
ENGIE
SUSTAINABILITY
REPORT
2020

To the essential ones

This Sustainability Report is dedicated to all the employees of **ENGIE Brasil Energia**, who, amid the pandemic – characterized by hardship and uncertainty round the world – acted with bravery, resilience and empathy to continue delivering an essential service to society with excellence.

Without the efforts of each and every one of them, together with the team spirit that is part of our values, the results reported here would not have been possible. Our Company thanks, recognizes and is proud of you for the essential work done.

Essential, like energy.

Essential, like people.

Essential, like life.



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Message from the Management

[GRI 102-14]

It was April 2020 when we released our latest Sustainability Report. Surrounded by uncertainty stemming from the recently declared pandemic, we were trying, as we reported at the time, to understand risks, predict impacts, and adapt our activities. Back then, all of our efforts were focused on **guaranteeing the supply of electric energy – which is essential to society – while protecting people, guaranteeing the health of our teams and support to the communities in which the Company operates.**

Based on these pledges, we stood shoulder to shoulder to face the crisis and its developments. We reached year-end 2020 with net revenues in excess of R$ 12 billion, up 25% from 2019, R$ 6.5 billion in EBITDA and net income of R$ 2.8 billion, in each case up more than 20% YoY. The factors contributing to the numbers' evolution include hydrological risk renegotiation, the contribution from TAG and the Transmission segment, and a combination of changes in volume of energy sold and average net selling price. Beyond these, we realize that our results reflect a collective effort to overcome hardship, which is expressed in the exemplary commitment of our employees, in the support from our Board of Directors and our controlling shareholder, and the collaborative chain that formed within the Company and without.

We thereby proved the effectiveness of strategic actions structured over the past few years to make ENGIE Brasil Energia more and more resilient and connected with the future. In one illustrative case, the digitalization process, which has been intensive since 2015, was crucial for us to be able to place approximately 70% of employees in work-from-home regime in just two days. Similarly, the remote operation of a large portion of our generation plant helped reduce risks and keep up plant performance. **This was only possible because we already had appropriate systems and tools in place, as well as skilled teams willing to adjust routines and processes.**

The pursuit of solutions for the electric energy industry's delicate situation, given the sharp drop in consumption and a potential increase in delinquency that distribution companies face, added to the need for urgent steps to be taken. Together with other players, we discussed alternatives to support the more sensitive links in the chain, working towards solutions to give breathing room to the companies hit hardest by the crisis. Once again, the union of the industry's players led to balanced decisions that prevented

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an even more violent shock to the country's production and confirmed the regulatory maturity of the Brazilian electric energy industry's players.

With funding raised on the marketplace, we stuck to our financial discipline and the delivery of results to execute the investment plans drawn for 2020. **We continued implementation of three major projects: the Campo Largo II Wind Complex, in the Northeast, and the Novo Estado and Gralha Azul Transmission Systems, respectively in the North and South of Brazil.** Although we did face pandemic-related restrictions – and, in the case of Gralha Azul, environmental licensing-related legal issues that led to a temporary construction stoppage –, we reached yearend with our plans adjusted to ensure the least impact possible on schedules.

The field teams' sharp pace – as they maintained operational excellence while faithfully adopting contingency measures to control the risk of contagion – was matched by our people in the administrative and business areas.

The field teams' sharp pace – as they maintained operational excellence while faithfully adopting contingency measures to control the risk of contagion – was matched by our people in the administrative and business areas. In addition to supporting implementation and operation activities, they found room to innovate, benefitting various stakeholder groups. Our Clients in the Free Energy Market, for example, now have available E-conomiza, a solution intended to facilitate small and medium-sized businesses' migration to the free contracting environment, and the Energy Place, a digital relationship platform that enables managing contracts as well as making short-term energy purchases – all done online on a swift and secure medium.

We created tools for our employees to foster connection – not just for business purposes, but above all to enable them to connect with one another. Among the highlights, the socialization and mental health programs included a series of online events, outreach campaigns and psychological support. Added to the sanitary protocols put into place, these actions guided our teams as to the gradual, voluntary and safe return to working at the Company's facilities. They also supported learning about new working formats that will probably stay with us going forward.

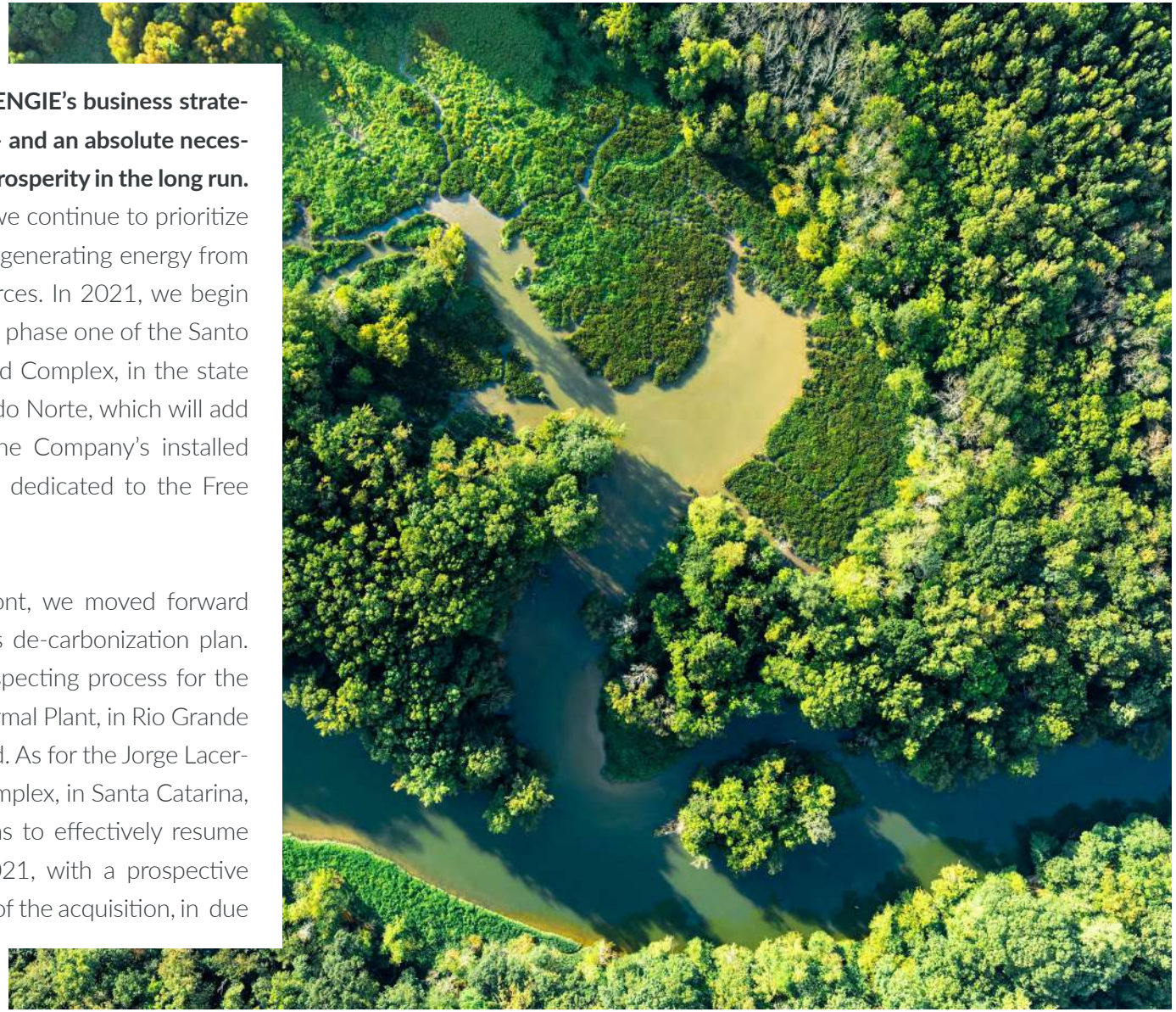
For the communities where ENGIE Brasil Energia is present, we offered different support models. The health crisis demanded prioritizing immediate assistance to those most vulnerable, providing the basics to face the loss of jobs

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and income, and to help healthcare institutions improve the conditions of their service to the population. These two vectors drive our social responsibility efforts during the pandemic, defining the allocation of more than R$ 7 million. Some of the funds came from the Solidary Campaign, which enjoyed healthy support from our employees reinforcing community engagement as an essential trait of the Company's culture.

We remain dedicated to building the future. The global shock that the pandemic caused raised the warning for an equally global dilemma with which we have a direct connection: climate change – which tents to cause economic, social and environmental impacts on a scale at least as challenging as the one endured in 2020. **The prospects underscore the urgency of decarbonization, a component of ENGIE's business strategy since 2015 – and an absolute necessity to ensure prosperity in the long run.** Knowing this, we continue to prioritize investments in generating energy from renewable sources. In 2021, we begin construction of phase one of the Santo Agostinho Wind Complex, in the state of Rio Grande do Norte, which will add 434 MW to the Company's installed capacity, to be dedicated to the Free Energy Market.

On another front, we moved forward with our assets de-carbonization plan. The buyer prospecting process for the Pampa Sul Thermal Plant, in Rio Grande do Sul, resumed. As for the Jorge Lacerda Thermal Complex, in Santa Catarina, the process was to effectively resume in February 2021, with a prospective buyer's review of the acquisition, in due



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diligence process to be completed in June 2021. In parallel, a special Working Group was formed and will be dedicated to the study of alternative solutions for the asset. The study includes an in-depth review of socio-economic implications, based on a dialogue with all stakeholders. We are confident that sharing the challenges that the shift involves will lead to equally collaborative solutions over the coming years.

We know that transformations needed for the energy transition will continue to require the energy industry to adapt, mobilizing agents in the public and private sectors. In 2020, we made important regulatory gains, such as Provisional Measure 998, which created the conditions to move ahead with the modernization of the Brazilian electric industry, making it more sustainable and competitive, and Law 14052, which put an end to the short-term market's paralysis by providing a definitive solution to the problems caused to large hydro generators during the hydric crisis of the early 2010s. These two examples reinforce sector's regulatory safety, which becomes more modern every year. Improvements are also expected in the evolution of discussions on the New Gas Law, which has huge potential to add to the industry's dynamics and improve integration between gas and electric energy.

We remain focused on building the future. Making the environment more favorable for business will be key to the Brazilian economy's recovery, clearing the path towards growth. ENGIE Brasil Energia has complete confidence in the country's potential for sustainable development and, as we proved in this atypical year of 2020, is ready to contribute to overcoming the challenges facing the future with integrity, courage and responsibility.

Good reading!



Maurício Stolle Bähr
Chairman of the Board of Directors



Eduardo Antonio Gori Sattamini
Chief Executive and Investor Relations Officer

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HIGHLIGHTS 2020

AWARDS AND RECOGNITIONS RECEIVED IN 2020

Component of 2021's Corporate Sustainability Index (ISE) of B3 – for the 16th consecutive year, from the advent of the ISE.

Component of 2021's Carbon Efficient Index (ICO2) of B3, for the first time.

For the second year in a row, Best Company in the Energy Sector, **Época Negócios 360º Award,** sponsored by **Editora Globo's Época Negócios magazine**.

Best Company in the Energy Industry in the **As Melhores da Dinheiro Award,** hosted by Istoé Dinheiro magazine.

Winner of the **Transparency Trophy of the National Association of Finance, Administration and Accounting Executives (Anefac)** – category "companies with net revenues up to R$ 8 billion", for the 11th time.

Expressão Ecology Awards – private-sector clean energies category – hosted for the 27th time by publishers Editora Expressão, with the project "Lages Co-Generation Unit: an example of the transformative potential of the circular economy and of renewable energy generation".

2020 Citizen Company Award from the Santa Catarina Chapter of the Brazilian Sales and Marketing Managers' Association (ADVB/SC). The Company was recognized in two categories: Community Outreach with the case "Community-support actions facing the pandemic", and Cultural Development, with the case "Culture and Sustainability Centers".

Ranked by the **Institutional Investor magazine** (Electric & Other Utilities – Latin America), as follows:

1st winners index overall **ENGIE Brasil Energia**

1st place overall and sell-side **Best CEO**

1st place overall and sell-side **Best IR Companies**

2nd place overall and sell-side **Best CFO**

1st place overall, sell side e buy side **Best ESG metrics**

1st place overall e sell-side **Best Analyst Day**

1st place overall and buy-side **Best IR professional**

Highlight of the **ALAS20 (Agenda Líderes Sustentables 2020),** a Latin-American initiative that reviews sustainable development and corporate governance-related practices. Among Brazilian companies, ENGIE Brasil Energia was recognized as follows:

4th **"Investor relations leaders"**

3rd **"Sustainability leaders"**

3rd **"Corporate governance leaders"**

TRACKING INDICATORS

[GRI 102-7]

Indicators	2020	2019	2018	Change 2020/2019	Change 2020/2018
Operational and commercial					
Operating plants	60	60	41	0	19
Total installed operating capacity (MW)	10,431.20	10,431.20	9,725.50	0.0	7.3%
Total own installed capacity (MW)	8,710.50	8,710.50	8,004.80	0.0	8.8%
Own installed capacity from renewable sources (MW)	7,508.50	7,508.50	7,147.80	0.0	5.0%
Own installed capacity from renewable sources (%)	86.2	86.2	89.3	0.0	-3.1 p.p.
Energy selling (average MW)	37,889	37,925	36,411	-0.1%	4.1%
Average net sales price (R$/MWh)	4,313	4,329	4,157	-0.4%	3.8%
Energy selling (average MW)	193.8	189.5	181.2	2.3%	7.0%
Number of consumers from free market (ACL)	720	621	515	15.9%	39.8%
Installed capacity – ENGIE Geração Solar Distribuída (kWp)	17,824	20,014	10,059	-10.9%	77.2%

Economic-financial (R$ million) [GRI-201-1]					
Total Assets	35,186.2	30,135.5	23,735.5	16.8%	48.2%
Shareholder's equity	7,741.9	6,998.8	6,320.6	10.6%	22.5%
Net revenue from sales	12,259.2	9,804.5	8,794.8	25.0%	39.4%
Net income	2,797.3	2,311.1	2,315.4	21.0%	20.8%
Ebitda	6,484.5	5,158.2	4,367.6	25.7%	48.5%
Total debt (loans, financing and debentures)	16,672.2	14,437.0	9,498.3	15.5%	75.5%
Net debt	11,786.4	10,191.8	6,856.3	15.6%	71.9%
ROIC* (%)	22.7	20.8	23.0	1.9 p.p.	-0.3 p.p.
Net debt/Ebitda	1.8	2.0	1.6	-0.2	0.2
Investments	4,013.1	4,903.0	3,452.1	-18.2%	16.3%

* ROIC: effective tax rate x EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE).

