% of adjusted net income, with a dividend yield of 5.6%.



Notes:
[1] Figures for 2019 were resubmitted in the light of the AGM's decision on the retention of interim dividends for fiscal year 2019.
[2] Payout equivalent to 100% of the distributable adjusted net income (ex-hydrological risk negotiation).
[3] For the purposes of comparability between fiscal years, an adjustment in dividend per share was made in the light of the share bonus approved on December 07, 2018.
[4] Considers the annual adjusted net income.
[5] Based on volume-weighted closing price of ON shares in the period.

Tax risk

Summary: Adverse developments in tax legislation.

Impacts in the event of materialization

The effect of an adverse change in tax legislation could have a direct impact on the Company's financial results, which could be indefinitely retroactive. One of the possibilities is a reassessment of the prices charged for services, which would have a positive or negative impact on the company's competitiveness in the market.

Means of mitigation:

- Adoption of contractual clauses with customers generating renegotiations in the event of tax changes; and
- Engagement in regulatory agendas with tax impacts for the Company.

INNOVATION

[2030 Agenda Goals: 8.3; 9.4; 9.5]

More than just an important factor in competitiveness, ENGIE Brasil Energia sees innovation as a promising way of tackling the challenges that concern society in relation to sustainable development. **In a collaborative way, combining science, technology and human capital, the Company encourages ideas that generate a positive impact on the world, focused on energy efficiency, renewable sources, smart cities, and sustainability**. Collaboration takes place internally and also through external partnerships. [GRI 3-3]

- **Innovation management** at ENGIE Brasil Energia is conducted on the following fronts: [GRI 3-3]

- **Innovation Forum:** responsible for strategic planning, including the establishing of investiment priorities in Research, Development and Innovation projects. Composed of officers and managers from different areas.

- **Tactical innovation center:** approves investments in incremental innovations and monitors innovation contexts, including new technologies, market information, potential customers and regulatory updates. It is responsible for disseminating the culture of innovation at ENGIE and approving criteria for evaluating ideas submitted through INOVE, the Company's intrapreneurship program. The Center is made up of employees from different areas and positions.

- **Coordination of Innovation, Research and Development:** a team dedicated exclusively to this area, with professionals from different academic backgrounds, coordinating related initiatives, such as the INOVE Program, Aneel's RDI Program, Open Innovation, classification of projects under the Lei do Bem (Good Law), management of intellectual property and royalties, promotion of the group's internal (Re-Conhece award) and international awards. (One ENGIE Awars).

Patents

In 2023, ENGIE Brasil Energia won two innovation patents. The first of these is the "Method for thermal imaging of a generator's stator using distributed sensors", developed in partnership with the Federal Technological University of Paraná. The invention provides a new way of monitoring the temperature of stators using optical sensors. Thermal imaging allows early identification of hot spots and possible stator insulation failures, the installation of which increases operational availability and avoids maintenance costs and prolonged machine downtime.

The second patent was awarded for the "System and method for determining the efficiency of three-phase induction motors (MIT) in operation", developed in conjunction with the Federal University of Santa Catarina (UFSC) and the Federal Institute of Santa Catarina (IFSC). The equipment is capable of estimating the energy losses of three-phase electric motors without taking them out of operation, i.e. the method is non-intrusive. The information generated supports decision-making on the energy efficiency of motors.

In 2023, ENGIE Brasil Energia actively participated in Public Consultation 012/2023, relating to the Five-Year Strategic Innovation Plan - PEQuI 2023-2028 of **Aneel's Research, Development and Innovation Program (PDI)**. According to Law 9.991/2000, companies in the electric power sector must allocate 1% of their annual net operating revenue to Research, Development and Innovation activities.

As well as taking part in the hearings and workshops linked to the Public Consultation, the Company submitted contributions and liaised with associations representing Energy Transmitters (ABRATE) and Independent Energy Producers (APINE) to join forces in building proposals.

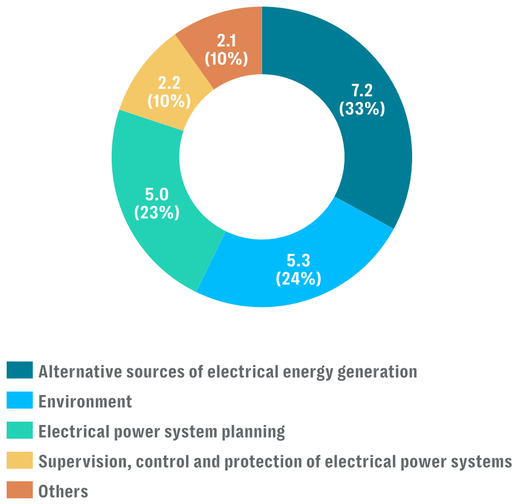
Aneel's RDI represents one of the most important mechanisms for practicing innovation at ENGIE Brasil Energia.

In **all, the Company has already invested more than R$ 200 million in almost 200 projects conducted through partnerships with companies, universities and research institutions, fostering the open innovation model**. In 2023, more than R$59.6 million was allocated to the Program, distributed as follows:

- **R$ 23.9 million** to the National Fund for Scientific and Technological Development (FNDCT);
- **R$ 11.9 million** to the Ministry of Mines and Energy (MME), to fund the Energy Research Company (EPE);
- **R$ 7.1 million** million to the Energy Development Account (CDE), to cover the cost of tariff modicity;
- **R$ 16.7 million** to be invested in Research, Development and Innovation projects.

The amount invested by ENGIE Brasil Energia in the 15 projects underway in 2023, using funds from the balance available for contributions to Aneel's RDI, was R$ 21.8 million, distributed between the projects, as shown in the graph below. Considering the values spent since the start of each of the current projects, the amount is over R$73 million.

Total invested in the Aneel's RDI projects in 2023
(R$ million and % of the total)



New projects developed in 2023 include: [GRI G4 EU8]

- **Computational tool for detecting, identifying, and quantifying energy losses in photovoltaic plants:** In line with the objectives of expanding complementary renewable energy generation, the project, developed in partnership with the Federal Institute of Education, Science and Technology of Santa Catarina (IFSC) and the Federal University of Santa Catarina (UFSC), is designed to detect faults in photovoltaic systems, using machine learning and physical modeling.
- **MagAnalyzer:** This is a system for continuous monitoring of the magnetic field created around synchronous generators in hydropower plants to detect abnormalities that indicate the presence of faults in their initial or evolving stages. By the end of 2023, the solution had reached the final stages of the innovation chain, with a view to industrializing the product.

Work also began on the development of the "Valuation of Hydropower Plant Services and Commercial Proposals" project. With a duration of 22 months and an investment estimated at R$3.3 million, the aim is to quantify the so-called "attributes of hydropower plants", valuing the quality services and security of supply offered by these assets. [GRI G4 EU8]

With hundreds of hydropower plants located in a cascading format in Brazil and a significant accumulation of capacity in the reservoirs, the project offers good prospects for arriving at a value for the plants on the market, especially if we consider a future scenario, drawn up on the basis of previous studies, with capacity auctions and the export of spilled hydropower.

Applicability

An ENGIE Brasil Energia project developed through Aneel's RDI was awarded the 29th Expressão Ecology Award 2022/2023 in the technology category. With an investment of around R$ 6 million, the Company has developed software that is unprecedented in the market, aimed at protecting the ichthyofauna around hydropower plants. The software was integrated into the operating system of the Machadinho Hydropower Plant, where the pilot project was tested, to monitor the activity and biomass volume of the yellow pintado fish in the plant's suction pipe. [GRI G4 EU8]

Another important event was the start of royalty payments received by the Company from the sale of Brazilian wind turbines, developed in partnership with WEG and Centrais Elétricas de Santa Catarina (Celesc), through another Aneel RDI project. With a nominal power of 4.2 MW, the equipment is the first locally developed and manufactured wind turbine and was ENGIE's largest R&D project in Brazil - approximately R$ 80 million was invested by the Company. It is expected that more than R$8 million in royalties will be received over the next few years in return for participation in the development of the technology.

The royalties received in 2023 relate to 17 wind turbines installed in Brazil in 2022. As well as confirming the strategic importance of innovation for generating value, the initiative has proved beneficial for all the market players who benefit from the solutions developed, such as the chain involved in designing, testing, implementing and operating wind power plants in the country.

Inove Program

At ENGIE Brasil Energia, fostering innovation is a cornerstone of the corporate culture. The emphasis on Inove - an internal program that encourages innovative suggestions aimed at operational and procedural improvements and the creation of new products and services, including the use of new technologies and the development of projects pertinent to ESG aspects. All employees, from all hierarchical levels and areas are eligible to participate and the ideas, once approved, receive resources for effective implementation, recognizing and rewarding their inventors. [GRI G4 EU8]

Inove in numbers – 2023

250 employees directly involved

137 registered initiatives

R$ 1.1 million in investments

R$ 5.68 million in estimated return or cost potentially avoided

In addition to Inove, other actions were carried out in 2023 to strengthen the culture of innovation:

- 1st Virtual Innovation Meeting with teams from the hydropower plants, to share solutions implemented at the assets;
- Café com Inovação: monthly meetings in ENGIE's internal environments to disseminate the mechanisms available to foster innovation;
- Workshop to map opportunities for innovation within the operations and maintenance sector;
- Immersion in ecosystems throughout Brazil, such as those in São Luís (MA), Florianópolis (SC) and the Bridge Ecosystem at USP - São Paulo (SP), as well as benchmarking with innovative companies from different sectors; and
- Corporate recognition of the best innovation initiatives presented in 2022 and 2023, with trophies awarded to the winning teams.

Open innovation

ENGIE Brasil Energia is a member of LinkLab, a program run by the Santa Catarina Technology Association (Acate) which connects large to small companies and vice-versa , facilitating the agile contracting of services and solutions from the start-up ecosystem throughout Brazil. This connection makes it possible to implement short-term, low-cost projects and develop Proof of Concept (POC)which, if validated, can evolve into applicable business solutions.
[GRI G4 EU8]

When specific challenges arise, the company's practice is to open calls for projects, establishing a channel for different proponents to suggest solutions, in line with the Open Innovation model.