Investments in social responsibility programs					
Non-incentivized investments (R$ thousand)	7,504.2	4,034.6	3,497.0	86.0%	114.6%
Incentivized investments – Infancy and Adolescence Fund. Culture Incentive Law. Law for Sport. Health and others – (R$ thousand)	15,129.7	21,841.0	16,880.3	-30.7%	-10.4%

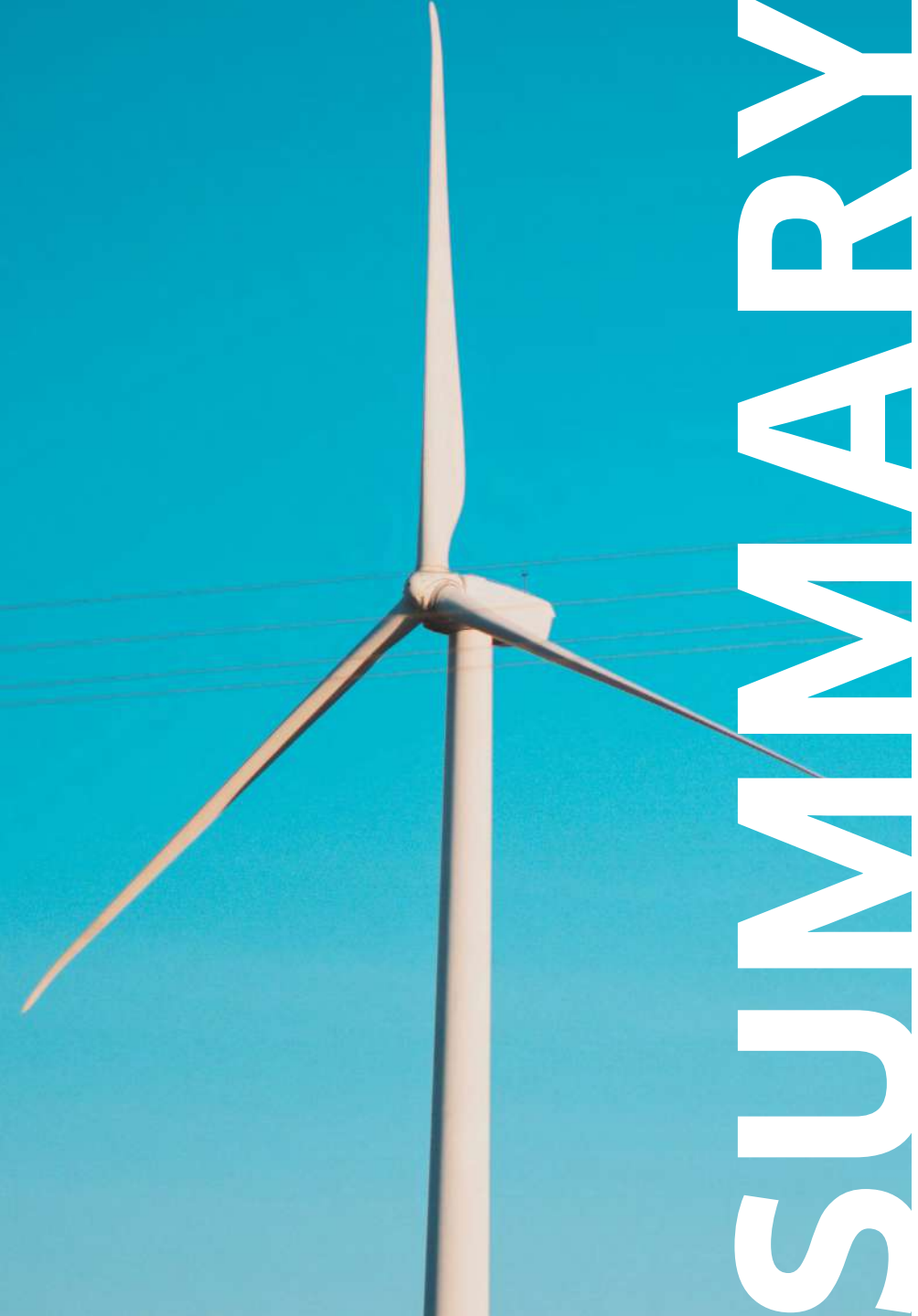
Indicators	2020	2019	2018	Change 2020/2019	Change 2020/2018
Shares (R$)					
Net earnings per share	2.47**	2.83	2.79	-12.7%	-11.5%
Average price per share – ON *	42.57	40.90	25.95	4.1%	64.0%
Dividends per share	2.47**	1.53	2.79	61.4%	-11.5%

* Average closing price, daily averages.
** Ex- the effects of hydrological risk renegotiation.

Environmental					
Donation and planting of seedlings (thousands)	360	404	414	-10.9%	-13.0%
Plant visitors (thousands)	33	90	106	-63.3%	-68.9%
Water consumption (millions of liters)	459,275.3	426,629.6	493,096.6	7.3%	-6.9%
Waste generated (millions of tons)	2.526	2.064	1.447	22.4%	74.6%
Percentage of waste recovered (%)	82.9%	69.4%	99.9%	13.5 p.p.	-17.0 p.p.
CO_2 emissions per energy generated – Operational Control ($kgCO_2$/MWh)	256.1	190.0	184.7	34.8%	38.7%
CO_2 emissions per energy generated – Corporate Participation ($kgCO_2$/MWh)	211.4	152.4	145.0	38.7%	45.8%

Human capital					
Number of employees at ENGIE Brasil Energia (as at December 31)	1,538	1,398	1,337	10.0%	15.0%
Percentage of women in the workforce	19.9%	19.1%	18.6%	0.8 p,p,	1.3 p,p,
Investment in training and professional development (R$ million)	3.8	5.6	4.5	-32.1%	-15.6%
Total number of hours of training	66,064	74,986	83,124	-11.9%	-20.5%
Number of occupational accidents and accidents with employees commuting to and from work	5	7	3	↓	↑
Frequency Rate (FR) – direct employees*	0.41	0.00	0.97	↑	↓
Frequency Rate (FR) – direct employees + long-term service providers*	0.62	1.72	1.39	↓	↓
Accident frequency rate (FR) for out-sourced short term suppliers + construction work *	0.78	0.63	1.64	↑	↓

* FR: number of workplace related accidents for every million hours of exposure to hazards.



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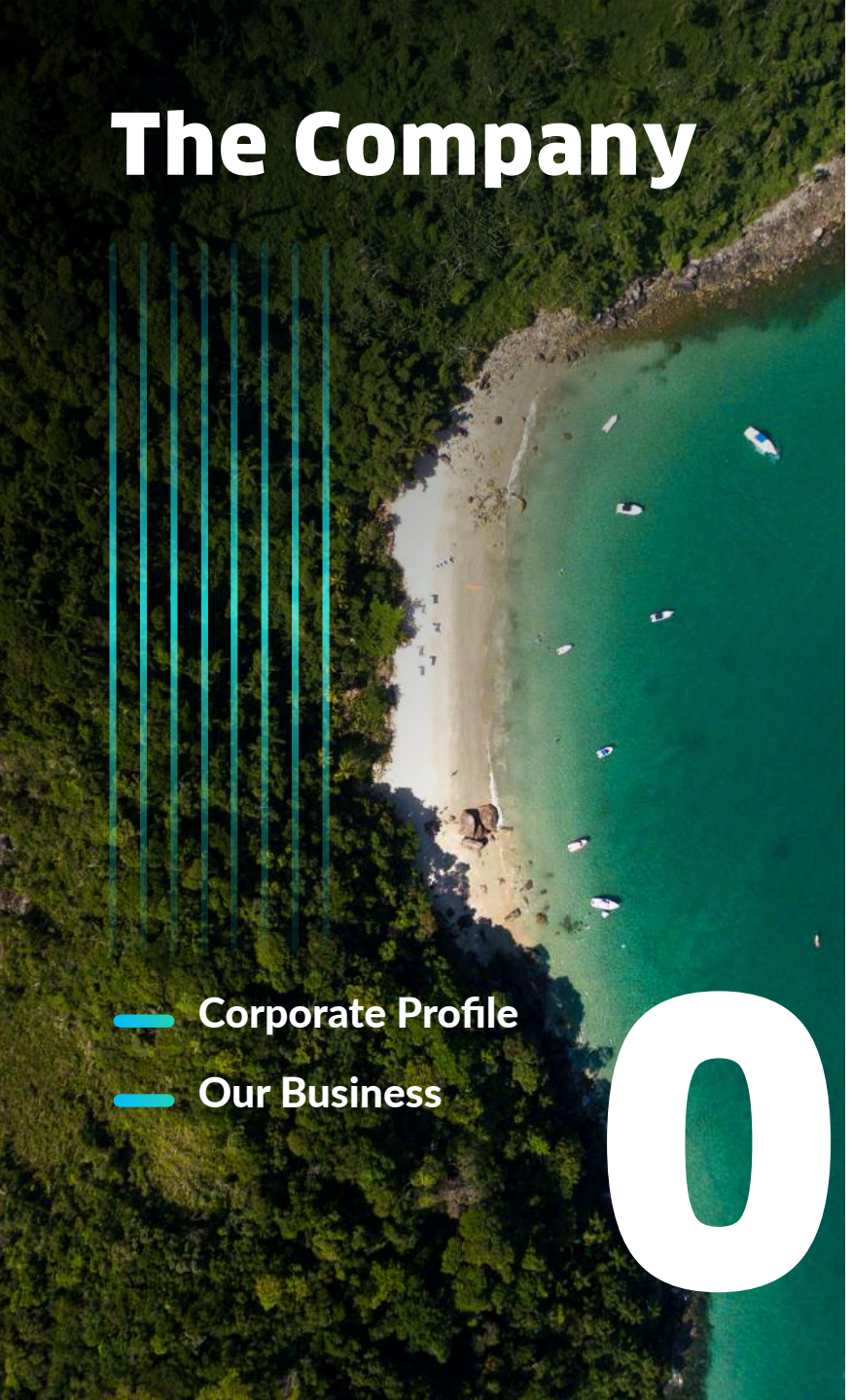
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The Company

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- Our Business

01

22 years' presence in Brazil

Present in **21** Federative **Units**

4,500 kilometers of gas pipelines

2,800 kilometers of transmission lines (under construction)

ENGIE and CDPQ completed the acquisition of the remaining 10% equity stake in TAG, in the amount of R$ 1 million. TAG thus becomes the first 100% private-sector natural gas transportation company in Brazil

Purpose

To act to accelerate the transition towards a carbon-neutral economy, through reduced energy consumption and more environmentally-friendly solutions.

60 plants in operation

10,431.2 MW Total installed capacity

8,710.5 MW Own installed capacity

Renewable energy **86.2%**

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Corporate profile

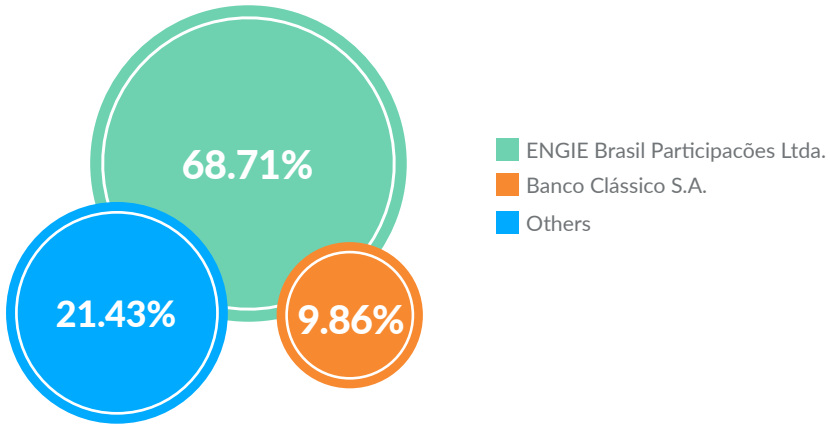
[2030 Agenda Goal: 16.6]

The Company

[GRI 102-1; 102-2; 102-3; 102-5; 102-6; 102-7; 102-16]

Present in Brazil for 22 years, **ENGIE Brasil Energia S.A.** ("ENGIE Brasil Energia" or "Company") **acts as an energy infrastructure operator whose activities break down into centralized and distributed generation, sales, trading, and transmission**. In 2019, it also began to operate in the **natural gas transportation** sector after acquiring a stake in Transportadora Associada de Gás (TAG). Taken together, all projects directly operate in 21 Brazilian states.

Shareholding structure



At the end of 2020, the Company´s capital stock amounted R$ 4,903 million, a total of 815.927.740 common shares trading regularly on B3. The Company is also present in the United States over-the-counter market, where Level I American Depositary Receipts (ADRs) are traded under the EGIEY symbol at a ratio of one ADR for every common share.

MISSION:
Provide innovative and sustainable solutions in energy.

VISION:
Transform people's relationship with energy aiming at a sustainable world.

VALUES:
Professionalism, sense of partnership, teamwork, creation of value, respect for the environment, ethics.