Lei do Bem

The Company also makes use of the benefits of the so-called *Lei do Bem*[18], which aims to encourage research and technological innovation via tax incentives. In the first half of 2023, 51 innovative projects were identified by the Company under this mechanism, with the participation of around 160 employees. The tax benefits applied to these projects total R$4.8 million.
[GRI 201-4; G4 EU8]

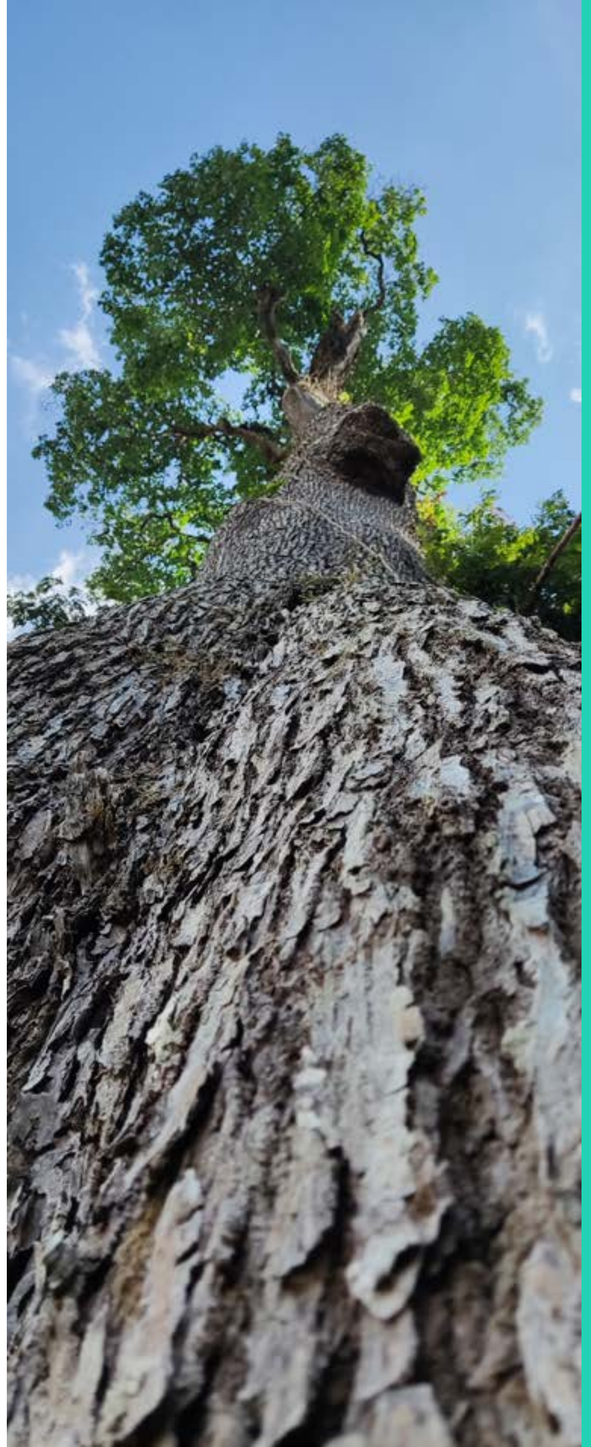
Lei do Bem – Numbers

159
Employees directly involved

51
Classified projects in 2023

R$ 4.8 million
Tax benefits

[18] Law 11.196/2005, regulated by Decree 5,798 of June 7, 2006.



Decarbonize

In 2023 ENGIE Brasil Energia completed its first investment under the Venture Capital model. The Decarbonize digital platform, developed by a startup of the same name based in Florianópolis, in the state of Santa Catarina, offers services to neutralize companies' greenhouse gas (GHG) emissions, automating and simplifying the calculation and management of the annual emissions of small- and medium-sized companies, as well as events. The Company saw the partnership as an opportunity to scale the solution in the retail market and extend the reach of the decarbonization journey for customers and partners.

08

ABOUT THE REPORT

- PROFILE OF THE REPORT
- RELEVANT TOPICS
- ENGAJAMENTO DE STAKEHOLDERS
- SUMÁRIO GRI/SASB
- DECLARAÇÃO DE VERIFICAÇÃO INDEPENDENTE



Conjunto Eólico Trairi

PROFILE OF THE REPORT

This edition of ENGIE Brasil Energia's Sustainability Report presents information for the period from January 1 to December 31, 2023[19] and highlights relevant aspects of the Company's corporate strategy and business model, as well as environmental, social, economic and governance performance indicators. The information disclosed refers to the activities of ENGIE Brasil Energia, headquartered in Florianópolis (SC), and all its subsidiaries - as presented on the page 92 of the Management Report and Financial Statements 2023. [GRI 2-1; 2-2; 2-3]

Following the latest version of the guidelines proposed by the Global Reporting Initiative - GRI (Standards), this Report has undergone **independent external verification - an activity performed by Bureau Veritas** - reflecting the Company's commitment to transparency and traceability of information. See the Assurance Letter issued by the independent auditors on page 158. In addition to the GRI guidelines, the Company's reporting was guided by recommendations from other leading institutions on the subject, such as the International Integrated Reporting Council (IIRC), the United Nations Global Compact, the World Economic Forum, the Sustainability Accounting Standards Board (SASB) and the Financial Stability Board (FSB) - within the scope of the Task Force on Climate-related Financial Disclosure (TCFD) and the Task Force on Nature-related Financial Disclosures. [GRI 2-5]

The preparation of the Report annually involves various areas of the Company, which provide information, indicators and analyses related to different business fronts, allowing for a transversal approach to ENGIE Brasil Energia's sustainability context. **The final version of the publication is analyzed and approved by the Executive Board, as well as the Audit Committee, the Board of Directors, and the Fiscal Council.**[20] [GRI 2-14]



Publication

Published annually, ENGIE Brasil Energia's sustainability reports can be accessed on the Company's website. Considerations, contributions, or questions about the publication can be sent to the following e-mail address ri.brenergia@engie.com.

19 The same period as applied to annual disclosure of the financial information.
20 This edition was, respectively, "approved" and "evaluated" by the latter two bodies at meetings held on April 17, 2024.

RELEVANT TOPICS

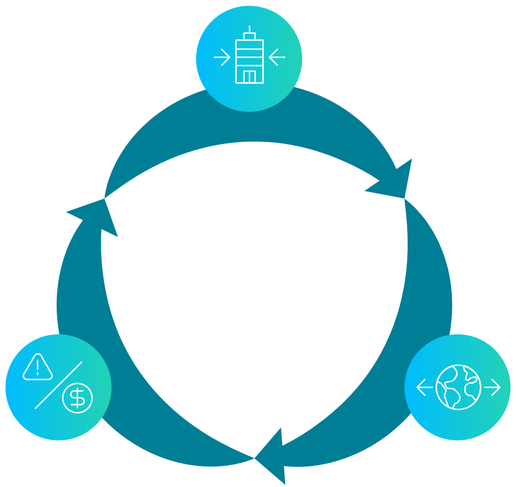
As recommended by the GRI, ENGIE Brasil Energia has focused the 2023 report on issues relevant to the sustainability of the business, considering different perspectives. The Company has updated its Materiality Study in order to ensure that both the Company's interests and those of its various stakeholders are taken into account in this Report – a process which is conducted annually.

In this way, the topics relevant to the inclusion of ESG aspects in the business strategy and disclosure in the 2023 report were reviewed, based on an analysis of the external and internal context, accompanied by a dual materiality exercise, as described in the infographic below. [GRI 3-1]

Basis for materiality updating

INTERNAL CONTEXT

Policies and practices of the ENGIE Group (Controlling Company) and ENGIE Brasil Energia in relation to ESG aspects.



EXERCISE OF DUAL MATERIALITY

Assessment of risks and financial impacts related to ESG aspects.

EXTERNAL CONTEXT

Recommendations/ requirements for global ESG frameworks and sector benchmarking.

The dual materiality exercise followed the guidelines of the European Sustainability Reporting Standards (ESRS), considering two dimensions: impact materiality and financial materiality, and their interdependencies. The analysis included the assessment of impacts, stemming from the process of identifying and monitoring risks and opportunities - encompassing possibilities arising from the Company's financial position, financial performance, cash flows, access to financing or cost of capital in the short, medium or long term. [GRI 3-1]

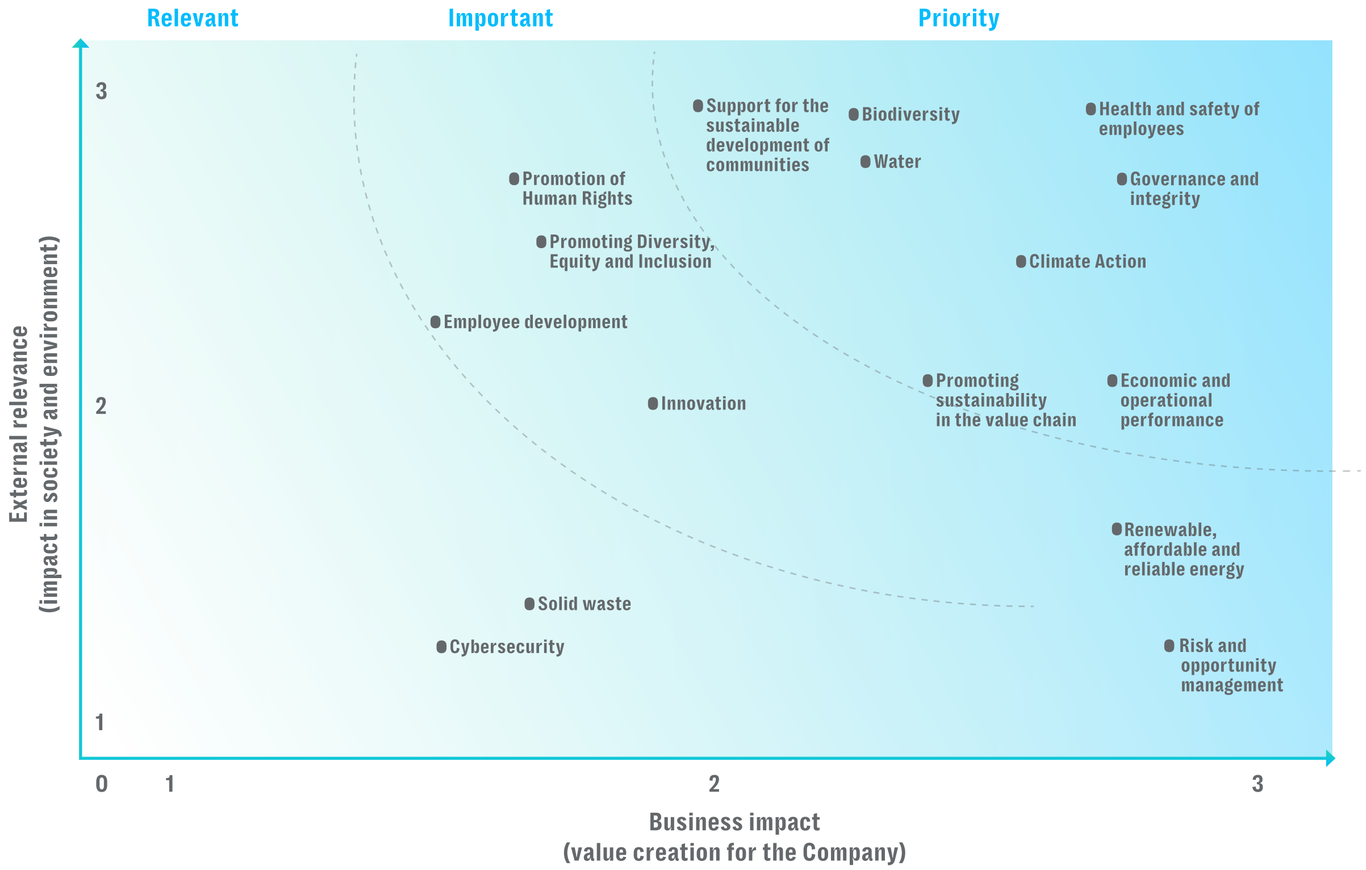
Thus, financial impacts already foreseen by the Company's Risks and Opportunities Matrix were considered, seeking to relate material ESG aspects - considered essential to the long-term continuity of the business - to the influence on value creation or protection. In this sense, the dual materiality exercise resulted in an integrated assessment of: [GRI 3-1]

1. Environmental, social and governance aspects most relevant to the Company and its main stakeholders, identified from the internal and external context;
2. The risks and opportunities related to these topics, already monitored by ENGIE Brasil Energia, which may impact the ability to create or protect value in the long term;
3. The degree of impact of these topics on the Company's financial performance - classified as severe, moderate, and low, according to the categorization adopted by the Risks and Opportunities Matrix;
4. The classification of the topic in the ENGIE Group 2023 Materiality Matrix; and
5. The extent of the impact - whether only inside, outside or both inside and outside the organization.

Based on these analyses, the material topics and their respective performance indicators were proposed and assessed by the Company as to the feasibility of monitoring and reporting, taking into account effective management of these topics, as well as the operational and strategic issues involved. [GRI 3-1]

Below is a graphical representation of ENGIE Brasil Energia's 2023 materiality, considering the axes of external relevance and value creation for the Company. Finally, the tables following the infographic justify the materiality of the topics listed, indicating related risks, degree of financial impact and extent of impact, as well as related capitals, SDGs and GRI indicators. [GRI 3-2]

Materiality 2023





Topic	Why it is material	Related risks	Degree of financial impact	Extent of impact	SDG relationship	Related capital	Related GRI indicators
Governance and integrity	As a member of B3's Novo Mercado, ENGIE is committed to applying the best governance practices, avoiding conflicts of interest, and preserving the rights of all its shareholders. The governance structure adopted also values the management of the ESG agenda, including the identification and monitoring of socio-environmental impacts by the most senior management bodies. Ethics is Company's fundamental commitment to society and the planet.	• Ethics and Compliance • Operationalization of the strategy	Severe	Within and outside	16	Humano; Social e de Relacionamento	2-9; 2-12; 2-13; 2-26; 2-27; 205-1; 205-3; 406-1
Management of risks and opportunity	Considered transversal, it underpins all the issues on the Company's ESG agenda, as well as its economic and financial performance.	• Operationalization strategy	Severe	Inside and outside	8	Intellectual, Human, Manufactured, Natural, Social Relationship	3-3
Innovation	Considered transversal, it includes the search for innovative solutions to sustainability challenges in all spheres.	• Projects under construction • Operation • Market	Moderate	Inside and outside	9	Intellectual, Human, Manufactured, Natural, Social and Relationship	3-3
Economic and operational performance	The quality of operations is one of the commitments of the Company's Sustainable Management Policy. Allied to financial discipline, satisfactory operational performance ensures that value is generated and shared with various stakeholders.	• Projects under construction • Regulatory • Operation Cyber-security • Ethics and compliance • Climate change • Security	Severe	Inside and outside	7, 8, 9	Manufactured, Human, Social and Relationship	201-1; EU1; EU2

Topic	Why it is material	Related risks	Degree of financial impact	Extent of impact	SDG relationship	Related capital	Related GRI indicators
Fostering sustainability and in the value chain	Extending sustainable practices to the value chain is an important risk management mechanism for the Company. In addition, the acceleration of the energy transition proposed by EBE involves the decarbonization of customers and suppliers.	• Operation • Operationalization of strategy • Ethics and compliance • Climate change • Projects under construction	Severe	Inside and outside	12, 13, 16, 17	Intellectual, Human, Social and Relationship	308-1; 308-2; 414-1; 414-2
Cyber-security	The digitalization of operations can make critical infrastructures more vulnerable to cyber-attacks and, consequently, have an impact on energy generation/supply.	• Regulatory • Cyber-security • Ethics and Compliance	Moderate	Inside and outside	-	Intellectual	418-1
Accessible and reliable renewable energy	Directly linked to the Company's purpose and business model, the expansion of renewable generation is the main initiative of the climate agenda. In addition, the commitment to a fair energy transition, which allows universal access and guarantees the reliability of the system, ensures a positive social impact.	• Regulatory • Operation • Market • Ethics and compliance • Climate change • Operationalization of the strategy	Severe	Inside and outside	7,13	Manufactured	3-3
Occupational health and safety	Ensuring health and safety conditions at work is one of the commitments made by ENGIE Brasil Energia in its Sustainable Management Policy.	• Projects under construction • Regulatory Operation • Ethics and compliance • Climate change • Security	Severe	Inside and outside	3, 8	Human, Social and Relationship	403-3; 403-9;
Fostering Diversity, Equity, and Inclusion	Part of the commitment to Human Rights, the fight against discrimination in all its forms is reflected in actions aimed at both internal and external audiences.	• Operation • Ethics and compliance • Operationalization of the strategy	Low	Inside and outside	5, 10	Human, Social and de Relationship	405-1

Topic	Why it is material	Related risks	Degree of financial impact	Extent of impact	SDG relationship	Related capital	Related GRI indicators
Support for sustainable development of the community	The communities in which EBE's assets are located are prioritized in actions to identify impacts, safety and engagement plans, as well as social and environmental responsibility initiatives.	• Projects under construction • Operation • Ethics and compliance • Operationalization of the strategy	Moderate	Inside and outside	4, 5,10,17	Human, Social and Relationship	413-1
Biodiversity	The preservation of the biomes where the assets are located and operated is a commitment of EBE's Environmental Policy, covering aspects related to forests and land use. It includes mitigating negative impacts and enhancing the positive impacts of activities on ecosystems.	• Projects under construction • Operation • Ethics and compliance • Climate change • Operationalization of the strategy	Moderate	Inside and outside	6,13,15	Natural	304-1; 304-2; 304-3; 304-4
Water	With a large part of its generation concentrated in hydropower plants, EBE maintains a series of programs to monitor the quality and availability of water in the regions where it operates, as well as the consumption of this resource in all its operations.	• Projects under construction • Operation • Ethics and compliance • Climate change • Operationalization of the strategy	Moderate	Inside and outside	6	Natural, Manufactured	303-1; 303-2; 303-3
Solid Waste	A highly relevant topic for stakeholders, it includes dedicated programs in the projects under implementation, as well as monitoring and reduction actions in operating assets. It is part of one of the pillars of the Company's environmental strategy: the circular economy.	• Projects under construction • Operation • Ethics and compliance • Climate change • Operationalization of the strategy	Low	Inside and outside	12	Natural, Manufactured	306-1; 306-2; 306-3; 306-4; 306-5

Comparative Chart - Materiality 2022 x 202 [GRI 3-2]

Themes 2022	Themes 2023	Observation
Health, safety and development of employees	1. Health and safety of employees	Theme splited - separated from development.
Governance and integrity	2. Governance and integrity	
Economic and operational performance	3. Economic and operational performance	
Climate strategy	4. Climate Action	Derived from the climate strategy defined by the Company in 2023.
Water and Effluents	5. Water	Adjustment of nomenclature, effluent indicators will continue to be reported.
Biodiversity	6. Biodiversity	
Promotion of Human Rights	7. Promotion of Human Rights	
Promoting sustainability in the value chain	8. Promoting sustainability in the value chain	
Just energy transition	9. Renewable, affordable and reliable energy	Nomenclature adjustments, grouping a derivative of the climate strategy with aspects of the just transition
Risk management	10. Risk and opportunity management	Nomenclature adjustment, considering outputs from the dual materiality exercise.
Promoting Diversity, Equity and Inclusion	11. Promoting Diversity, Equity and Inclusion	
Support for the sustainable development of communities	12. Support for the sustainable development of communities	
-	13. Employee development	Separated topic - separate from Occupational Health and Safety.
Innovation	14. Innovation	
Solid waste	15. Solid waste	
-	16. Cybersecurity	
Energy and Greenhouse Gas (GHG) emissions	-	Theme grouped under "Climate Action".

STAKEHOLDER ENGAGEMENT

Main impacts of the Company's activities identified by participants of the Sustainability Panels

[GRI 413-2]

Positive

- Generation of employment, income, and business opportunity
- Tax collection
- Cooperation with the communities
- Improvements to local infrastructure
- Generation of renewable energy
- Care with the environment
- Development and support of socio-environmental projects
- Quality of life for employees

Negative

- Resettlement of families/ communities for the implementation of the projects.
- Alterations in environmental conditions: impact on fauna and flora, noise, emissions, countryside.
- Disorderly growth of the municipalities during work in progress.
- Lack of information on the operations and socio-environmental and economic impacts.

The revision of the Materiality (Impact) Study was based on the relevant themes listed in 2022 following an extensive process of engagement with local communities through the Sustainability Panels - a face-to-face multi-stakeholder event dedicated to identifying socio-environmental aspects and impacts resulting from ENGIE Brasil Energia's activities. In addition to employees of the plants, community leaders, educators, local suppliers, and representatives of third sector entities and public bodies were invited to indicate the positive and negative impacts of the Company's presence in each territory, as well as its potential contribution to sustainable development. [GRI 2-29; 3-1; 413-2]

Held between August and November 2022, the panels involved communities located in the sphere of influence of eight hydropower plants operated by the Company, as well as its headquarters, bringing together about 430 people. In parallel to the panels, individual interviews were held with other members of these communities - especially government sector managers - to broaden the scope of the listening process. The process was coordinated by a specialized consultancy - to ensure impartiality and balance in the collection of opinions. [GRI 2-29; 3-1; 413-2]

In accordance with GRI guidelines, the extent of impact on stakeholders was the parameter for the degree of engagement of other audiences in addition to communities, employees and local suppliers making up the representative sample present on the panels. ENGIE Brasil Energia therefore prioritized consultation with two other social groups potentially affected by its activities: investors and customers. The former were invited to answer a questionnaire on the relevance of the issues identified as potentially material by ENGIE Brasil Energia. This questionnaire was posed at the "Inside ENGIE" event, held on December 7, 2022. A total of 16 investors took part in the consultation. Likewise, a sample of 185 of the Company's customers was invited to respond online to the same questionnaire as was presented to investors. Of this total, five effectively took part. [GRI 2-29; 3-1]

RELATED INDICATORS

Based on the definition of material issues, the performance indicators to be monitored and reported by the Company were selected. In this cycle, in addition to the disclosures proposed by the Global Reporting Initiative (GRI) and traditionally reported, indicators from the Sustainability Accounting Standards Board (SASB) - CDSB Framework and Electric Utilities Power Generators Standard (2018) were added where applicable. On the following pages, the GRI Summary indicates the location of the responses to the indicators throughout - and, in some cases, the Summary itself presents the response to the indicator. In addition, on page 97, the responses to the guidelines of the Task Force on Climate Related Financial Disclosure (TCFD) are referenced.