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Controlling entity

ENGIE Brasil Energia's controlling shareholder is ENGIE Brasil Participações ("EBP", or "ENGIE Brasil"), which also holds a 40% stake in Jirau Energia – the concession holder for the Jirau Hydroelectric Plant. Offering integrated solutions to businesses and cities, ENGIE Brasil operates domestically with a focus on energy, telecommunications, public lighting, safety and security, and urban mobility.

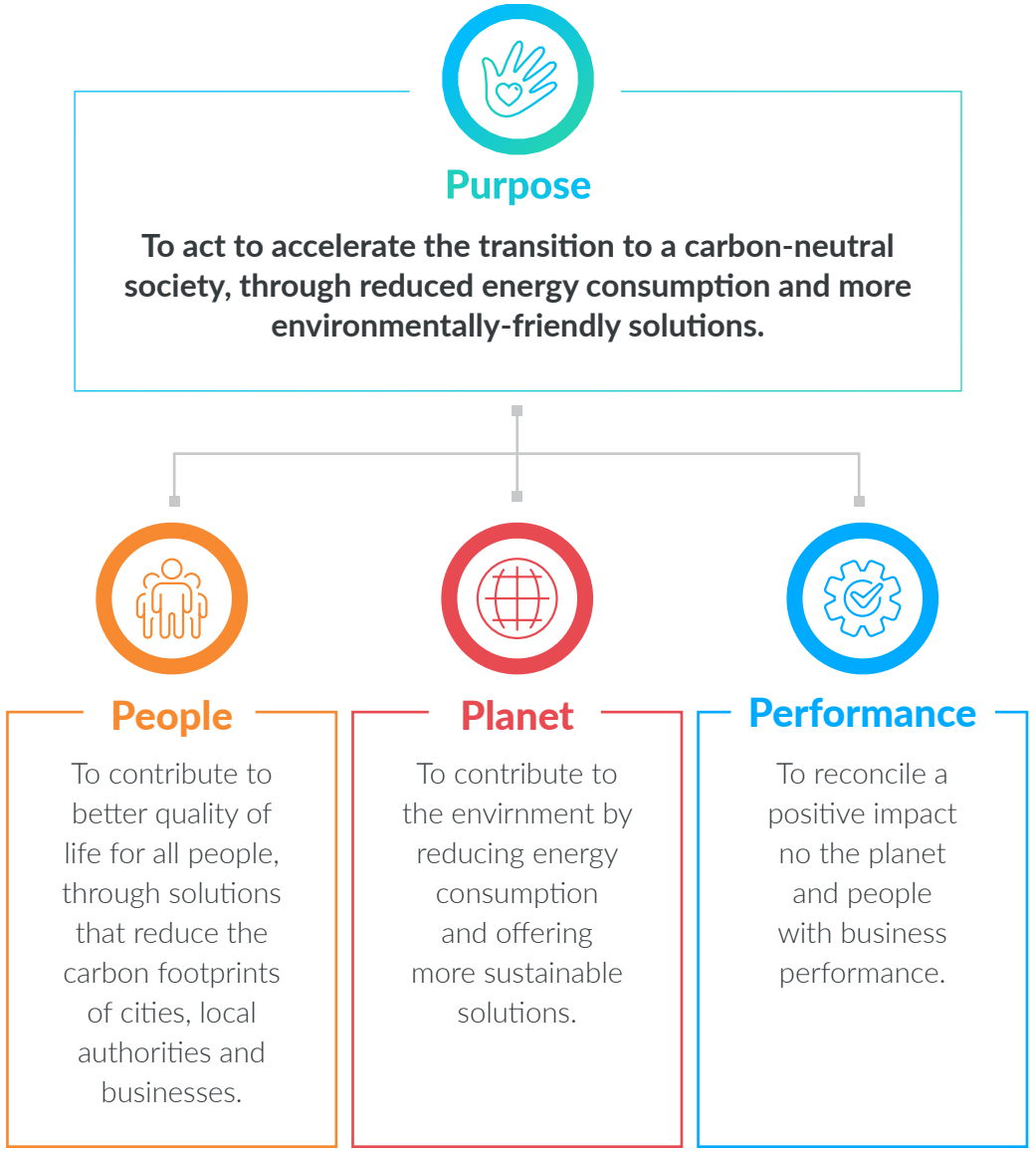
At the global level, ENGIE S.A. ("ENGIE") – with registered offices in France and present in approximately 70 countries – employs approximately 170 thousand on five continents, with 101.0 GW in installed capacity for electric energy, of which 52% come from natural gas and 31% from renewables.

In May 2020, the shareholders of ENGIE S.A. approved the Group's Purpose Statement and its inclusion in the organization's Bylaws. As the product of a robust consultation process involving stakeholders around the world, ENGIE's purpose **reconciles economic performance and a positive impact on people and the planet**, so that the company's actions can be evaluated holistically and at all times.

Purpose ENGIE

Find out more by clicking here.

The following infographic shows ENGIE's purpose and its key pillars.

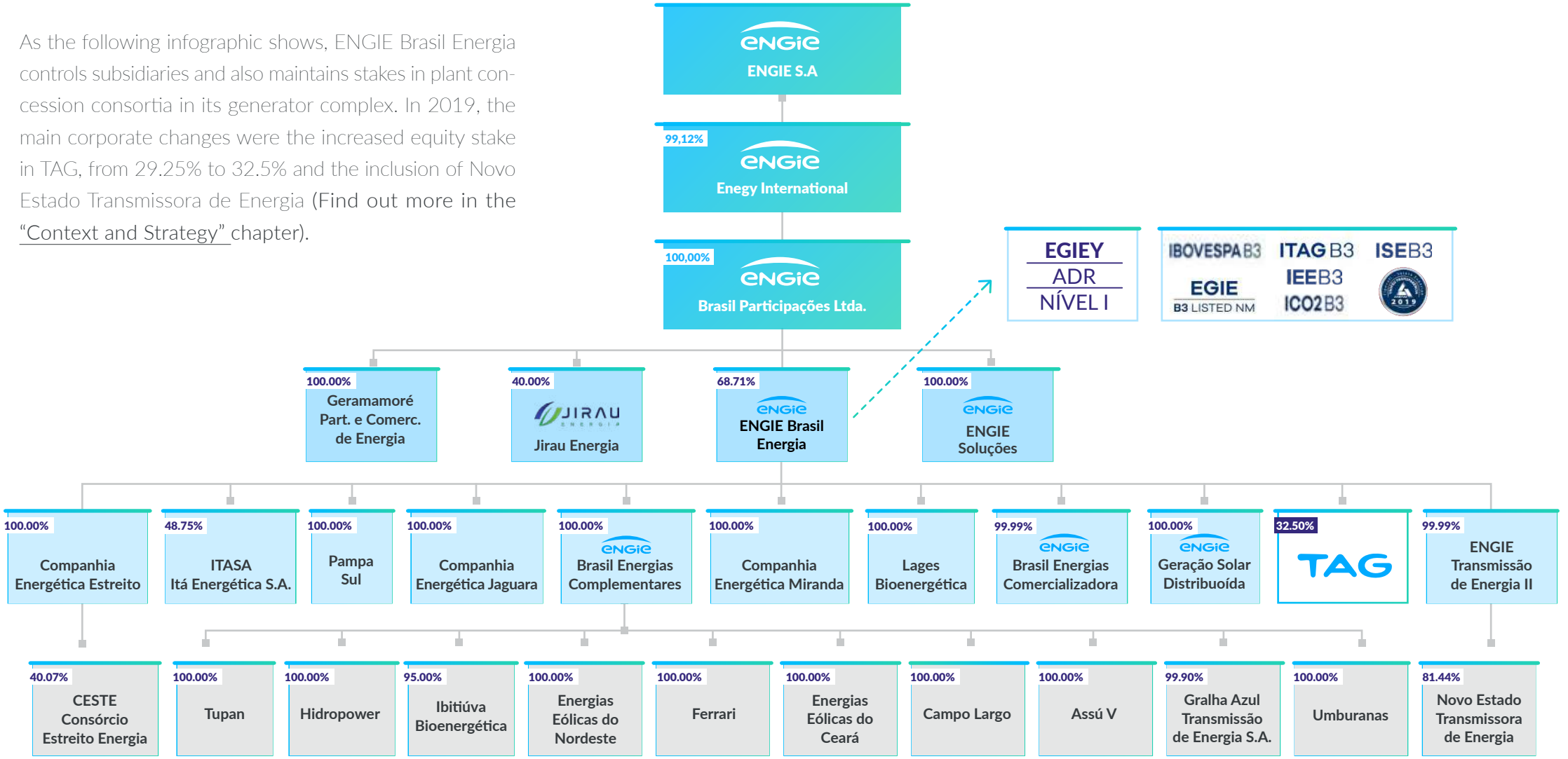


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Corporate structure

As the following infographic shows, ENGIE Brasil Energia controls subsidiaries and also maintains stakes in plant concession consortia in its generator complex. In 2019, the main corporate changes were the increased equity stake in TAG, from 29.25% to 32.5% and the inclusion of Novo Estado Transmissora de Energia (Find out more in the "Context and Strategy" chapter).

Corporate structure*
(as at 12.31.2020)



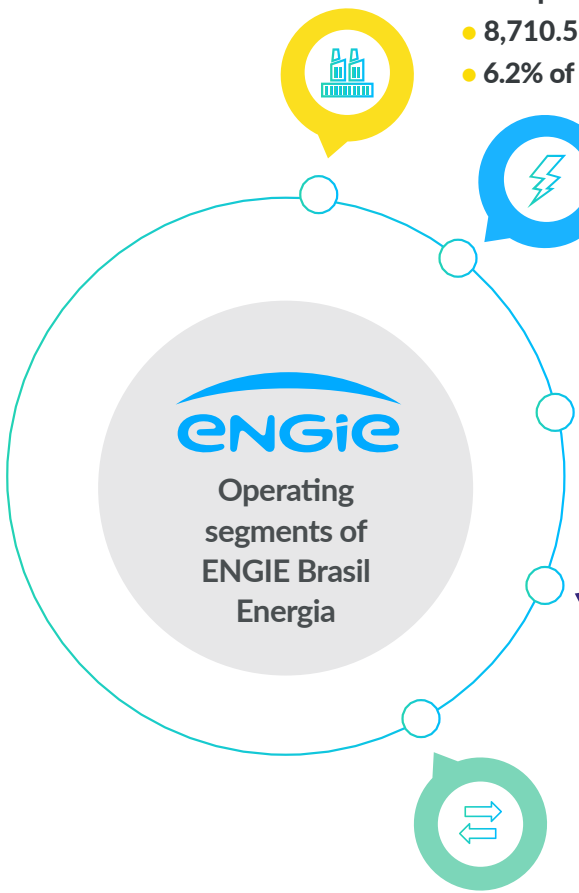
* Simplified structure.

Our business

[GRI 102-2; 102-4; G4-EU1]

[2030 Agenda Goals: 7.2, 7.3, 9.4, 16.6]

ENGIE Brasil Energia's business model reflects our commitment to a carbon-neutral economy, proposing evolutions for the energy supply and consumption dynamics that contribute to a more sustainable future. In addition to de-carbonization, the model's axes include the digitalization process – which gained a strong boost given the global context in 2020 – and energy supply decentralization. The Company therefore prioritizes energy generation from renewable sources and increasingly incorporates the offering of integrated and innovative solutions to meet society's demands towards sustainable development.



Centralized Generation

- **60 operated power plants.**
- **8,710.5 MW own** installed capacity.
- **6.2% of Brazil´s** installed capacity.

Transmission (under construction)

- **2,800 km of transmission** lines.
- **6 new substations**.

Gas Transportation

- **32.5% EBE equity stake in the Company (TAG).**
- **4,500km of gas pipelines** in operation in the **Southeast, Northeast and North regions.**
- **47%** of the Brazil's **gas transmission capacity.**

Distributed Solar Generation

- **2,598 photovoltaic systems installed since 2016, which corresponds to a 53.8 MWp of installed capacity.**

Trading

- **Beginning of operations in 2018.**
- **5,893 GWh of energy sold, which corresponds to 13.5% of the total commercialized.**

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Assets breakdown

(as at 31.12.2020)

		Total installed capacity (MW)	Total physical guarantee (aMW)	Ownership	Own installed capacity (MW)	Own physical guarantee (aMW)	Expiration of concession/ authorization[1]
	Hydroelectric power plants						
1	Salto Santiago	1,420.0	733.3	100%	1,420.0	733.3	09.27.2028
2	Itá	1,450.0	740.5	69.0%	1,126.9	564.7	10.16.2030
3	Salto Osório	1,078.0	502.6	100%	1,078.0	502.6	09.27.2028
4	Cana Brava	450.0	260.8	100%	450.0	260.8	08.26.2033
5	Estreito	1,087.0	641.1	40.1%	435.6	256.9	11.26.2037
6	Jaguara	424.0	341.0	100%	424.0	341.0	12.28.2047
7	Miranda	408.0	198.2	100%	408.0	198.2	12.28.2047
8	Machadinho	1,140.0	547.1	19.3%	403.9	165.3	07.14.2032
9	São Salvador	243.2	148.2	100%	243.2	148.2	04.22.2037
10	Passo Fundo	226.0	113.1	100%	226.0	113.1	09.27.2028
11	Ponte de Pedra	176.1	133.6	100%	176.1	133.6	09.30.2034
	Total	**8,102.3**	**4,359.5**		**6,391.7**	**3,417.7**	
	Thermoelectric power plants						
12[2]	Jorge Lacerda Complex	857.0	649.9	100%	857.0	649.9	09.27.2028
13	Pampa Sul	345.0	323.5	100%	345.0	323.5	03.30.2050
	Total	**1,202.0**	**973.4**		**1,202.0**	**973.4**	
	Complementary power plants						
14[3]	Umburanas Complex - Phase I (Wind)	360.0	213.3	100%	360.0	213.3	08.03.2050
15[4]	Campo Largo Complex (Wind)	326.7	166.5	100%	326.7	166.5	08.03.2050
16[5]	Trairi Complex (Wind)	212.6	100.8	100%	212.6	100.8	02.04.2045
17	Ferrari (Biomass)	80.5	35.6	100%	80.5	35.6	07.26.2042
18	Assu V (Solar)	30.0	9.2	100%	30.0	9.2	06.07.2051
19	Lages (Biomass)	28.0	16.5	100%	28.0	16.5	10.28.2032
20	Rondonópolis (SHP)	26.6	14.0	100%	26.6	14.0	12.18.2032
21	José G. da Rocha (SHP)	24.4	11.9	100%	24.4	11.9	12.18.2032
22	Ibitiúva (Biomass)	33.0	17.3	69.3%	22.9	12.0	04.05.2030
23	Nova Aurora R&D (Solar)	3.0	not applicable	100%	3.0	not applicable	not applicable
24	Tubarão R&D (Wind)	2.1	not applicable	100%	2.1	not applicable	not applicable
	Total	1,126.9	585.1		1,116.8	579.8	
	General total	**10,431.2**	**5,918.0**		**8,710.5**	**4,970.9**	