GRI CONTENT INDEX

Statement of use ENGIE Brasil Energia has reported in accordance with the GRI Standards for the period of January 1 to December 31, 2023

GRI Standard	Description	Answer /Page / URL	Omitted requiriments / Reasons	Explanation	SDG
The organization and its reporting practices					
GRI 2: General Disclosures 2021	2-1 Organizational details	8 and 9			
GRI 2: General Disclosures 2021	2-2 Entities included in the organization's sustainability reporting			Page 91 of the Management Report and Financial Statements 2023.	
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	142 and 184			
GRI 2: General Disclosures 2021	2-4 Restatements of information			Reformulations or recalculations when existing, are pointed out during the course of the Report in the appropriate context.	
GRI 2: General Disclosures 2021	2-5 External assurance	159			
Activities and workers					
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	8, 9, 14 a 24, 99 and 103			
GRI 2: General Disclosures 2021	2-7 Employees	44, 164		There are no employees working part time.	
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	44, 164			
Governance					
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	10, 26 to 31		See Management Proposal of April28, 2022. Attachment IV of the Board of Directors.	
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	27 and 32			
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	27 and 28			
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	10, 35 to 40, 88			

GRI Standard	Description	Answer /Page / URL	Omitted requiriments / Reasons	Explanation	SDG
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	10, 35 to 40, 88			
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	142			
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	27 and 29			
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	9, 34, 38, 65, 115			
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	28			
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance body	28 to 32			
GRI 2: General Disclosures 2021	2-19 Remuneration policies	28 and 31			
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	28 and 31			
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio	163	-		
Strategy, policies and practices					
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	3			
GRI 2: General Disclosures 2021	2-23 Policy commitments	32, 35 and 38			
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	32, 38, 42, 53, 103			
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	32, 63 e 117			
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	34 and 40			
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations			ENGIE Brasil Energia was not sentencedto pay significant monetary fines due to non-compliance with legal requirements.	16
GRI 2: General Disclosures 2021	2-28 Membership associations	182			17
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	40, 82, 99, 101, 115, 117 e 149			
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	45			8
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	143			
GRI 3: Material Topics 2021	3-2 List of material topics	144 to 148			
GRI 3: Material Topics 2021	3-3 Management of material topics	Throughout the entire Report.			

GRI Standard	Description	Answer /Page / URL	Omitted requiriments / Reasons	Explanation	SDG
Economic Performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	132			8
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	90 e 122			13
GRI 201: Economic Performance 2016	201-4 - Financial assistance received from government			Exploration Profit ENGIE Brasil Energia - SUDAM R$ 7.8 million Companhia Energetica Estreito - SUDENE R$ 85.1 million a) i - Desenvolve Bahia R$ 16.5 million a) iii Lei do Bem baseline year 2022 - R$14.1 million b) The Company operates in Brazil only c) The government has no stake in the shareholding structure.	16
Local Suppliers 2016					
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	182			8
Anti-corruption					
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption			a) All operations (100%). b) Non-compliance, internally or in collusion externally involving Code of Ethics' principles and values: corruption,fraudulent use of the Company's properties, interference in competitive processes; disrespect for human rights, including workplace conditions and relationships. Non-compliance with the norms and regulations applicable to the Company's activities.	16

GRI Standard	Description	Answer /Page / URL	Omitted requiriments / Reasons	Explanation	SDG
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	163			16
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	41			16
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	178			7
GRI 302: Energy 2016	302-3 Energy intensity	93			7
Water and Effluents					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	74 to 77			6
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	74 to 77			6
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	75, 76, 176			6
GRI 303: Water and Effluents 2018	303-4 Water discharge	175			6
GRI 303: Water and Effluents 2018	303-5 Water consumption	175			6
Biodiversity					
Biodiversity	304-1 Units located within or adjacent to protected areas or areas with a high indice of biodiversity	170 to 174			6
GRI 304: Biodiversidade 2016	304-2 Significant impacts of activities, products and services in the biodiversity	68, 69 and 73			6
GRI 304: Biodiversidade 2016	304-3 Protected or restored habitats	70 to 73			6
GRI 304: Biodiversidade 2016	304-4 Species included in the IUCN red list and in national conservation lists with habitats in areas affected by the organization's operations	174 and 175			6
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	95			8, 13
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	95 and 96			8, 13
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	95 and 96			8, 13
GRI 305: Emissions 2016	305-4 GHG emissions intensity	95and 96			8, 13

GRI Standard	Description	Answer /Page / URL	Omitted requiriments / Reasons	Explanation	SDG
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	178			8, 13
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	81			8, 13
Waste					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	77 to 80			11, 12
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	77 to 80			11, 12
GRI 306: Waste 2020	306-3 Waste generated	78 and 177			11, 12
GRI 306: Waste 2020	306-4 Waste diverted from disposal	177			11, 12
GRI 306: Waste 2020	306-5 Waste directed to disposal	177			11, 12
Supplier Environmental Assessment					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	102			12
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	95, 101 and 102			12
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	45, 165			8
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	46			8
GRI 401: Employment 2016	401-3 Parental leave	46 and 168			8
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	47 and 48			8
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	47			8

GRI Standard	Description	Answer /Page / URL	Omitted requiriments / Reasons	Explanation	SDG
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	51 and 52			8
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	47, 48 and 50			8
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	50			8
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	51 and 52			8
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47			8
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	47			8
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	48 and 49			8
GRI 403: Occupational Health and Safety 2018	403-10 Work-related ill health	48 and 49			8
Training and Education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	58 and 169			4, 8
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	58 and 59			4, 8
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	60 and 169			4, 8
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	53, 54, 55, 162 and 168			5, 8, 10
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	57 and 168			5, 8, 10
Non-discrimination					

GRI Standard	Description	Answer /Page / URL	Omitted requiriments / Reasons	Explanation	SDG
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	41			16
Local Communities					11
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	104, 105, 113, 114 and 180			11
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	113, 149 and 180			
Supplier Social Assessment					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	102 and 103			8
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	101 and 102			16
Políticas Públicas					
GRI 415: Public Policy 2016	415-1 - Political contributions	124			16
Customer Privacy					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	42			
Indicadores Setoriais					
GRI G4: Electric sector 2014	G4-EU1 Installed capacity, broken down by primary energy source and regulatory regime	14 and 15			
GRI G4: Electric sector 2014	G4-EU2 Energy input into the grid, broken down by primary energy source and regulatory regime – net energy production	126			
GRI G4: Electric sector 2014	G4-EU3 - Number of residential, industrial institutional and commercial consumer units	99			
GRI G4: Electric sector 2014	G4-EU4 - Lenght of transmission lines by regulatory regim	14 and 19			
GRI G4: Electric sector 2014	G4-EU8 Innovation	137 to 140			
GRI G4: Electric sector 2014	G4-EU30 Average plant uptime factor by energy source	125 and 126			

SASB CONTENT INDEX

Theme	Description	Page	Omitted requiriments/ Reasons
Greenhouse Gas Emissions & Energy Resource Planning	"IF-EU-110a.1 (1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations"	95 and 96	
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.2. Greenhouse gas (GHG) emissions associated with power deliveries		Data not available
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.3. Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	91 to 95	
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.4 (1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	-	N.A
Air Quality	IF-EU-120a.1 Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	81	
Water Management	IF-EU-140a.1. (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	74 to 76	
Water Management	IF-EU-140a.2 Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations		In 2023, there were no incidents with water.
Water Management	"IF-EU-140a.3 Description of water management risks and discussion of strategies and practices to mitigate those risks"	74 to 76	
Water Management	IF-EU-140a.3 Description of water management risks and discussion of strategies and practices to	177	
Coal Ash Management	IF-EU-150a.1. Amount of coal combustion residuals (CCR) generated, percentage recycled	177	With the sale of the Jorge Lacerda Thermoelectric Complex in 2021 there are no ash deposits in the assets.
Coal Ash Management	IF-EU-150a.2 Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	130	Partial. ENGIE Brasil Energia does not serve customers' residences (due to regulatory restrictions) and does not publlicly segregate average prices to commercial and industrial customers.
Energy Affordability	IF-EU-240a.1 Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	-	N.A
Energy Affordability	IF-EU-240a.2 Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	-	N.A

Theme	Description	Page	Omitted requiriments/ Reasons
Energy Affordability	IF-EU-240a.3 Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	-	N.A
Energy Affordability	IF-EU-240a.4 Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	170	
Workforce Health & Safety	IF-EU-320a.1 (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	-	N.A
End-Use Efficiency & Demand	IF-EU-420a.1 Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	-	Both in the Generation Operations Center (COG\), in the Transmission Operations Center (COT) in Florianópolis and at the plants which are operated in loco, ENGIE applies differentiated technological resources which ensure the reliability, safety and efficiency of the operation, and, consequently, of the grid as a whole. However, the grid is operated by the National System Operator (ONS
End-Use Efficiency & Demand	IF-EU-420a.2 Percentage of electric load served by smart grid technology	-	Not part of the commercial scope of ENGIE Brasil Energia.
End-Use Efficiency & Demand	IF-EU-420a.3 Customer electricity savings from efficiency measures, by market	-	N.A
Nuclear Safety & Emergency Management	IF-EU-540a.1 Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	-	N.A
Nuclear Safety & Emergency Management	IF-UE-540a.2 Description of efforts to manage nuclear safety and emergency preparedness	42	
Grid Resiliency	IF-EU-550a.1 Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	-	Indicator related to the energy distribution business, in which the Company does not operate.
Grid Resiliency	IF-EU-550a.2 (1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	99	
Activity Metric	IF-EU-000.A Number of: (1) residential, (2) commercial, and (3) industrial customers served	-	Information not available.
Activity Metric	IF-EU-000.B Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	14 and 19	
Activity Metric	IF-EU-000.C Length of transmission and distribution lines	126	
Activity Metric	IF-EU-000.D Total electricity generated, percentage by major energy source, percentage in regulated markets	-	Information not available.
Activity Metric	IF-EU-000.E Total wholesale electricity purchased		

INDEPENDENT ASSURANCE STATEMENT - BUREAU VERITAS

INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) was hired by ENGIE Brasil Energia S.A. (ENGIE), to conduct an independent assurance of ENGIE's 2023 Sustainability Report (hereinafter referred to as the Report).

The information published in the report is the sole responsibility of ENGIE's management. Our responsibility is defined according to the scope below.

SCOPE OF WORK

he scope of this verification covered the Global Reporting Initiative TM standards for Sustainability Reporting and refers to the reporting period from January 1 to December 31, 2023.

RESPONSIBILITIES OF ENGIE AND BUREAU VERITAS

The preparation, presentation and content of the Report are the sole responsibility of ENGIE's management. Bureau Veritas is responsible for providing an independent opinion to the interested parties, in accordance with the scope of work defined in this statement.

METHODS

The assurance included the following activities:

1. Interviews with those responsible for the material topics and the content of the Report;

2. Remote verification of corporate and operational processes (verification of material indicators GRI and SASB and sampling of information);

1. Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability.
2. International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information.

3. Analysis of documentary evidence provided by ENGIE for the period covered by the Report (2023);

4. Analysis of engagement activities with interested parties (stakeholders) developed by ENGIE;

5. Evaluation of the system used to determine the material aspects included in the Report, considering the context of sustainability and scope of the published information.

The verification level adopted was Limited, in accordance with the requirements of ISAE 3000[2], incorporated into Bureau Veritas internal verification protocols.

LIMITATIONS AND EXCLUSIONS

Excluded from this verification was any assessment of information related to:

- Activities outside the reported period;
- Position statements (expressions of opinion, belief, objectives or future intentions) by ENGIE;
- Accuracy of economic and financial data contained in this Report, extracted from financial statements, verified by independent auditors;
- Inventory of Greenhouse Gas (GHG) emissions, including energy data (verified in process separately by another Bureau Veritas team);
- Data and information of affiliated companies or outsourced employees, over which there is no operational control by ENGIE.

The following limitations were applied to this verification:

- The principles of Data Accuracy and Reliability were verified on a sample basis, exclusively in the light of the information and data related to the material themes presented in the Report;
- The economic information presented in the Report was specifically verified against the principles of Balance and Completeness of the GRI.