		Size	Ownership	Compression stations	Expiration of concession/ authorization
	Gas Pipelines				
25	Transportadora Associada de Gás (TAG)	4,500 km	32.5%	11	From 2039 to 2041

		Total installed capacity (MW)	Total physical guarantee (aMW)	Ownership	Own installed capacity (MW)	Own physical guarantee (aMW)	Expiration of concession/ authorization
	Expanssion - Generation						
26[6]	Jirau (Hydro)	3,750.0	2,212.6	40%	1,500.0	884.6	08.13.2043
27	Conjunto Eólico Campo Largo II (Wind)	361.2	192.5	100%	361.2	192.5	12.10.2054

		Size	Ownership	Substation	Expiration of concession/ authorization
	Expanssion - Transmission				
28	Gralha Azul	1,000 km	100%	5	03.2048
29	Novo Estado	1,800 km	100%	1	03.2048

(1) Does not consider the extension of concessions of certain plants, resulting from adherence to the renegotiation of the hydrological risk referred to in Law No. 14.052/2020.

(2) Complex made up of 3 plants.

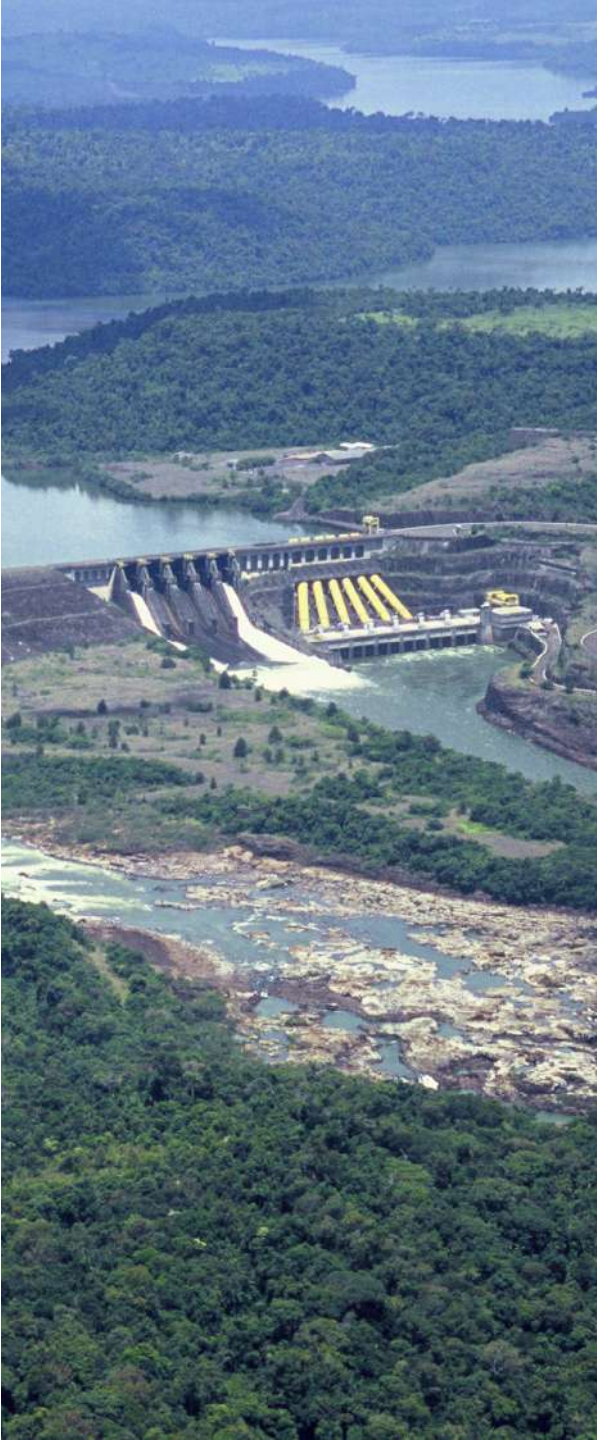
(3) Complex made up of 18 wind farms.

(4) Complex made up of 11 wind farms.

(5) Complex made up of 8 wind farms.

(6)) The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to the Company should be examined timely.





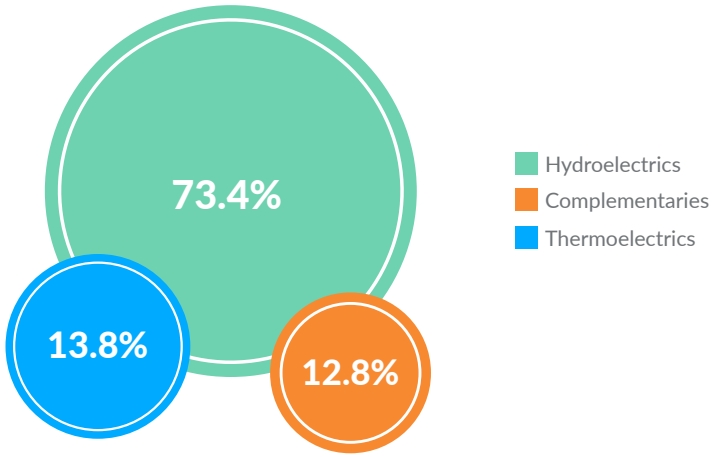
Centralized generation

At the end of 2020, ENGIE Brasil Energia operated a generation complex with **an installed capacity of 10,431.2 MW, composed of 60 plants** – 11 hydroelectric plants, four conventional thermoelectric plants and 45 complementary plants: two Small Hydroelectric Plants (SHP), 38 wind plants, three biomass and two solar photovoltaic. Of these ventures, 56 are wholly owned by the Company – in the others, it participates in consortia that own the concession or grant. **Thus, the total installed capacity at the end of 2020 was 8.710,5 MW, in a matrix formed predominantly by renewable sources (86.2% of total).**

Due to our **commitment to de-carbonizing our portfolio**, the study of alternatives for the Jorge Lacerda Thermal Complex (SC) and the Pampa Sul Thermal Power Plant (RS) continued underway, including as-yet inconclusive market probes. Concerning the Jorge Lacerda Thermal Complex, a Working Group made up of employees from various areas has been formed to better articulate the process with authorities, trade partners and communities. In February 2021, subsequent to the facts discussed in this Report, a proponent began evaluating the asset for disposal, in a due diligence process to be completed by June 2021. The Pampa Sul Thermal Power Plant, by its turn, will see intensified commercial probes for disposal this year – a process that was proceeding at a more leisurely pace thus far because of the asset's ongoing construction activities and operational tests.

ENGIE Brasil Energia energy matrix

(Proprietary installed capacity)



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Distributed solar generation

[GRI 103-1; 103-2; 103-3]
[SASB IF-EU-420a.2]

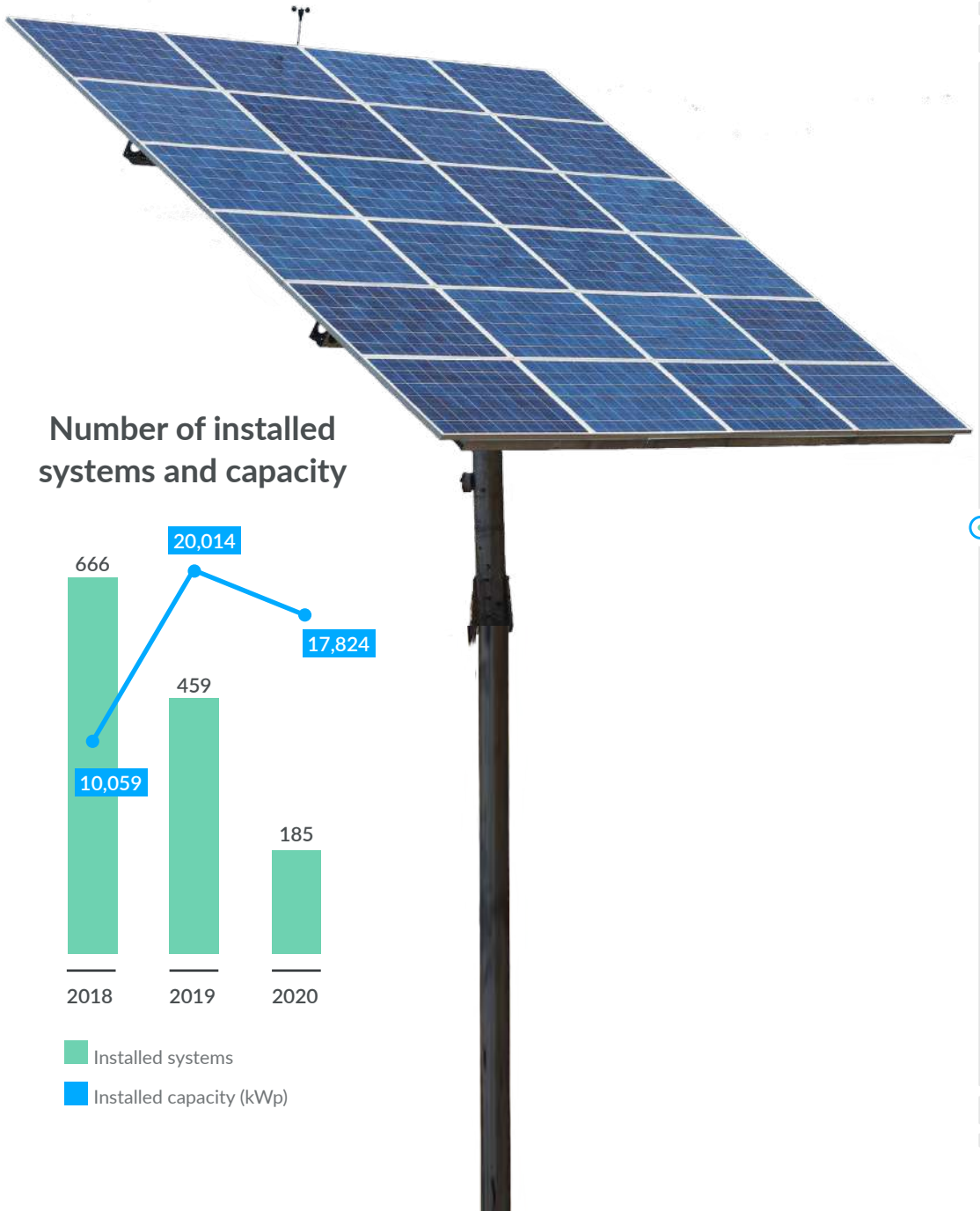
The Company has operated in the distributed generation market since 2016 through ENGIE Geração Solar Distribuida S.A. ("EGSD"). **The presence in the distributed solar generation segment is a strategic move, contributing to a more dynamic energy matrix and closer to the final consumer.**

2,598

distributed solar generation systems implemented since the beginning of EGSD.

Thus, the solution offered to the market by the Company is complete: from the feasibility assessment to the maintenance of the installed system, including the design of the project, the interface with the concessionaire and the monitoring of performance. In 2020, stood out the remote generation projects, in which EGSD performs investments and rents the deployed infrastructure for customers (energy as a service model).

Focused on the B2B segment, this type of contracting corresponded to 92% of the power sold in the year, strengthening the Company's relationship with large companies - which contributes to consolidate the Group's strategy. Since the beginning of its operations, EGSD has reached the mark of 2,598 deployed systems, totaling 53.8 MWp of installed capacity.



Number of installed systems and capacity

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Natural gas transportation

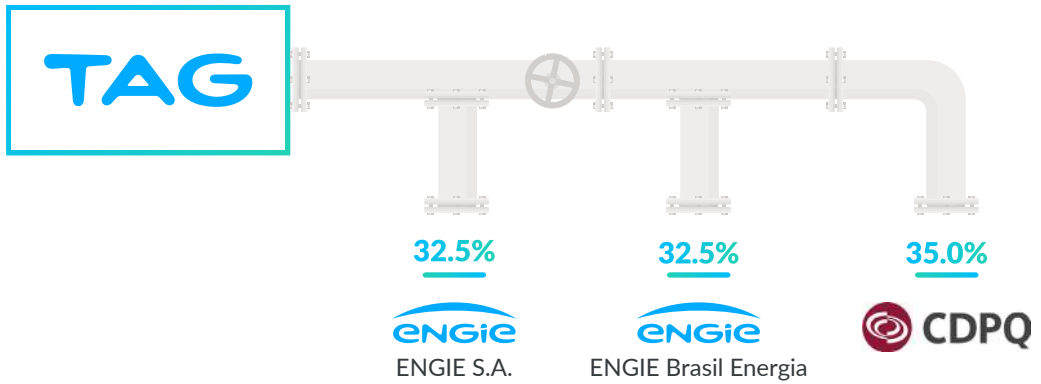
Transportadora Associada de Gás S.A. – (TAG) is the **responsible for the largest natural gas transportation natural operation in Brazil, with 4,500 km of high pressure gas pipelines** extending along the country's southeastern and northeastern seaboards as well as a further section of line between Urucu and Manaus, in the state of Amazonas, crossing 10 Brazilian states and around 180 municipalities.



The gas pipeline network has several interconnection points, among them, 10 gas distributors, 13 active gas entry points (including two Liquefied Natural Gas (LNG) terminals) and a further 90 gas exit points as well as 11 compressor stations for supplying refineries, fertilizer plants and thermoelectric power plants.

Jointly with the existing partners, a subsidiary of ENGIE S.A. and Caísse de Dépôt et Placement du Quebec (CDPQ), in July EBE acquired the remaining 10% minority stake still in the hands of Petrobras and worth R$ 1,006.7 million, so that the Company now holds a total of 32.5% of TAG's shares.

Corporate structure - TAG



ENGIE Brasil Energia's presence into the natural gas segment in Brazil is in line with the Group`s global strategy of being a leader in the energy transition. This requires large scale and sophisticated infrastructure such as **TAG`s gas pipelines, contributing to the business diversification and decarbonization of the Brazilian energy mix.**

TAG is significantly contracted – around 99% - for an average term of approximately 10 years through current agreements with Petróleo Brasileiro S.A. (Petrobras).

Corporate governance

- Management structure
- Policies and commitments
- Sustainability Governance

02



Creation of ENGIE Brasil Energia's
Multi-Annual Sustainability Plan

Disclosure of priority
Non-Financial Objectives
until 2030

Audit Committee
installed, strengthening the Company's compliance mechanisms

Intensive dissemination
of the active Whistleblower Channel

ISO 37001
ENGIE Brasil certified for Anti-Bribery Management Systems

ZERO
corruption allegations
received in 2020

100%
Skills programs for all employees for recycling on ethical tenets

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Management structure

[2030 Agenda Goals: 16.5, 16.6]

Ethics and integrity drive ENGIE Brasil Energia's business and relationships. The Company strives to ensure shareholders' rights, the transparency of its actions, and risk mitigation towards sustainable growth. To this end, we act in line with best governance practices, such as those in the Brazilian Corporate Governance Code, and are listed in the Novo Mercado – a B3 listing segment made up of companies with more rigorous corporate rules that enhance the rights of minority shareholders.

Over the course of 2020, we continued to work on adapting to the Novo Mercado rules changes. To this end, **in May, the Board of Directors formed the Audit Committee** — made up of three members, two of which are independent – to advise the Directors on matters related to risk management, ethics, internal controls, compliance and internal and external auditing, as suggested by the latest guidelines for this B3 listing segment.

In addition, **ENGIE Brasil's ISO 37001 certification has been ratified**. The standard evaluates the requirements for and provides guidance towards establishing, implementing, maintaining, reviewing and improving the corporate anti-bribery system.

Each year, the Company publishes its Report on the Brazilian Corporate Governance Code, in which it discloses what principles and practices prescribed in the document are followed internally – those that are not require justification under the "comply or explain" principle.



The Report is available on our Website — https://www.engie.com.br/en/investors/corporate-governance/. It is also worth emphasizing that the Code supports the continued evolution of ENGIE Brasil Energia's governance practices, and is regularly reviewed by the Board of Directors as a means for monitoring and reflecting on corporate conduct.

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Administration structure

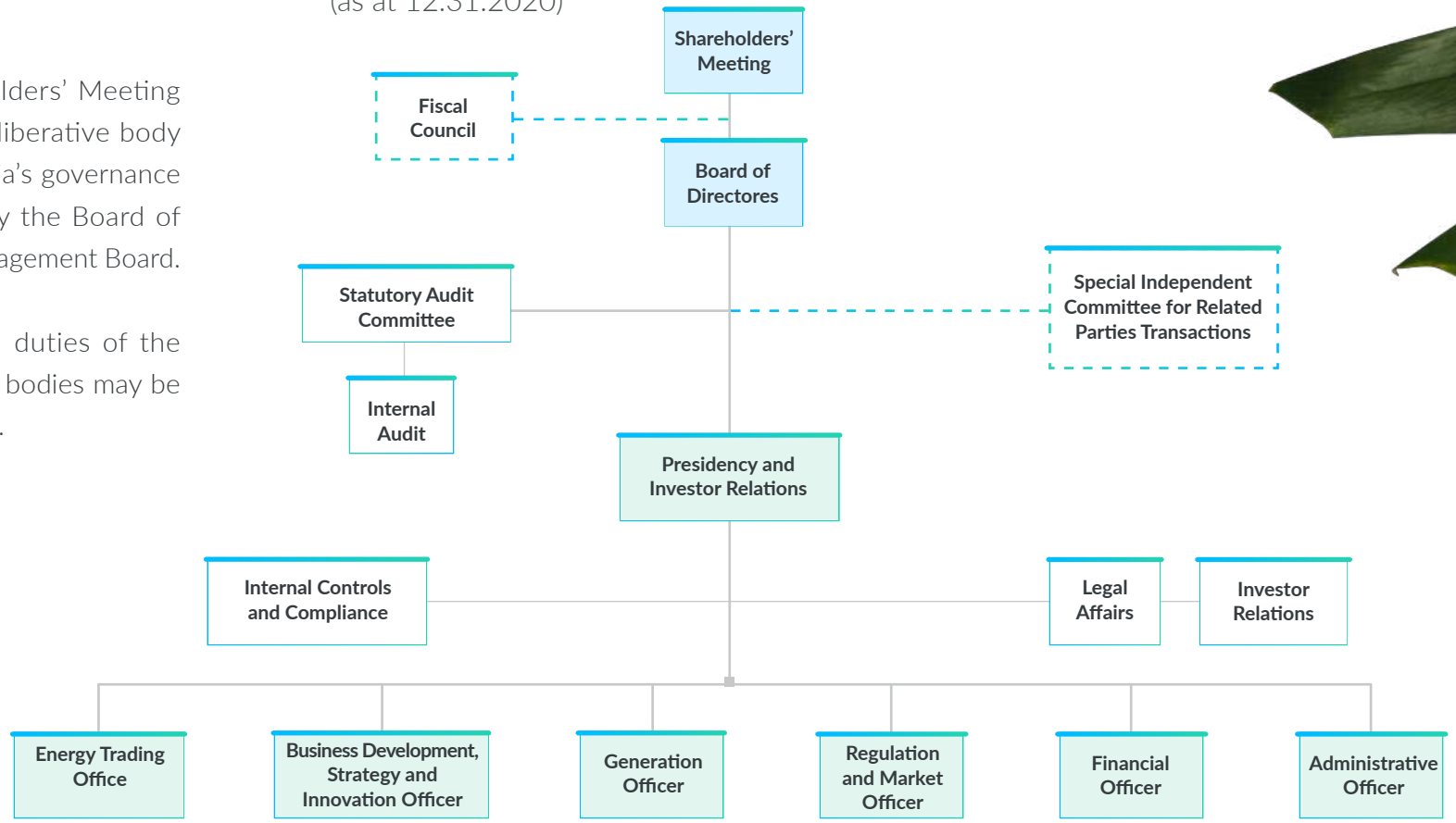
[GRI 102-18; 102-22]

The General Shareholders' Meeting is the most senior deliberative body in ENGIE Brasil Energia's governance structure, followed by the Board of Directors and the Management Board.

The composition and duties of the corporate governance bodies may be viewed on our Website.

Management Organization Chart

(as at 12.31.2020)



Non-permanent structure. Its installation is extraordinary, subject to the call of the respective body to which it reports.
Comprises the Management Board.

Policies and commitments

[2030 AGENDA GOALS: 10.4, 16.5, 16.6, 16.B]

Our ovalues and organizational culture are enshrined in codes and policies which when validated by the Board of Directors, provide guidance for conducting the businesses and the relationship with the different stakeholders with which we interact.

The policies and codes which we share with our value chain and which therefore are made public through our website, are:

- ***Ethics Code and Practical Guide to Ethics:*** a series of fundamental principles to be followed by all who directly or indirectly are involved in actions of responsibility at the Company.
- ***Policy for Combating Corruption and Bribery:*** establishes the commitment to comply with all the laws for prevention of corruption and bribery in the conducting of the businesses.
- ***Sustainable Management Policy:*** eexpresses the Company's guidelines with respect to quality, energy management, environment, climate change, occupational health and safety, social responsibility and stakeholder engagement.
- ***Human Rights Policy:*** establishes commitments and guidelines focusing on the Company's projects, operations and value chain.
- ***Investments and Derivatives Policy:*** establishes the criteria for investing available resources in the financial market and limits on the use of derivatives.
- ***Trading and Disclosure Policy:*** lays down practices for disclosure and the use of corporate information as well as for the trading of securities issued by ENGIE Brasil Energia, such as shares and debentures.
- ***Risks and Opportunities Management Policy:*** aims to maintain and enhance the Company's value, reputation and internal motivation, encouraging the taking of legally reasonable risks that are deemed acceptable and economically viable.
- ***Policies for the Appointment, Compensation and Evaluation of Directors, Officers and Committee Members:*** these were published in 2019 and aim to add transparency to the Company's top-management activities and procedures.
- ***Personal Data Privacy and Protection Policy:*** In line with Law No. 13.709/2018, also referred to as the General Data Protection Law ("Lei Geral de Proteção de Dados" – LGPD) and European Regulation EU 2016/679, the Policy establishes principles, standards and responsibilities governing the safe use and storage of individual or corporate information to which the Company may have access based on its interactions.

Policies

All the mentioned policies can be accessed by clicking here.

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Ethics and integrity

[GRI 102-16; 102-17; 103-1; 103-2; 103-3; 205-1, 205-3; 412-3]

In line with the principle of integrity, the Code of Ethics and the Anti-Corruption and Bribery Policy define the guidelines for the relations established between ENGIE Brasil Energia and the various stakeholders with which it interacts. In addition, managers and employees are provided with guides with specific approaches, such as the Gift and Hospitality Procedure, the Guide to Relationship with Business Consultants, the Guide to Ethics in Supplier Relationships and the recently launched Privacy and Data Protection Policy Personal.

In 2020, all employees underwent training and recycling in ethical precepts.



Image recorded before the pandemic.

To strengthen the compliance culture, we also rely on regular practices for the prevention and verification of risk situations and inappropriate facts, such as due diligence processes, audits, training and awareness actions, contractual provisions and an internal activities control program of the Company. **In 2020, all employees underwent training and recycling in ethical precepts, subdivided into four tracks of knowledge: (i) Our Group, Our Ethics, (ii) Protection of Personal Data and Privacy and Personal Data Policy, (iii) Fraud, Corruption and Zero Tolerance and (iv) Human Rights.** A fifth track, on Competition Law, was offered on a non-mandatory basis.

Furthermore, additional lectures and discussions have been delivered and held on ethics and related topics, such as workplace harassment, and a special online event took place on December 9 to celebrate the International Anti-Corruption Day. At each of these opportunities to interact, the Company reinforced dissemination of the whistleblower channel (see next), encouraging employees to use the platform and to check with their managers to clear doubts on the application of corporate policies for this matter.

Meticulous evaluation of investment agreements or contracts

As per ENGIE's due diligence policy, every project that the Company develops or acquires must undergo ethics due diligence, including analysis of exposure to Human Rights-related risks.

After the process, any risks identified are analyzed by ENGIE Brasil's Ethics and Compliance area and shared, together with any relevant recommendations, with the teams involved – which may in certain cases include the Ethics Compliance and Privacy Department of ENGIE (France).

Some of the main transactions covered include:

- **Acquisition and disposal of projects or assets (goods, rights and equity) from or to third parties (including developers of projects undergoing transfer to the Company);**
- **Partnerships/joint ventures;**
- **Retainer of Engineering, Procurement and Construction (EPC) and civil construction services;**
- **Business consultancy;**
- **Land leases; and**
- **Retainer of intermediaries.**

All of these actions contributed to ENGIE earning, in 2020, its ISO 37001 certification for Anti-Bribery Management Systems.

Doubts or allegations

The Company has since 2019 maintained an outside channel for ethics-related reports or allegations. It supplements the internal tools dedicated to the area. Access is available by means of the Website **https://www.canalintegro.com.br/EngieBrasilEng** or by telephone at +55 0800 580 2586 (toll-free).

All of the situations reported are covered by strict secrecy, with guaranteed non-retaliation. Regardless of the channel used, all reports and claims are investigated by ENGIE Brasil Energia's Ethics No allegations of corruption were received in 2020.



Sustainability governance

[2030 Agenda Goal: 16.6]

As a means to foster alignment between business views and the demands inherent to sustainable development, both globally and locally, ENGIE adds **non-financial objectives**. to economic performance goals. With a focus on people and the planet, these goals also drive the corporate strategy, side by side with financial aspects. They thus reinforce out contribution to sustainability based on initiatives specifically targeted on renewable energy generation, the promotion of gender equality, and the fight against climate change.

In 2020, ENGIE disclosed its priority non-financial objectives to be attained by 2030. They are as follows:



Reduction

to 43 Mt of total gas emissions from electric energy generation – in 2019, for example, the total was 80 Mt.

Increase

the share of women in Group management roles to 50% – in 2019, they held 29% of leadership positions.

Increase

the share of renewable sources in the worldwide energy production mix to 58% – from 28% in 2019.

ENGIE's managers worldwide monitor and report on these and other non-financial objectives systematically. At ENGIE Brasil Energia, an action plan is underway, carried out by several areas to contribute effectively to the Group's targets on the global level.