OPINION ON THE REPORT AND THE VERIFICATION PROCESS

- In order to ensure that the themes reflect the evolution of the sustainability context, ENGIE reviews its materiality studies annually. In 2023, this review extended to the analysis of commitments and practices at the internal level, considering related risks and impacts, including some financial ones, in addition to the assessment of the positioning of industry players in relation to ESG aspects and the incorporation of recommendations from global reporting and sustainable management frameworks. This process represented a first exercise of double materiality, which should be continuously deepened by the Company in the coming years.
- In our understanding, ENGIE's Sustainability Report presents the impacts of the company's activities in a balanced manner.
- ENGIE has demonstrated an adequate data collection and compilation method in relation to the GRI Reliability Principle.
- The inconsistencies found in the Report were adjusted during the process and were satisfactorily corrected.

CONCLUSION

As a result of our verification process, nothing has come to our attention that could indicate that:

- The information provided in the Report is not balanced, consistent and reliable;
- ENGIE has not established appropriate systems for the collection, compilation and analysis of quantitative and qualitative data used in the Report;
- The Report does not adhere to the Principles for defining the content and quality of the GRI Standard for sustainability reporting.

CLAIM OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services company specializing in Quality, Health, Safety, Social and Environmental management with over 195 years of experience in independent assessment services.

Bureau Veritas has implemented and enforces a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their day-to-day activities. We are particularly attentive to prevention when it comes to conflicts of interest.

The verification team has no other link with ENGIE, other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and this verification performed by our team.

The team that conducted this verification for ENGIE has extensive knowledge in verifying information and systems that involve environmental, social, health, safety and ethical issues, which combined with the experience in these areas, allows us a clear understanding of the presentation and verification of good corporate responsibility practices.

CONTACT

https://www.bureauveritas.com.br/pt-br/fale-com-gente

São Paulo, April 2024.

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Bureau Veritas Certification – Brazil

COMPLEMENTARY FOLDER

1. COMPLEMENTS – OUR GOVERNANCE

[GRI 2-9; 2-21; 205-2; 405-1]

Number of executives in Governance bodies by gender

	Men	Women	Total
Board of Directors	7 (78%)	2 (22%)	**9**
Executive Board	7 (88%)	1 (12%)	**8**

Board of Directors by age group

	Men	Women	Total
29 or younger	0	0	**0**
Between 30 - 50	0	0	**0**
Over 50	7 (78%)	2 (22%)	**9 (100%)**

Executive Board by age group

	Men	Women	Total
29 or younger	0	0	**0**
Between 30 - 50	5 (63%)	0	**5 (63%)**
Over 50	2 (25%)	1 (12%)	**3 (37%)**

Officers' equity stakes in the Company's controlling group

Officer	Basic salary share multiple *
Eduardo Antonio Gori Sattamini	0.000
Eduardo Takamori Guiyotoku	0.000
Gabriel Mann dos Santos	0.000
Guilherme Slovinski Ferrari	0.000
José Luiz Jansson Laydner	0.041
Luciana Moura Nabarrete	0.000
Márcio Daian Neves	0.000
Marcos Keller Amboni	0.000
Average – All Officers	0.005
Average ex- the CEO	0.006

*Calculations: the Company's share price at year-end times the number of shares held by the Officer in the same period, divided by their latest basic salary. Stock price in 12/31/2023 = R$ 45.33.

Communication and training in anti-corruption policies and procedures

Requirement	Number of people and % of total	Context
Governance body members that the organization's anticorruption policies and procedures have been communicated to	9 (100%)	Since the Ethics Committee has direct subordination/reporting to the Board of Directors, both Policies and regular reports are submitted to the Board for cognizance and approval.
Employees that the organization's anti-corruption policies and procedures have been communicated to	1,099 (100%)	All employees undergo ethical integration when they are hired, in addition to being required to complete a series of training courses. For groups of employees most exposed to ethical risk, specific training is provided.
Business partners that the organization's anticorruption policies and procedures have been communicated to	3,993 (100%)	The contracts signed by ENGIE Brasil Energia S.A. have a specific clause that presents to suppliers and partners the Code of Ethics and Guide of Practices of ENGIE Brasil Energia S.A., in addition to other policies related to the topic.
Governance body members that have received training on anti-corruption	5 (55%)	All Directors linked to ENGIE directly or indirectly (non-independent Directors) comply with the Group's mandatory training rules, and for this reason they have received the necessary training (see item below).
Employees that have received training on anticorruption	1,099 (100%)	All new employees undergo training on: combatting corruption, anti-competitive rules, moral and sexual harassment, gifts and hospitality, Human Rights, Conflict of Interest, Reporting Channel, among others. In addition, they must complete mandatory e.learning modules, which regularly require the revalidation of knowledge on the topics.

Proportion of total annual remuneration*

	2022	2023
Ratio of the highest salary paid by the company and the average salary of all other employees	16.9 X	20.3 X
Ratio of the highest salary paid by the company and the median salary of all other employees	23.1 X	28.2 X
The ratio of the percentage increase in the total annual compensation of the highest paid individual in the organization to the average percentage increase in the total annual compensation of all employees (excluding the highest paid)	-0.14	1.77

* Calculation formula: Annual remuneration for the highest paid individual / total remuneration (average or median) of all employees, except the highest paid.

2. COMPLEMENTS – HUMAN CAPITAL

Employees profile

[GRI 2-7; 2-8]

Total number of employees by contract type and gender

Contract	Men	Women
Permanent	765	309
Temporary	11	14
Apprenticeship	2	0
Internship	33	38

Permanent employees by region

Region	Men	Women	Proportion
South	536	257	74%
Northeast	71	9	7%
Southeast	25	6	3%
Midwest	18	3	2%
North	115	34	14%
TOTAL	**765**	**309**	**100%**

Temporary employees by region

Region	Men	Women	Proportion
South	8	14	88%
Northeast	2	-	8%
Southeast	1	-	4%
Midwest	-	-	0%
North	-	-	0%
TOTAL	**11**	**14**	**100%**

Permanent and temporary employees by region

Region	Men	Women	Proportion
South	544	271	74%
Northeast	117	34	14%
Southeast	71	9	7%
Midwest	25	6	3%
North	19	3	2%
TOTAL	**776**	**323**	**100%**

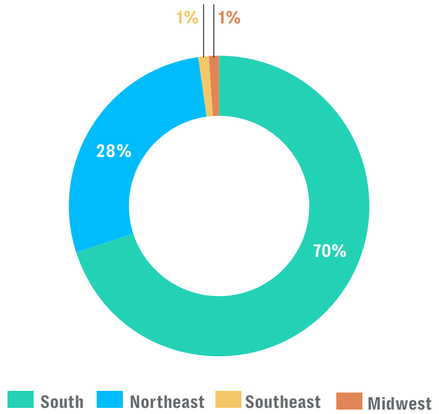
Hires and terminations

[GRI 401-1]

Number of hires by gender

Year	Men	Women	Total
2021	121	45	**164**
2022	110	91	**200**
2023	83	52	**135**

Hires by region



Hires by age group and gender

	Men	Women	Total
29 or younger	29	24	53
Between 30 - 50	54	28	82
Over 50	0	0	0

Hires by job class

Job class	2021	2022	2023
Officers (executives and functional)	0	0	0
Managers	1	0	1
Analysts, engineers, and specialists	93	145	80
Operators and technicians	70	55	54

Percentage of vacancies filled by internal candidates

2021	2022	2023
13%	11%	24%

Hire rate by gender

Year	Men	Women	Total
2022	38.4%	14.7%	**0.7%**
2023	26.8%	9.2%	**0.0%**

Note: 2022 data recalculated, due to reinterpretation of the applied formula.
Calculation formula: number of employees hired in each classification / total number of employees in each classification at the end of the previous year.

Hire rate by age group

Year	29 or younger	Between 30 – 50	Over 50
2022	38.4%	14.7%	0.7%
2023	26.8%	9.2%	0.0%

Note: 2022 data recalculated, due to reinterpretation of the applied formula.
Calculation formula: number of employees hired in each classification / total number of employees in each classification at the end of the previous year.

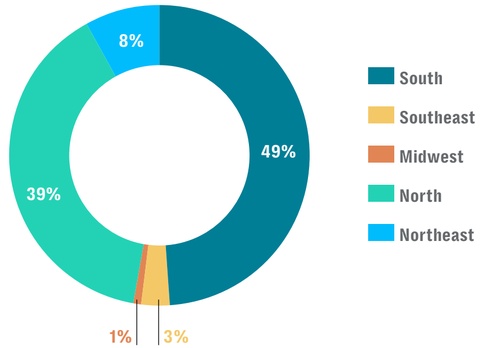
Terminations by gender

Year	Men	Women	Total
2021	150	45	**195**
2022	111	45	**156**
2023	99	31	**130**

Terminations by age group and gender

	Men	Women	Total
29 or younger	6	6	**12**
Between 30 – 50	67	20	**87**
Over 50	26	5	31

Terminations by region



Terminations by job class

Categoria funcional	2021	2022	2023
Officers (executives and functional)	0	0	1
Managers	12	3	4
Analysts, engineers, and specialists	124	122	93
Operators and technicians	59	40	32

Average length of employment contract (in years) by age group

	Men	Women
29 or younger	2.5	2.4
Between 30 – 50	8.8	6.5
Over 50	22.7	25.2

Turnover rate (terminations) by gender

Year	Men	Women	Total
2022	12.2%	15.4%	13.0%
2023	11.1%	9.6%	10.7%

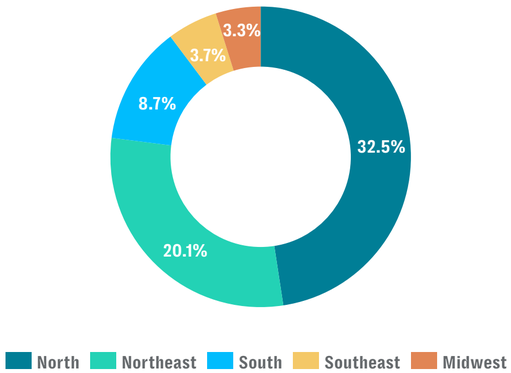
Note: 2022 data recalculated, due to reinterpretation of the applied formula.
Calculation formula: dismissed from each gender / total number of employees from each classification at the end of the previous year.

Turnover rate (terminations) by age group

Year	29 or younger	Between 30 – 50	Over 50
2022	12.1%	9.9%	33.3%
2023	6.1%	9.8%	24.0%

Note: 2022 data recalculated, due to reinterpretation of the applied formula.
Calculation formula: dismissed from each age group / total number of employees from each classification at the end of the previous year.

Turnover rate by region



Voluntary turnover by gender

Year	Men	Women	Total
2022	6.5%	10.2%	7.4%
2023	3.8%	5.9%	4.4%

Note: 2022 data recalculated, due to reinterpretation of the applied formula.
Calculation formula: (voluntarily dismissed) from each gender divided by 2 / by the total number of employees in each classification at the end of the previous year.

Voluntary turnover by age group

Year	29 or younger	Between 30 – 50	Over 50
2022	8.6%	3.9%	26.9%
2023	4.5%	2.8%	14.7%

Note: 2022 data recalculated, due to reinterpretation of the applied formula.
Calculation formula: (voluntarily dismissed) from each age group divided by 2 / by the total number of employees in each classification at the end of the previous year.