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Non-financial objectives and compensation

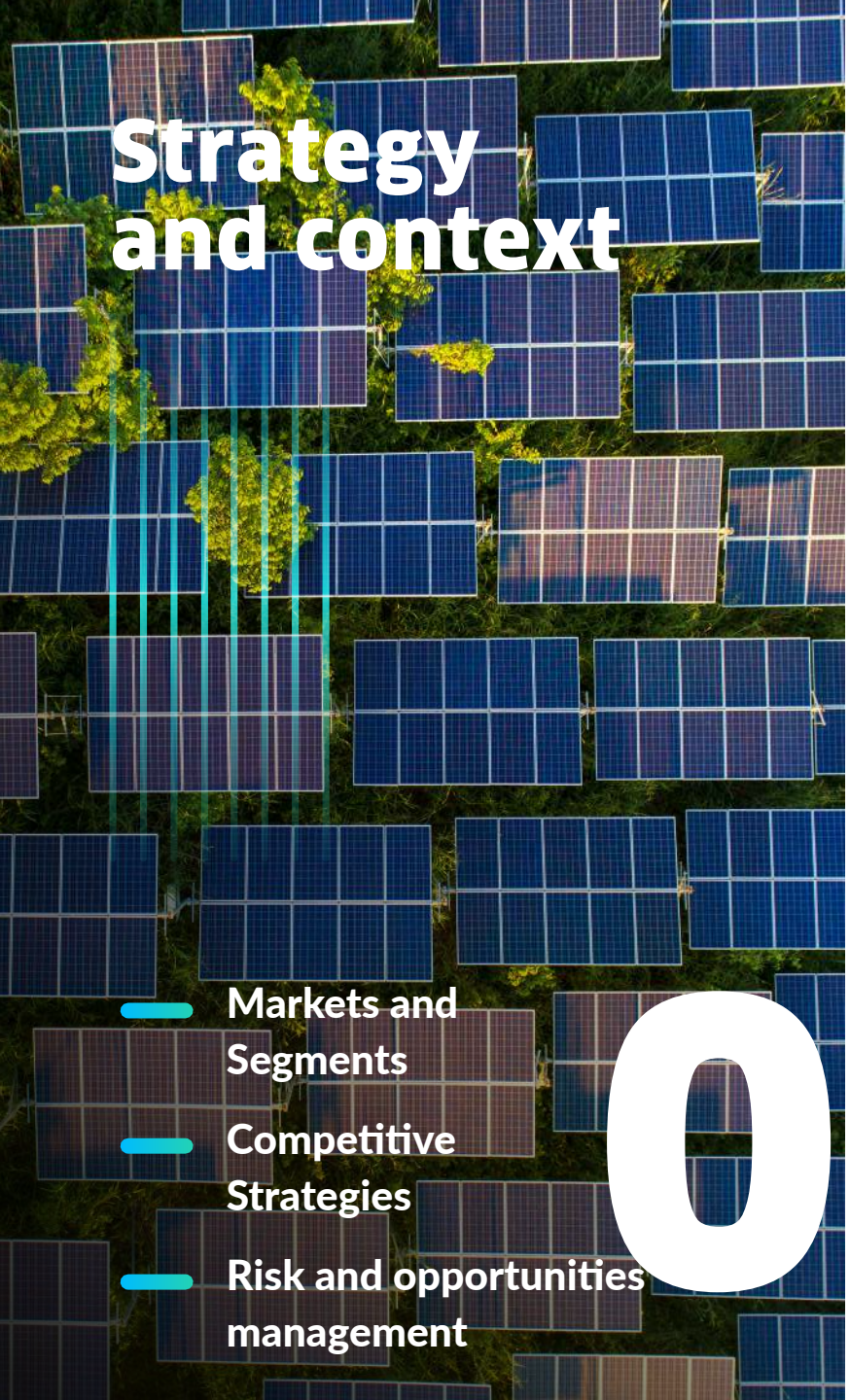
In addition to a portion pegged to financial objectives, executives' short-term variable compensation (bonus) is set based on ENGIE's competencies and values. One element of competencies evaluation is executive engagement in attaining non-financial objectives, among other environmental, social and governance aspects, such as ethics and corporate management requirements.

The long-term variable compensation, by its turn, is directly affected by the attainment of non-financial objectives, with previously established goals and deadlines that reflect directly on the incentives.

In line with the non-financial objectives, in 2020 the Company's Sustainability Forum prepared a **Multi-Annual Sustainability Plan** that is the product of a comprehensive consultations process with internal and external stakeholders, as well as macro trends and benchmarkings. The purpose of the plan is to drive improvements, from incremental ones to those of the greatest strategic relevance, facilitating communication with and effective engagement of the publics with which the Company relates.



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Strategy and context

- Markets and Segments
- Competitive Strategies
- Risk and opportunities management

03

Positive Business Prospects

with a trend towards expansion of the free electric energy and natural gas market, along with the global energy transition context

134%

growth in own installed capacity in 1998-2020

INNOVATIVE FREE ENERGY MARKET (ACL) SOLUTIONS:

Energy Place and E-conomiza

Registration of the Campo Largo II Wind Complex's carbon credits project as a Clean Development Mechanism (CDM)

R$ 56.7

million allocated to the Research &Development Program

Progress on projects underway (12/31/2020)

75%
Gralha Azul Transmission System

72,4%
Campo Largo II Wind Complex

54%
Novo Estado Transmission System

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Markets and segments

[GRI 103-1; 103-2; 103-3; 201-2]

[2030 Agenda Goals: 7.2, 7.3, 9.4, 13.3]

Structural changes in energy systems, which characterize the so-called energy transition, have been driving businesses and governments to pursue a balance between expanded access to energy and climate-change mitigation — **based on an understanding that climate change directly impacts socio-economic development**. The manner according to which risks related to this topic are managed is discussed in greater detail in the "Risk and opportunities management" topic.

The following infographic shows a few concepts, trends and opportunities associated with the energy transition, as well as their reflections on society.



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Energy transition

[2030 Agenda Goals: 7.2, 7.3, 9.4, 13.3]

Current scenario

Trends and challenges

DECARBONIZATION: The pursuit of sustainable development requires society to steer its activities towards a low-carbon economy. In addition to changing the energy matrix as a means to replace fossil fuels, the process requires individual habit changes, as well as changes to business models.

- Challenge: **Intermittent generation**
- *Why?* Dependence on the instant availability of natural resources (sunlight and wind) for solar and wind generation requires complementary solutions to maintain 'round-the-clock quality energy supply.

DECENTRALIZATION: The use of photovoltaic solar panels and other distributed energy resources allows individuals or companies anywhere to autonomously generate electric energy at competitive costs. This implies revising the traditional remuneration model for essential services, fostering innovative business models.

- Challenge: **New grids**
- *Why?* Energy currently flows from large power plants into the grid. With decentralized generation, girds become active with two-way transmission, making operation more complex – they need to include smart control systems with intense communication and data supervision.

DIGITALIZATION: New technologies – particular emphasis on mobile devices, the Internet of Things, and Big Data – enable efficiency gains and the automation of energy-related systems for the purposes of cost-cutting and operational flexibility.

- Challenge: **Investments**
- *Why?* Every party involved in energy generation and consumption (government, individuals, companies) will need to upgrade the energy infrastructure and to invest in new communication and control systems and technological solutions.

Future scenario

The projected transformation

- **Cleaner matrix:** Reduced use of fossil fuels minimizes greenhouse gas emissions, helping fight climate change.

- **"Prosumer":** Individuals or companies generating their own energy become producers and consumers at once (or "prosumers"). There is even the potential for them to choose whom to sell their energy to - and at what price.

- **Energy Cloud:** The additional energy generated by a home, for example, can be injected into the grid and allocated to another consumer anywhere by means of an online dealing platform.

- **Real-time information:** With smart meters and communication systems, energy price changes can be transmitted to consumers almost immediately, which enables encouraging consumption at times of surplus generation and, by the same token, discouraging it at times of scarcity, optimizing the system's balance in real time.

- **Smart products:** The Internet of things allows programming devices to consume energy when the input is cheapest. Or, similarly, to shut down automatically when prices increase.

At the national level, two trends are gaining increasing traction, under the indirect influence of the energy transition: the opening-up of the natural gas sector; and the gradual decrease in minimum consumption for access to the free electric energy market (ACL). Given this context, we are positioning ourselves to maximize the opportunities created by these expansionary shifts, even as we minimize the associated risks.

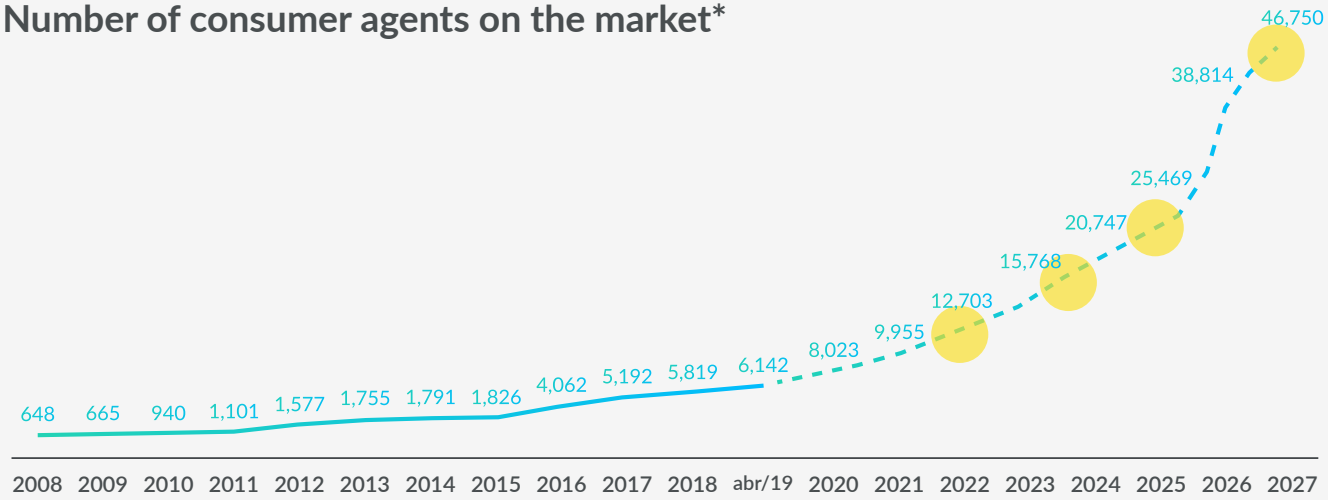
Free Energy Market Expansion

Trend: The Free Energy Market's growth stems from several factors, two of which are particularly noteworthy. The former concerns **regulation**. According to the existing rules, the free contracting environment is open to customers consuming over 0.5 MW for incentivized energy (with a focus on the expansion of renewable sources) and over 1.5 MW for conventional energy. Bills on the topic, within the context of the reform of the Brazilian Energy Industry, are still being analyzed by the regulator, leaving a possibility open for a reduction in consumption parameters in the coming years.

The latter factor is of an **economic and commercial** nature. Given the negotiation flexibility that is the mark of the Free Market, acquiring energy in this environment enables customized offerings that match customers' effective needs, which usually generates cost savings on the input. This also allows pegging offerings to certain energy sources, so that customers may be associated with renewable energy sources alone, if they so wish.

Objectives: increased access to the Free Energy market is expected to increase the participation of new players (suppliers and consumers), generating increased liquidity and competitiveness and, thereby, lower prices compared with those of the Regulated Contracting Environment (ACR), in addition to enhanced socio-environmental appeal, as it enables offerings pegged to renewable sources and traceable socio-environmental attributes.

Number of consumer agents on the market*



*Estimated number of consumers on the market considers partial migration of the potential (eligible) market.

Liberalization of the natural gas industry

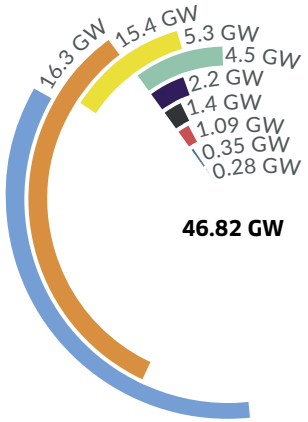
Trend: The Brazilian natural gas market is experiencing a period of evolution, with a model change from monopolistic to competitive. The shift stems from the Government divestment program for the segment – which began in 2016 – and reflects a new industry context characterized by rising supply of gas on the international market at competitive prices. Empresa Brasileira de Pesquisa Energética (EPE) forecasts indicate that, from 2021 to 2030, natural gas is expected to become the fastest-growing electric energy generation in Brazil, adding up to 16 GW in capacity – as the figure beside shows. In the same period, the Brazilian natural gas production is expected to grow from 73 to 140 M m3/day in the basic scenario.

Goals:

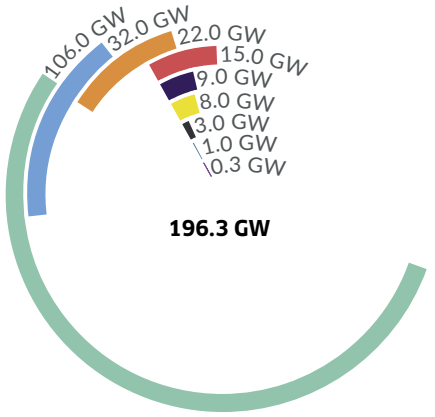
1. **Increased number of operators:** expanding infrastructure by means of new investments, creating liquidity and competitiveness and reducing prices to consumers.

2. **System flexibility:** According to ENGIE's strategy, natural gas is he strategic fuel for the energy transition, as it enables flexible thermal power plants and replaces other fossil fuels – it is worth mentioning that increase intermittent generation (solar and wind) may add instability to the energy system.

Expansion of Electricity (GW) 2021 - 2030



Electricity Matrix in 2030





Fonte: EPE (Empresa de Pesquisa Energética)

Competitive advantages

[GRI 103-1; 103-2; 103-3]

[2030 Agenda Goals: 7.2, 7.3, 9.4, 13.3]

ENGIE Brasil Energia strives to respond dynamically to energy transition-related challenges and opportunities, essential to consolidate the carbon-neutral economy. The Company is attuned to the local and global impacts that industry transformation has been having on the activities and perceived value of businesses in this sector as well as the attempts to stay ahead of the process in Brazil. Recognized as a large energy infrastructures operator – and supported by its Controlling Entity's energy and energy efficiency services expertise –, ENGIE Brasil Energia has a head start in spearheading this transformation.

We summarize the corporate strategy as three key pillars that complement one another mutually in pursuit of the corporate objectives:



Commercial and portfolio-management dynamism

- Proper balance of terms, prices, and market risk management.
- Closeness with customers through customized offerings for different demand profiles and consolidated partnerships.



Expansion and diversification

- Growth through acquisitions (capturing opportunities with results in the short run).
- Organic growth (constructivist vision for long-term results).



Innovation and carbon neutral transition (3Ds)

- Decarbonization.
- Decentralization.
- Digitalization.

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Competitive Advantages

PREMIUM RATING

- Fitch Ratings rated the Company's Local Long-Term Rating as 'AAA(bra)' and in global scale "BB", one notch above the Brazilian sovereign rating

STRATEGIC INDUSTRY

- Defensive profile in times crisis
- Projects with high bankability
- Diversification among segments in the power sector

HIGH-CALIBER CORPORATE GOVERNANCE AND SUSTAINABILITY

- Diversified and qualified team
- First class controlling shareholder
- Component of B3's Novo Mercado and ISE (since its inception in 2005)



INDUSTRY LEADERSHIP

- Largest independente power producer group in Brazil
- Market cap: R$35.9 billion in 12/31/2020
- Controlled by ENGIE S.A., world leader in energy

STABLE FINANCIAL PERFORMANCE

- Strong cash flow
- ROE and ROIC above sector median
- No FX exposure

CLEAR COMMERCIAL STRATEGY

- Heavily contracted in the next years
- Diversified portfolio between free customers and regulated ones
- Benefits from windows of opportunities

HIGH OPERATIONAL PERFORMANCE

- Benchmark indexes of availability
- ISSO 9001, 14001 and OHSAS 18001 certified plants
- Use of advanced technology for remote operations and predictive maintenance

CASH FLOW PREDICTABILITY

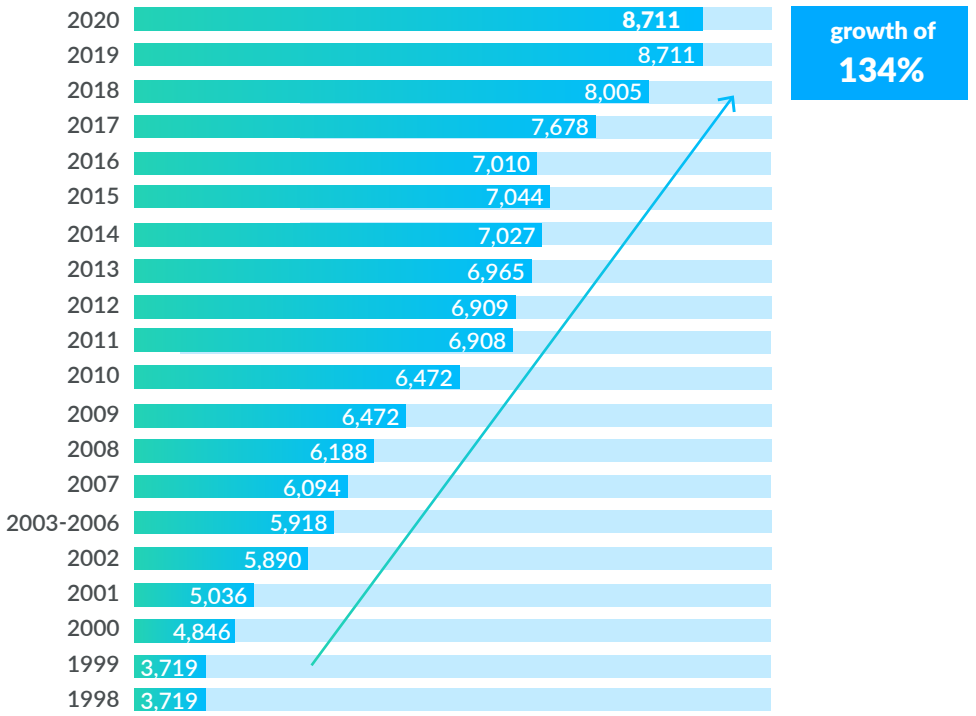
- Inflation-indexed contracts
- Hydro based, with diversification on complementary sources and active portfolio management
- Long-term contracting strategy

Expansion and diversification

The meticulous selection of investment projects, funds raising at competitive costs, superior planning abilities and execution and implementation discipline make the Company's expansion one of the core elements of the business strategy. **ENGIE Brasil Energia thus growth sustainably, maintaining high rates of return and accepting appropriate risks for its corporate profile.**

Trend in own installed capacity

(in MW)



growth of 134%



Energy generation

Campo Largo Wind Complex II

Throughout 2020, the Company continued its implementation activities of the phase II of Campo Largo Wind Complex, located in the municipalities of Umburanas and Sento Sé, approximately 420 kilometers distant from the state capital, Salvador. **Campo Largo II represents 361.2 MW of installed capacity and 192.5 MWa of assured energy with investments of about R$ 1.6 billion.**

The Project will enjoy the benefits of the synergies with existing structures such as the substation and transmission line, installed by the Company to support both the Campo Largo and Umburanas – Phase I wind complexes with a total of 686.7 MW of installed capacity. With the installation of the second phase of Campo Largo, ENGIE Brasil Energia's total installed wind capacity will surpass the mark of 1 gigawatt (GW) in the region. Power output from Campo Largo II will be sold entirely in the Free Contracting Environment (ACL).

All the installation licenses for the 11 wind farms comprising the project have been issued.

All the installation licenses for the eleven wind farms comprising the project have been issued thus allowing activities to proceed in all areas of the project. Requests for operating licenses for the first wind farms have already been filed. The agreement for financing the project was signed with the BNDES on April 27, 2020.



The following represents continuing work in progress during the fourth quarter 2020: civil works; the installation of the medium voltage networks connecting up the wind turbines with the collector substation; and the manufacture, delivery and assembly of the wind turbines. Work on the expansion of the collector substation was completed and the commissioning of the wind turbines initiated. By the end of fourth quarter of 2020, 72.4% of the work had been completed. Authorization has already been granted for test operating the first wind turbines. The first wind farms started commercial operation in February 2021 while the last are expected for the third quarter of 2021.

R$ 2.2 billion

investments planned for the Santo Agostinho Wind Complex.



Santo Agostinho Wind Complex – Phase I

With 434 MW in total installed capacity, phase one of the wind complex lies in the municipalities of Lajes and Pedro Avelino, distant approximately 120 km from the city of Natal, the state capital of Rio Grande do Norte. In June 2016, Rio Grande do Norte environmental authority Instituto de Desenvolvimento Sustentável e Meio Ambiente (Idema) issued the preliminary license, declaring the project to be environmentally viable. The application for installation license was submitted to the Idema in June 2020.

Subsequent to the facts reported herein, in January 2021, ENGIE signed an agreement with Siemens Gamesa for the supply of wind turbines, **allowing the initial phase of the Santo Agostinho Wind Complex to proceed**. This phase, at an estimated investment of approximately R$ 2.2 billion and responsible for creating about a thousand jobs in the region, involves the supply of a total installed capacity of 434 MW to clients in the free market.

Jirau Hydroelectric Power Plant

Jirau Energia is responsible for the operation, maintenance and sale of energy generated by the Jirau Hydroelectric Power Plant, located in the Madeira River, in the city of Porto Velho, state of Rondônia. Since November 2016, Jirau HPP has 50 generating units in operation, representing a total installed capacity of 3,750 MW.

In May 2017, ENGIE Brasil Participações (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (ESBRpar) – holder of 100% of the capital stock of Jirau Energia – and the 100% participation in Geramamoré Participações e Comercializadora de Energia Ltda. Assessment of the transfer has been put on hold, awaiting more favorable conditions for the discussions to resume.

The accumulated recorded generation for the year was 1,721.8 MWa, 10.6% below the 1,926.4 MWa for 2019, with FID (Uptime Factor) of 99.7%.

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Energy transmission

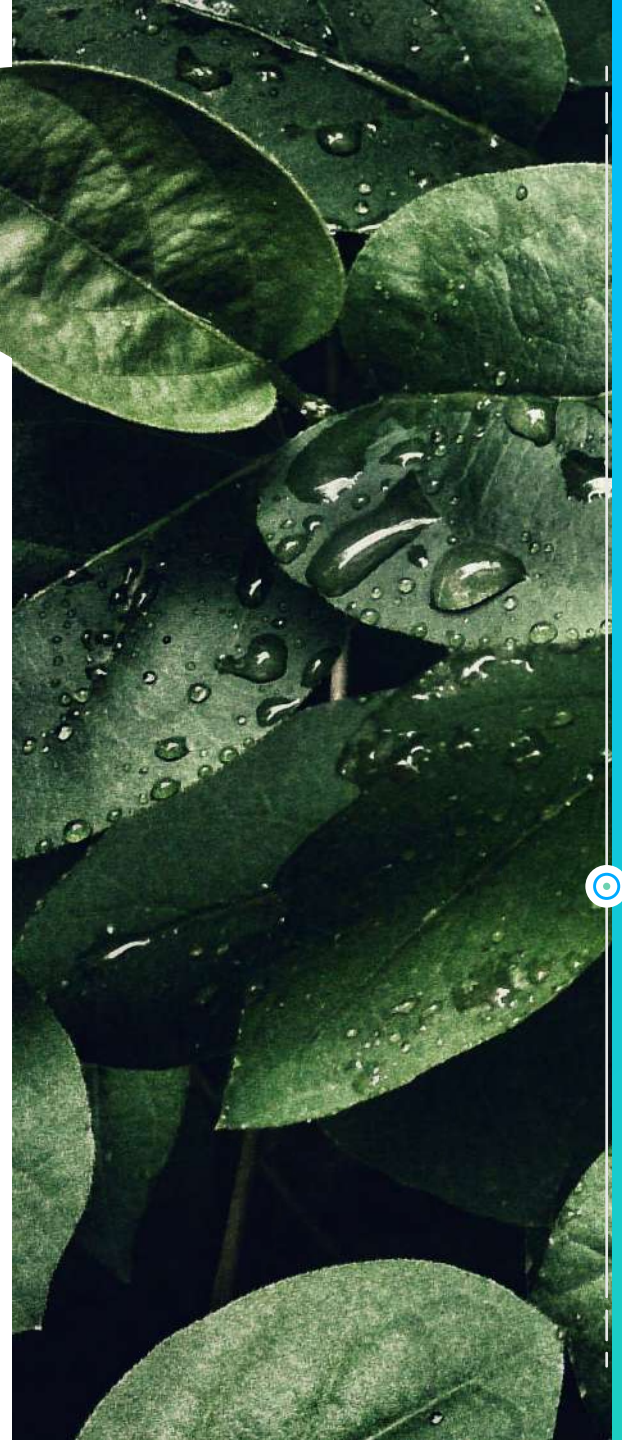
Gralha Azul Transmission System

On December 15, 2017, the Company made a successful bid for Lot 1 of Aneel Transmission Auction 02 for a stretch of about 1,000 kilometers in the state of Paraná (PR), marking EBE's debut into the energy transmission sector in Brazil. The project also includes the installation of five new substations and expansion of another five existing ones. The concession term for the public utility transmission service, including the licensing, the construction, assembly and the operation and maintenance of the transmission line installations will be 30 years as from signature date of the concession agreement, with a maximum cut-off date for entry into operation set for March 9, 2023.

The project's financing contract was signed with the Brazilian Development Bank (BNDES) on March 30, 2020.

Location – Gralha Azul (Paraná)





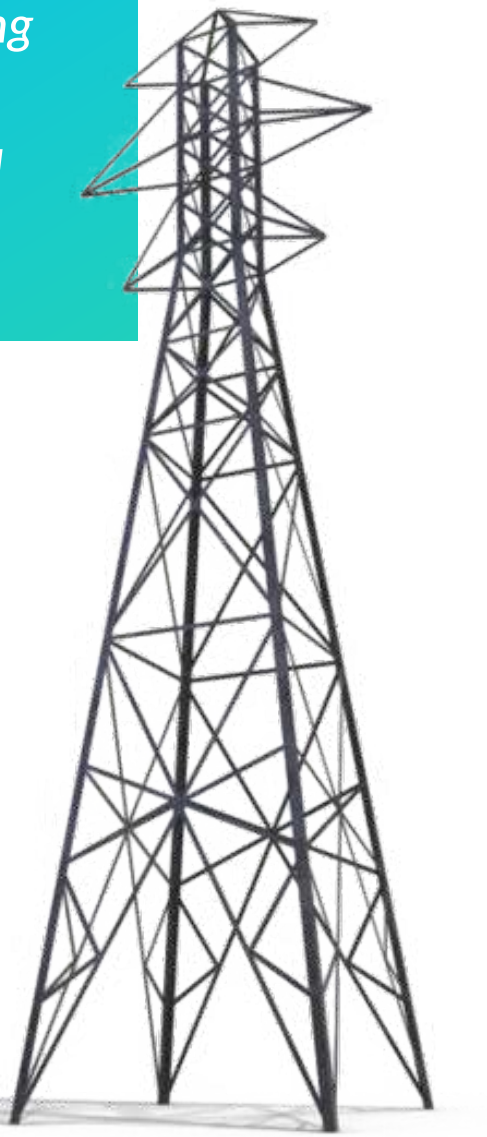
On October 15, 2020, the Company was informed of a preliminary Federal Court ruling issued under a Class Action ("Ação Civil Pública" – ACP), suspending the environmental licenses for transmission lines on the Ivaiporã – Ponta Grossa C1 and C2 stretch and the Ponta Grossa – Bateias C1 and C2 stretch. On the following day, ENGIE Brasil Energia was given notice under a second ACP, now filed by the Federal Prosecutor's Office and the Paraná State Prosecutor's Office to suspend the works in their entirety, as well as all licenses and permits issued by the Instituto Água e Terra (IAT), the authority responsible for the licensing process.