Maternity/paternity leave

[GRI 401-3]

	2022		2023	
	Men	Women	Men	Women
Total employees entitled to maternity/paternity leave	45	9	35	7
Total employees taking maternity/paternity leave	45	9	35	7
Total employees returning to work, during the reporting period, after the end of the maternity/ paternity leave	44*	7**	35*	7**
Total employees returning to work after a maternity/ paternity leave and who were still employed 12 months after their return	42	6	30**	5**
Return rate (employees who returned to work after leave / employees who were expected to return to work after leave)	100%	100%	100%	100%
Retention rate (employees who remain with the company 12 months after returning to work from leave / employees who returned from leave in previous reporting periods)	95.4%	85.7%	85.7%	71.4%

Note: 2022 data was recalculated, considering a new data calculation methodology.
* At the end of 2022, one employee remained on paternity leave. At the end of 2023, two employees remained on paternity leave.
** At the end of 2022, two employees remained on maternity leave. At the end of 2023, four employees remained on maternity leave.

Diversity

[GRI 405-1; 405-2]

Board of Directors by race

White	Black	Brown	Yellow	Indigenous
9	0	0	0	0

Employees by job class and race

Categoria funcional	White	Black	Brown	Yellow	Indigenous	Total
Officers (executives and functional)	8	0	0	1	0	**9**
Managers	48	1	6	0	0	**55**
Analysts, engineers, and specialists	568	19	66	7	0	**660**
Operators and technicians	244	23	107	1	0	**375**
Total	**868**	**43**	**179**	**9**	**0**	**1,099**

People with disabilities or special needs

Year	Men	Women	Total
2021	22	13	**35**
2022	28	26	**54**
2023	28	26	**54**

Gender indicators

	2022		2023	
	Men	Women	Men	Women
% of each gender in the workforce	73.3%	26.7%	70.6%	29.4%
% of each gender in leading positions	76.8%	23.2%	72.4%	27.6%
% of each gender in high management (at least 2 levels away from the CEO)	76.2%	23.8%	74.4%	25.6%
% of women in junior management positions	89.3%	10.7%	82.9%	17.1%
% of women in management positions that generate revenue	85.7%	14.3%	79.6%	20.4%

Professional development

[GRI 404-1]

Board of Directors Training Hours

Year	Men	Women	Total
2023	24.0	0.0	**24.0**

Average training hours, by gender

Ano	Men	Women	General
2021	60.0	17.8	49.7
2022	65.1	37.7	57.8
2023	85.9	40.0	72.4

Average hours of training by age group

	Hours
29 or younger	63,8
Between 30 – 50	75,2
Over 50	63,8

Average hours of training by job class

Categoria funcional	Men	Women	Total
Officers (executives and functional)	42.0	31.6	**39.7**
Managers	84.0	54.2	**78.6**
Analysts, engineers, and specialists	63.7	36.3	**54.4**
Operators and technicians	120.7	48.3	**104.1**

Employee performance assessment

[GRI 404-3]

Percentage of performance assessments

Job class	Men	Women	Total
Officers (executives and functional)	78%	22%	100%
Managers	82%	18%	100%
Analysts, engineers, and specialists	66%	33%	99%
Operators and technicians	76%	22%	98%

Health and safety

[SASB IF-EU-320a.1.]

Health and safety indicators*

	2022	2023
Total recordable incident rate (TRIR)	1.40	0.94
Fatality rate	0.00	0.02
Near miss frequency rate (NMFR)	1.30	1.61

Formula: (statistical count × 200,000) / hours worked

3. COMPLEMENTS - ENVIRONMENT AND CLIMATE

Biodiversity

[GRI 304-1; 304-4]

Asset	Total concession area (ha)	Conservation Unit (CU)	CU area (ha)	Class	Sphere	Biome	State	Region
Campo Largo Wind Complex	18,425.0	Área de Proteção Ambiental do Boqueirão da Onça	346,908	Environmental Protection area	federal	Caatinga	BA	Northeast
		Área de Proteção Ambiental Grutas dos Brejões / Veredas do Romão Gramacho	11,900	Environmental Protection area	state	Caatinga	BA	Northeast
		Parque Nacional do Boqueirão da Onça	505,694	Park	federal	Caatinga	BA	Northeast
Umburanas Wind Complex	5,481.0	Área de Proteção Ambiental do Boqueirão da Onça	346,908	Environmental Protection area	federal	Caatinga	BA	Northeast
		Área de Proteção Ambiental Grutas dos Brejões / Veredas do Romão Gramacho	11,900	Environmental Protection area	state	Caatinga	BA	Northeast
José Gelásio SHP	47.7	Parque Estadual Dom Osório Stoffel	13,068	Park	state	Cerrado	MT	Central-West
Rondonópolis SHP	205.2	Parque Estadual Dom Osório Stoffel	13,068	Park	state	Cerrado	MT	Central-West

Asset	Total concession area (ha)	Conservation Unit (CU)	CU area (ha)	Class	Sphere	Biome	State	Region
Gralha Azul Transmission System	90,890.0	Área de Proteção Ambiental do Passaúna	19,158	Environmental Protection area	state	Mata Atlântica	PR	Southeast
		Área de Proteção Ambiental do Rio Verde	18,247	Environmental Protection area	state	Mata Atlântica	PR	Southeast
		Área de Proteção Ambiental Estadual da Escarpa Devoniana	505,002	Environmental Protection area	state	Mata Atlântica	PR	Southeast
		Área de Proteção Ambiental Estadual da Serra da Esperança	252,680	Environmental Protection area	state	Mata Atlântica	PR	Southeast
		Área de Relevante Interesse Ecológico da Serra do Tigre	254.75	Area of Relevant Ecological Interest	state	Mata Atlântica	PR	Southeast
		Estação Ecológica Fernandes Pinheiro	1,231	Ecological Station	state	Mata Atlântica	PR	Southeast
		Estação Ecológica Municipal Severino Ravanello	308	Ecological Station	municipal	Mata Atlântica	PR	Southeast
		Floresta Nacional de Irati	3,802	Forest	federal	Mata Atlântica	PR	Southeast
		Parque Ambiental Natural Municipal Marcelina Ravanello	260	Park	municipal	Mata Atlântica	PR	Southeast
		Parque Estadual do Caxambu	1,040	Park	state	Mata Atlântica	PR	Southeast
		Parque Nacional Dos Campos Gerais	21,300	Park	federal	Mata Atlântica	PR	Southeast
		Refúgio da Vida Silvestre do Pinhão	197	Wildlife Refuge	state	Mata Atlântica	PR	Southeast
		Reserva Biológica Das Araucárias	149	Biological Reserve	federal	Mata Atlântica	PR	Southeast
		Reserva Biológica Municipal Das Aves	201	Biological Reserve	municipal	Mata Atlântica	PR	Southeast
		RPPN Pedra Sobre Pedra	6	Private Natural Heritage Reserve	federal	Mata Atlântica	PR	Southeast
Lages co-generation Plant	8.0	Parque Natural Municipal Joao José Theodoro da Costa Neto	2,023	Park	municipal	Mata Atlântica	SC	Southeast
Cacimbas Wind Power Plant	107.4	Área de Proteção Ambiental das Dunas da Lagoinha	1,320.88	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental do Estuário do Rio Mundaú	1,558.78	Environmental Protection area	state	Caatinga	CE	Northeast
Estrela Wind Power Plant	197.2	Área de Proteção Ambiental das Dunas da Lagoinha	1,320.88	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental do Estuário do Rio Mundaú	1,558.78	Environmental Protection area	state	Caatinga	CE	Northeast
Flexeiras Wind Power Plant	74.1	Área de Proteção Ambiental do Estuário do Rio Mundaú	1,558.78	Environmental Protection area	state	Caatinga	CE	Northeast

Asset	Total concession area (ha)	Conservation Unit (CU)	CU area (ha)	Class	Sphere	Biome	State	Region
Guajiru Wind Power Plant	75.7	Área de Proteção Ambiental das Dunas da Lagoinha	1,320,88	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental do Estuário do Rio Mundaú	1,558.78	Environmental Protection area	state	Caatinga	CE	Northeast
Mundau Wind Power Plant	229.6	Área de Proteção Ambiental das Dunas do Litoral Oeste	9,015.12	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental do Estuário do Rio Mundaú	1,558.78	Environmental Protection area	state	Caatinga	CE	Northeast
		Área De Proteção Ambiental Do Lagamar Do Cauipe	1,884.46	Environmental Protection area	state	Caatinga	CE	Northeast
		Estação Ecológica Do Pecém	973.08	Ecological Station	state	Caatinga	CE	Northeast
Ouro Verde Wind Power Plant	185.4	Área de Proteção Ambiental das Dunas da Lagoinha	1,320.88	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental do Estuário do Rio Mundaú	1,558.78	Environmental Protection area	state	Caatinga	CE	Northeast
Santa Monica Wind Power Plant	118.3	Área de Proteção Ambiental das Dunas da Lagoinha	1,320.88	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental do Estuário do Rio Mundaú	1,558.78	Environmental Protection area	state	Caatinga	CE	Northeast
Tubarão Wind Power Plant	17.0	Área de Proteção Ambiental da Baleia Franca	154,867.40	Environmental Protection area	federal	Mata Atlântica	SC	Southeast
Trairí Wind Power Plant	1,303.0	Área de Proteção Ambiental das Dunas da Lagoinha	1,320.88	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental das Dunas do Litoral Oeste	9,015.12	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental do Estuário do Rio Mundaú	1,558.78	Environmental Protection area	state	Caatinga	CE	Northeast
		Área de Proteção Ambiental do Lagamar do Cauipe	1,884.46	Environmental Protection area	state	Caatinga	CE	Northeast
		Estação Ecológica do Pecém	973.08	Ecological Station	state	Caatinga	CE	Northeast
Assú Photovoltaic Power Plant	171.0	Floresta Nacional de Açu	225.02	Forest	federal	Caatinga	RN	Northeast
Cidade Azul Photovoltaic Power Plant	15.0	Área de Proteção Ambiental da Baleia Franca	154,867.40	Environmental Protection area	federal	Mata Atlântica	SC	Southeast
Floresta Photovoltaic Power Plant	393.0	Área de Proteção Ambiental Dunas do Rosado	16,593.70	Environmental Protection area	state	Caatinga	RN	Northeast
Paracatu Photovoltaic Power Plant	842.1	Parque Estadual de Paracatu	6,400.34	Park	state	Cerrado	MG	Southeast

Asset	Total concession area (ha)	Conservation Unit (CU)	CU area (ha)	Class	Sphere	Biome	State	Region
Cana Brava Hydropower Plant	16,859.9	Área de Proteção Ambiental Lago de São Salvador do Tocantins, Paranã e Palmeirópolis	14,587.11	Environmental Protection area	state	Cerrado	GO	Midwest
		Área de Proteção Ambiental Minaçu	2,419.79	Environmental Protection area	municipal	Cerrado	GO	Midwest
		Área de Proteção Ambiental Pouso Alto	77,274.86	Environmental Protection area	state	Cerrado	GO	Midwest
		Reserva Particular do Patrimônio Natural Reserva Natural do Tombador	141.71	Private Natural Heritage Reserve	federal	Cerrado	GO	Midwest
Estreito Hydropower Plant	55,946.2	Monumento Natural Das Árvores Fossilizadas do Estado do Tocantins	18,018.99	Natural Monument	state	Cerrado	MA/TO	North/ Northeast
		Parque Nacional da Chapada das Mesas	16,599.37	Park	federal	Cerrado	MA/TO	North/ Northeast
Itá Hydropower Plant	18,992.5	Parque Estadual Fritz Plaumann	733.36	Park	state	Mata Atlântica	SC/RS	Southeast
		Reserva Particular do Patrimônio Natural Estadual Valdir Baldin	7.00	Private Natural Heritage Reserve	state	Mata Atlântica	SC/RS	Southeast
Jaguara Hydropower Plant	3,469.2	Parque Estadual das Furnas do Bom Jesus	2,063.10	Park	state	Cerrado	SP/MG	Southeast
Miranda Hydropower Plant	5,392.0	Parque Estadual do Pau Furado	2,181.80	Park	state	Cerrado	MG	Southeast
		Reserva Particular De Patrimônio Natural do Jacob	358.33	Private Natural Heritage Reserve	state	Cerrado	MG	Southeast
		Reserva Particular do Patrimônio Natural Cachoeira da Sucupira	42.00	Private Natural Heritage Reserve	state	Cerrado	MG	Southeast
Machadinho Hydropower Plant	17,733.8	Parque Estadual de Espigão Alto	1,443.68	Park	state	Mata Atlântica	SC/RS	Southeast
		Parque Estadual Rio Canoas	571.38	Park	state	Mata Atlântica	SC/RS	Southeast
Passo Fundo Hydropower Plant	15,932.3	Parque Estadual do Papagaio-Charão	1,023.28	Park	state	Pampa	RS	Southeast
Ponte De Pedra Hydropower Plant	4,067.0	Parque Estadual Dom Osório Stoffel	13,068	Park	state	Cerrado	MT/MS	Central-West

Asset	Total concession area (ha)	Conservation Unit (CU)	CU area (ha)	Class	Sphere	Biome	State	Region
São Salvador Hydropower Plant	17,223.4	Área de Proteção Ambiental Lago de Peixe/Angical	7,628.66	Environmental Protection area	state	Cerrado	TO	North
		Área de Proteção Ambiental Lago de São Salvador do Tocantins, Paranã e Palmeirópolis	14,587.11	Environmental Protection area	state	Cerrado	TO	North
Salto Santiago Hydropower Plant	21,979.0	Estação Ecológica Rio dos Touros	356.90	Ecological Station	state	Mata Atlântica	PR	Southeast
Ferrari Thermoelectric Plan	3.7	Parque Estadual de Porto Ferreira	681.42	Park	state	Cerrado	SP	Southeast
		Reserva Particular De Patrimônio Natural Sitio Kon Tiki	11.89	Private Natural Heritage Reserve	state	Cerrado	SP	Southeast

* Some conservation units are described more than once because they appear in the 15km buffer of plants that belong to the same region.

Red List Class (IUCN)

Operational Unit	Critically endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Low Concern (LC)
Campo Largo Wind Complex	3	5	17	17	686
Umburanas Wind Complex	3	4	17	16	686
José Gelázio SHP	0	5	18	28	859
Rondonópolis SHP	0	5	18	28	854
Gralha Azul Transmission System	11	19	39	51	1,099
Novo Estado Transmission System	2	14	43	43	1,519
Lages Co-generation Plant	2	6	21	30	715
Cacimbas Wind Power Plant	16	25	44	27	1,243
Estrela Wind Power Plant	16	25	44	27	1,246
Fleixeiras Wind Power Plant	16	26	44	27	1,260
Guajiru Wind Power Plant	16	25	44	27	1,260

Red List Class (IUCN)

Operational Unit	Critically endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Low Concern (LC)
Mundaú Wind Power Plant	17	26	45	28	1,273
Ouro Verde Wind Power Plant	16	25	44	27	1,249
Santa Mônica Wind Power Plant	16	25	44	27	1,246
Trairi Wind Power Complex	17	25	45	28	1,272
Tubarão Wind Power Plant	4	7	23	30	734
Cana Brava Hydropower Plant	1	9	21	26	858
Estreito Hydropower Plant	0	3	20	29	880
Itá Hydropower Plant	2	7	20	36	816
Jaguara Hydropower Plant	2	7	23	31	932
Machadinho Hydropower Plant	1	7	21	34	752
Miranda Hydropower Plant	1	6	22	28	925
Passo Fundo Hydropower Plant	3	6	22	33	734
Ponte de Pedra Hydropower Plant	0	6	21	27	860

Red List Class (IUCN)

Operational Unit	Critically endangered (CR)	Endangered (EN)	Vulnerable (VU)	Near Threatened (NT)	Low Concern (LC)
Salto Osóri Hydropower Plant	2	3	18	33	858
Salto Santiago Hydropower Plant	3	8	20	33	858
São Salvador Hydropower Plant	0	7	20	27	873
Assú Photovoltaic Power Plant	0	1	7	12	616
Cidade Azul Photovoltaic Power Plant	4	7	23	30	734
Floresta Photovoltaic Power Plant	15	23	45	29	1,225
Paracatu Photovoltaic Power Plant	1	7	27	23	873
Ferrari Thermoelectric Power Plant	2	6	25	28	1,063
Ibitiúva Thermoelectric Power Plant	1	5	18	30	939
Pampa Sul Thermoelectric Power Plant	2	6	18	14	601

*Considers the buffer established by IUCN, of 15 kilometers, as a criterion.

Water

[GRI 303-3; 303-4; 303-5]

Total water withdrawal volume by source (in ML)

Source	2021	2022	2023	2023/2022 change
Surface water	486,271.8	4,180.3	1,805.5	-57%
Ground water	13.2	14.1	17.8	26%
Third-party water	2,214.3	1,813.9	1,865.8	3%
Water stress area (third party water)*	-	0.1	0.2	70%
Total	**488,499.3**	**6,008.2**	**3,689.2**	**-38.6%**

* Forest Photovoltaic Power Plant. The values in the line are already contained in the total of the "Third-party water" line, therefore, they are not part of the sum.

Total water consumption (in ML)

	2021	2022	2023	2023/2022 change
Total water consumption	7,233.6	4,386.4	1,992.6	-54.6%
Total water consumed in all water stressed areas	0.0	0.1	0.2	100%

Volume of water used in thermal power plants (in ML)

Procedure	2021	2022	2023	2023/2022 change
Processing	4,931.9	2,950.5	2,512.3	-15%
Cooling	483,543.3	3,029.4	1,147.8	-62%
Total	**488,475.2**	**5,979.9**	**3,660.1**	**-39%**
Consumption*	7,215.8	4,364.2	1,969.0	-55%

*Water consumption not included in total because it is part of the volume used for cooling purposes.

Water discharge / disposal (in ML)

	2021	2022	2023	2023/2022 change
Surface water (includes wetlands, rivers and lakes)	479,704.5	120.8	52.4	-56.61%
Third-party water	1,561.1	1,500.1	1,643.6	9.57%
Total	**481,265.6**	**1,620.9**	**1,696.0**	**4.63%**

Thermal disposal volume * (in ML)

2021**	2022**	2023
477,675.6	34.3	34.3

*The Pampa Sul Thermoelectric Plant and Lages Cogeneration Plant have a water reuse system, so there is no water disposal.
**Data from 2021 and 2022 were adjusted due to changes in calculation parameters.

Waste

[GRI 306-3; 306-4; 306-5]

[SASB IF-EU-150a.1.; IF-EU-150a.2.]

Waste not allocated to final disposal

Hazardous Waste (t)

Disposal	2021	2022*	2023	2023/2022 change
Re-use	51.5	0.8	0.0	-100.0%
Recycling	55.4	41.6	122.4	194.2%
Co-processing	205.6	49.0	126.0	157.1%
Total	**312.5**	**91.4**	**248.4**	**171.7%**

* Relevant reduction in 2022 due to the sale of the Jorge Lacerda Thermoelectric Complex, which took place in 2021

Non-hazardous waste (t)

Disposal	2021	2022	2023	2023/2022 change
Re-use	5,593.8	13,654.8*	2,859.7	-79.1%
Recycling	972,918.9	92,112.9*	17,227.7	-81.3%
Composting	92,465.4	93,681.6	95,405.3**	1.8%
Composting	1,010,011.0	726,885.5	58,197.6	-92.0%
Co-processing	178.0	89.8	41.8	-53.4%
Use as fuel (wood)	0.0	0.0	15.5	
Total	**2,081,167.1**	**926,424.6**	**173,747.6**	**-81.2%**

* Data corrected.
** This volume contains 43.7 tons of waste that were used for composting within the operational units of Engie Brasil Energia

Ash and gypsum (t)

	2021	2022	2023
Total ash and gypsum waste recycled/re-used	2,526,974.2	921,708.0	172,451.3
Total ash and gypsum waste disposed	0	0	0
Data coverage (as % of the denominator)	100%	100%	100%

Coal burning waste generation*(t)

2021	2022	2023	2023 x 2022 change	% Recicled
2,431,529.75	816,904.91	68,142.3	-91.7%	100%

*Considers only light and heavy ash from the Pampa Sul Thermoelectric Plant.

Resíduos destinados para disposição final

Hazardous waste (t)

Disposal	2021	2022	2023	2023/2022 change
Incineration (mass burning)	0.9	0.8	1.5	82.7%
Landfill	551.4	464.3	23.7	-94.9%
Total	**552.2**	**465.1**	**25.2**	**-94.6%**

Non-hazardous waste (t)

Sisposal	2021	2022	2023	2023/2022 change
Landfill	450,601.11	113.80	150.57	32.3%
Total	**450,601.11**	**113.80**	**150.57**	**32.3%**

Energy

[GRI 302-1; G4 EU11]

Total direct energy consumption
Non-renewable sources

Source	2021	2022	2023	2023/2022 change
Heavy oil	253,512	37,335	18,008	-52%
Coal	54,632,124	10,338,656	1,906,824	-82%
Total (GJ)	54,885,636	10,375,991	1,924,832	-81%
Total (MWh)	**15,246,010**	**2,882,220**	**534,676**	**-81%**

Total direct energy consumption
Renewable sources

Source	2021	2022	2023	2023/2022 change
Wood biomass	953,244	1,942,884	433,535	-78%
Sugarcane biomass	8,672,616	8,300,304	8,757,451	6%
Total	9,625,860	10,243,188	9,190,986	-10%
Total (MWh)	**2,673,850**	**2,845,330**	**2,553,052**	**- 10%**

Total grid electricity consumption

	2021	2022	2023	2023/2022 change
In GJ	279,781	107,472	72,857	-32%
In MWh	77,717	29,853	20,238	-32%

Emissions

[GRI 305-6]

Emission intensity of NOX, SOX and PM - thermal/biomass generation - (Kg/MWh)

	2021	2022	2023
NOX	3.46	2.01	7.08
SOX	20.59	1.58	1.30
Material particulado (MP)	0.88	1.54	4.62

Emission of ozone-depleting substances (ODS) – Operational Control (in tCO2e)

ODS	2021	2022	2023
HCFC (R-22)	194.3	112.0	46.4
HCFC-141b	0.0	0.0	0.9

Emission of ozone-depleting substances (ODS) – Corporate stake (in tCO2e)

ODS	2021	2022	2023
HCFC (R-22)	213.4	114.3	55.0
HCFC-141b	0.0	0.0	0.9

Gas leak rate – TAG (Gas transportation)

SDO	2022	2023	What is included
Vented	0.0510%	0.0650%	• Depressurization and purging: volume and density of natural gas; • Pigging: volume of natural gas, density and number of pig passages in each chamber; • Sealing: number of operation hours, density and average volume of natural gas sent to the vent-stack.
Fugitive	0.0003%	0.0003%	The estimate of CH4 emissions is made based on factors that consider operating hours and the quantity of line and equipment components. Based on the methane emissions and content in the natural gas, the total amount of natural gas emitted into the atmosphere was calculated.
Pneumatic	0.0180%	0.0300%	Starter motor: number of starts for each engine and average flow of natural gas used per start. From the product of these two variables, the total volume of natural gas directed to the vent-stack was obtained.
Unburnt	-	-	Not measured.
Total TAG (100%)	**0.0693%**	**0.0953%**	
ENGIE Brasil Energia stake in TAG (32.5%)	**0.0225%**	**0.0310%**	

COMPLEMENTS – RELATIONS OF VALUE

Communities

[GRI 413-1; 413-2]

Operations with engagement, impact assessments and development programs aimed at the local community

Activities	Percentage of operations covered	Context
• Social impact assessments, including gender impact assessments, based on participatory processes; • Local development programs based on the needs of local communities.	All assets, including projects under implementation.	Brazilian legislation requires, prior to the implementation of projects, socioeconomic and environmental impact studies on the surrounding area, which are approved by the licensing body(ies). After implementation, structuring programs are maintained, especially focused on these regions. Every two years, in structured consultation processes with stakeholders, there is a process of dialog with communities, where the effectiveness of actions carried out in the past, impressions on positive and negative social impacts are assessed, and based on these impressions, added to the local social context, the programs being implemented are reevaluated, in order to enhance positive impacts.
• Environmental impact assessments and continuous monitoring.	All assets, including projects under implementation.	Brazilian legislation requires, prior to the implementation of projects, socioeconomic and environmental impact studies on the surrounding area, which are approved by the licensing body(ies). After implementation, structuring programs are maintained, some of which are conditional on the maintenance of operating licenses, especially focused on these regions. Every two years, in structured stakeholder consultation processes, there is a dialog process with environmental experts and local and regional public authorities, where the effectiveness of actions carried out in the past, impressions on positive and negative environmental impacts are assessed, and based on these impressions, added to the local environmental context, the programs being implemented are reevaluated, in order to enhance positive impacts.
• Public disclosure of the results of environmental and social impact assessments.	All assets, including projects under implementation.	**Assets under implementation:** Brazilian legislation requires, prior to the implementation of projects, socio-economic and environmental impact studies on the surrounding area, which are approved by the licensing body(ies). Part of this approval process involves publicizing the studies and carrying out Public Consultations with the communities impacted by the project (applicable to Environmental Impact Studies and Environmental Impact Reports – EIA/RIMA). **Assets in operation:** The Company publicizes the results of the impact assessments in a synthetic manner in the Sustainability Report itself and, in more detail about each of the operations, on the website .
• Formal complaints processes by local communities.	All assets, including projects under implementation	**Assets under implementation:** Via local ombudsman channels, which register and forward demands to the Company's technical areas. **Operational assets, but also applicable to assets under implementation:** There are several viable channels for filing complaints through verbal, telephone, email or ethics channel mediums. Regardless of the means by which the complaint was received, all of them are registered in the Integrated Management System – Stakeholder Communication –, where a person responsible will be designated to forward the complaint, with formal and traceable monitoring.

Operations with actual and potential significant negative impacts on local communities

Type of operation	Implementation / construction	Operation	Demobilization
General	• Increase in population flow (temporarily or permanently, depending on the size and type of enterprise). • Exposure of communities to the emission of dust particles and noise. • Interferences in the routine/flows of the surrounding community. • Exposure of the local population to increased heavy vehicle traffic, and consequent impacts on the road network. • Morphological, landscape and habitat changes. • Generation of expectations among the local population. • Change in the flow and/or quality of surface water • Interference with archaeological heritage	• Increase in population flow (temporarily or permanently, depending on the size and type • of the enterprise). • Morphological, landscape and habitat changes. • Change in the flow and/or quality of surface water.	• Temporary increase in population flow. • Exposure of communities to the emission of dust particles and noise. • Interferences in the routine of the surrounding community. • Exposure of the local population to increased heavy vehicle traffic. • Reduction in local economic activity. • Unemployment caused by demobilization (direct or indirect). • Waste management. • Recovery of Degraded Areas
Hydroelectrics	• Relocation of families and consequent change in socioeconomic dynamics, mainly due to the reservoir.	• Restrictions on the use of the reservoir and its surroundings.	
Complementaries	• Increased noise and vibrations (wind).	• Noise emission from wind turbines • Emission of particulate matter (Biomass) • Light flicker caused by wind turbines	
Transmission	• Possible relocation of families and consequent change in socioeconomic dynamics in areas where substations are built. • Vegetation suppression and land cleaning, which can cause erosive processes, generation of dust, noise and discomfort in the daily lives of the population.	• Land use of properties, with occasional changes in economic dynamics (example: land use restrictions in areas close to lines).	

Suppliers

[GRI 204-1]

Value of contracts with suppliers in 2023

Domestic / International	Amount (R$ million)	Ratio	Number of suppliers
Domestic	2,659.1	99.3%	3,955
International (imports)	18.0	0.7%	38

Supplier screening

a. Total number of Tier-1 suppliers	3,993
b. Total number of significant suppliers in Tier-1	90
c. % of total spend on significant suppliers in Tier-1	52.09%
d. Total number of significant suppliers in non Tier-1	51
e. Total number of significant suppliers (Tier-1 and non Tier-1)	141

Contracted amounts in 2023 by location and number of suppliers

Location (state)	Contracted ammount (R$ million)	Number of suppliers	Ratio
SP	R$ 993.6	778	37.4%
BA	R$ 452.0	309	17.0%
CE	R$ 328.7	111	12.4%
MG	R$ 225.4	353	8.5%
RN	R$ 201.7	201	7.6%
SC	R$ 173.5	735	6.5%
RJ	R$ 76.6	86	2.9%
PR	R$ 63.1	474	2.4%
RS	R$ 53.7	216	2.0%
PA	R$ 19.4	183	0.7%
GO	R$ 16.0	120	0.6%
ES	R$ 14.7	27	0.6%
SE	R$ 11.1	1	0.4%
DF	R$ 9.9	34	0.4%

Location (state)	Contracted ammount (R$ million)	Number of suppliers	Ratio
TO	R$ 5.9	58	0.2%
MS	R$ 4.3	89	0.2%
MT	R$ 4.1	87	0.2%
PE	R$ 3.0	16	0.1%
MA	R$ 1.4	67	0.1%
AM	R$ 0.4	4	0.0%
AL	R$ 0.3	1	0.0%
PI	R$ 0.1	1	0.0%
PB	R$ 0.1	4	0.0%
AC	-		0.0%
AP	-		0.0%
RO	-		0.0%
RR	-		0.0%
Total	**R$ 2,659.1**	**3,955**	**100%**

Commitment to outside initiatives

[GRI 2-28]

Below, we list other initiatives and entities in which the Company participates:

- Pacto Global (ONU)
- Action Declaration on Climate Policy Engagement
- Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável (CEBDS)
- Movimento Coalizão Brasil Clima, Florestas e Agricultura (Coalizão Brasil)
- Associação Brasileira do Hidrogênio (ABH2)
- Associação Brasileira da Indústria de Hidrogênio Verde (ABIHV)
- Associação Brasileira das Empresas Geradoras de Energia Elétrica (ABRAGE)
- Administração dos Portos (diversos municípios)
- Agência Nacional de Energia Elétrica (ANEEL)
- Associação Brasileira da Infraestrutura e Indústrias de Base (ABDIB)
- Associação Brasileira das Empresas de Transmissão de Energia Elétrica (ABRATE)
- Associação Brasileira de Energia Eólica (ABEEólica)
- Associação Brasileira dos Comercializadores de Energia (ABRACEEL)
- Associação Brasileira das Empresas Geradoras de Energia Elétrica (ABRASCA)
- Associação Brasileira dos Produtores Independentes de Energia Elétrica (APINE)
- Associação Nacional de Pesquisa e Desenvolvimento das Empresas Inovadoras (ANPEI)
- Associação dos Produtores de Energia de Santa Catarina (APESC)
- Câmara de Comercialização de Energia Elétrica (CCEE)
- Centro de Pesquisas de Energia Elétrica (CEPEL)
- Comissão das Empresas Energéticas para Gestão de Viagens (COEGV)
- Comitê da Bacia do Rio Canoas
- Confederação Nacional das Indústrias - Conselho de Meio Ambiente (CNI)
- Conselho de Desenvolvimento do Território Cantuquiriguaçu (CONDETEC)
- Conselho Estadual de Recursos Hídricos de Santa Catarina (CERH-SC)
- Conselho Estadual de Recursos Hídricos do Paraná (CERH-PR)
- Conselho Nacional de Recursos Hídricos (CNRH)
- Electric Power Research Institute - EPRI/EUA (Instituto de Pesquisa de Energia Elétrica)/ Transferência de Tecnologia (EPRI/EUA)
- Empresa de Pesquisa Energética (EPE)
- Federação das Indústrias do Estado de Santa Catarina (FIESC)
- Fundação Comitê de Gestão Empresarial (FUNCOGE)
- Instituto ACENDE Brasil (ACENDE Brasil)
- Instituto Brasileiro de Governança Corporativa (IBGC)
- Instituto Brasileiro de Petróleo e Gás (IBP)
- International Electric Community (IEC)
- Sindicato da Indústria de Energias Renováveis do Rio Grande do Sul (Sindienergia)
- Operador Nacional do Sistema Elétrico (ONS)

Amounts spent on representation associations (R$)

Entity	2019	2020	2021	2022	2023
APINE	346,143	218,263	244,763	251,369	263,736
ACENDE BRASIL	253,250	215,160	234,720	245,665	267,962
ABRAGE	208,238	199,450	264,948	232,448	196,121
ABRATE	154,859	112,578	167,014	109,905	198,919
ABEEÓLICA	115,844	104,213	137,236	174,912	149,502
IHA	90,954	128,952	140,023	0	0
ABRACEEL	31,245	89,535	75,353	83,730	77,836
ABDIB	34,940	38,400	38,400	46,417	43,200
CEPEL	0	100,000			2,632
ABH2	0	0	0	0	35,000
Total (R$)	**1,235,473**	**1,206,551**	**1,302,457**	**1,144,446**	**1,234,908**

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Ethics, governance, integrity and human rights agenda

Ethics Committee:
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Suppliers
www.engie.com.br/fornecedores

Whistleblower channel for reports of any kind

www.canalintegro.com.br/engiebrasil
or 0800 580 2586 (confidentiality assured)

Supporting materials

- 2023 Management Report and Financial Statements
- 2023 Emissions Inventory
- 2023 CDP Report
- Policies

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