It is worth emphasizing, for context, the responses of both the Federal environmental authority Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais (Ibama) and the IAT on the appropriateness of the project's environmental licensing. In full compliance with the applicable law, the project includes execution of 17 environmental programs intended to mitigate, control and compensate environmental impacts caused by the works. The programs cover plant life, and wildlife monitoring and seed recovery, archeological identification and monitoring, environmental education, construction oversight, social communication, recovery of degraded areas, and environmental management, among other aspects. The Company has been using additional efforts to reduce suppression of endemic and threatened species and this, when unavoidable, is done in a controlled and responsible manner to minimize this impact as well.

The actions put into place to preserve the largest possible number of species along the entire length pf the Transmission System include diversions from the route in sensitive areas such as Private Natural Heritage Reserves (RPPN) and Integral Protection Conservation Units, the heightening of transmission towers and the use of drones for the cable payout process as well as the installation of self-supported towers in areas of indigenous vegetation. All efforts taken have ensured that only 2,2% of the project's transmission line and substation areas of influence were impacted.

The Company has been using additional efforts to reduce suppression of endemic and threatened species.

Worthy of note is that all impacts arising from the construction including brush clearance are subject to environmental compensations and reforestation with



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initiatives exceeding the requirements enshrined in the legislation. In addition to these compensatory measures, there are those of a voluntary nature, developed in accordance with the Company's sustainability policies. These measures include the donation of 3.5 thousand native tree seedlings, the support for projects which conserve the fauna and flora and replanting double the area effectively deforested as prescribed in the Brush Suppression Authorizations rather than simply observing the obligation of restoring the area effectively degraded. In addition, under the project, three araucária trees are planted for every one that is felled, totaling, by yearend, 2.8 thousand araucaria saplings planted.

As a result of the Company's efforts to demonstrate the robustness of the project's environmental licensing process, in addition to voluntary compensating measures, the injunction issued by the Federal Court (mentioned above) was lifted on December 9, 2020, thereby enabling resuming implementation activities.

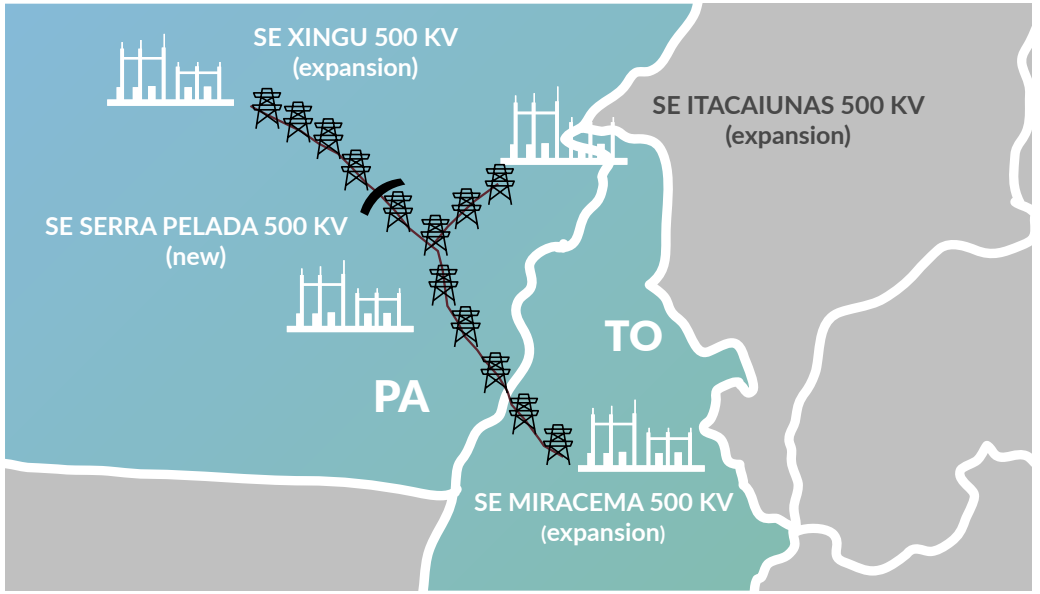
By the end of the year, the overall implementation of the Gralha Azul Transmission System was 75% complete with civil work and electro-mechanical assembly of the transmission lines and substations meeting the schedule established in the federal concession agreement. The estimated month for completion of the project within a reduced timeframe remains as September 2021, 18 months ahead of schedule in relation to final delivery date.

The outlook for a reduction in investment value against the figure indicated by Aneel remains at approximately 15%, thus rendering feasible the provision of a cheaper transmission tariff for consumers nationwide and more especially consumers in the state of Paraná.

Novo Estado Transmission System

In December 2019, through its subsidiary, ENGIE Transmissão de Energia Participações S.A., the Company signed a purchase and sale agreement for the purchase of stock, the issue of Sterlite Novo Estado Energia S.A., held by Sterlite Brasil Participações S.A., as the successful bidder for Lot 3 of Aneel Transmission Auction 002/2017, held in December 2017. The operation closed on March 3, 2020 and on May 29, 2020, the First Amendment Instrument to the respective Concession Agreement was signed, consolidating transfer of ownership.

Location – Novo Estado (Pará and Tocantins)



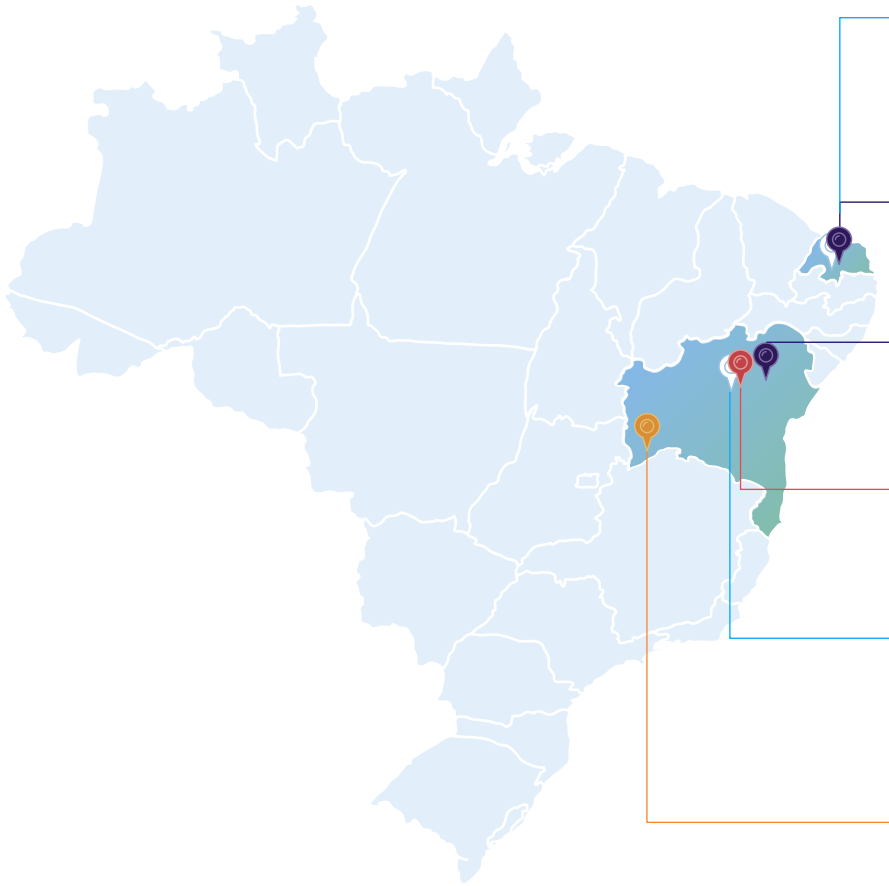
The object of the concession is the construction, operation and maintenance of approximately 1,800 kilometers of transmission lines, a new substation and upgrades to a further three existing substations in the states of Pará and Tocantins, for a term of 30 years. The installation license of the project has been issued by the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama).

The leading contractors began mobilizing on March 2020, construction beginning in April with activities at the construction sites. On May, a start was made on the civil work itself.
On June 26, 2020, a project financing agreement was signed with the BNDES. Subsequently, on August 19, 2020, a financing agreement was signed with the Banco da Amazônia S.A. (BASA), for the funding of part of the installation of the project.

By the end of the year, a workforce of more than 6,000 has been mobilized for the construction work. 60% of the towers' foundations have been completed and 16% of them have already been fully assembled. In the fourth quarter, transmission line cable slinging operations began in both the Xingu - Serra Pelada TL and the Serra Pelada – Miracema TL sections. Civil work on the Serra Pelada substation is at an advanced stage of execution – the overall level of completion being 36% while substation expansion is at the civil works phase. The cutoff date for the transmission systems to go into operation is March 9, 2023, but the Company's forecast is to reduce this period to December 2021.

Projects under development

By the end of 2020, ENGIE Brasil Energia maintained several projects in the development phase - that is, with feasibility studies at an advanced stage, which may or may not be implemented - as shown below:



Assú I, II, III and IV Photo-voltaic Centrals – RN
Installed Capacity:
120 MW

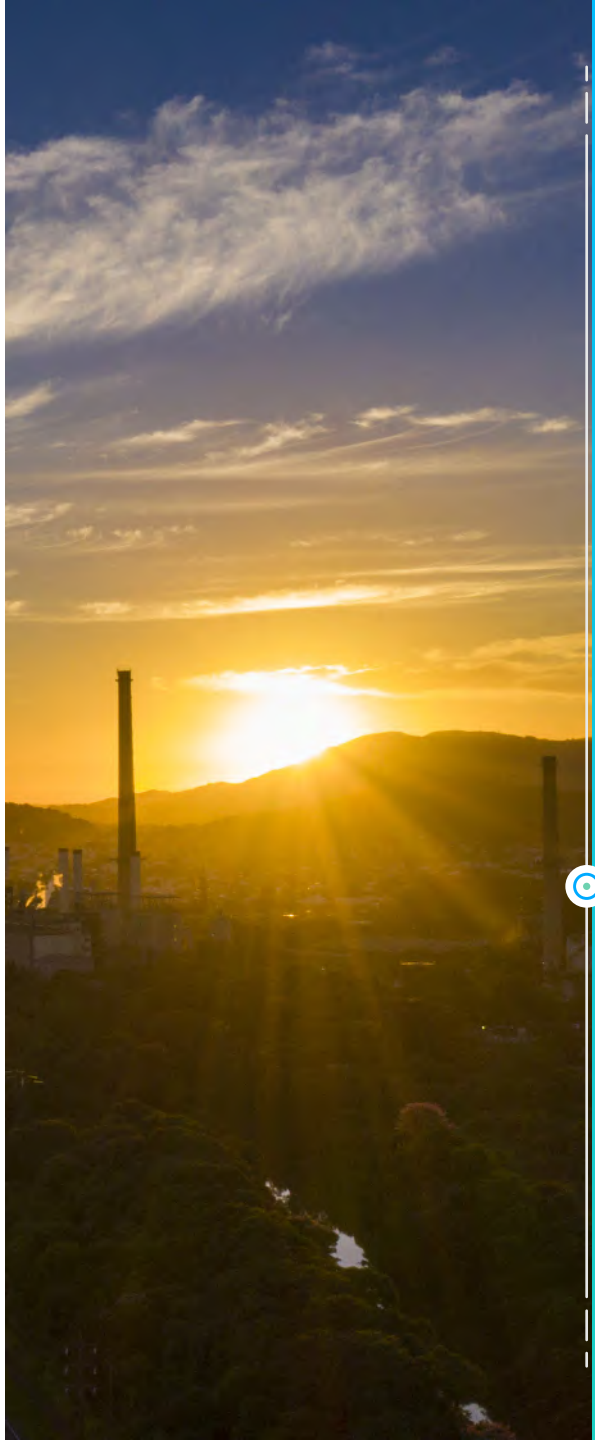
Santo Agostinho WC (Phase II) – RN
Installed Capacity:
366 MW

Umburanas WC (Phase II) – BA
Installed Capacity:
250 MW

Campo Largo WC (Phase III) – BA
Installed Capacity:
250 MW

Campo Largo Photovoltaic Complex – BA
Installed Capacity:
400 MW

Alvorada Photovoltaic Complex – BA
Installed Capacity:
90 MW



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Commercial and portfolio-management dynamism

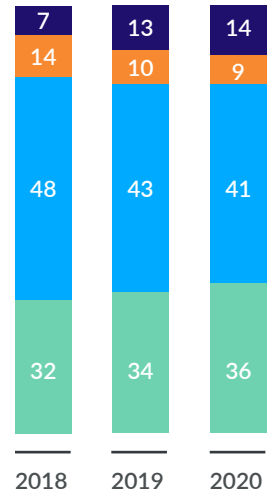
[GRI 102-6; 103-1; 103-2; 103-3; G4-EU3]

The Company trades energy both on the Regulated Contracting Environment (ACR), through Aneel-sponsored auctions, and on the Free Contracting Environment (ACL), entering into contracts directly with business firms or energy traders.

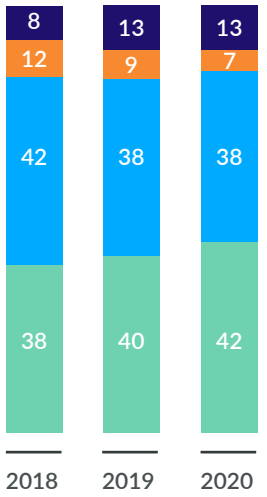
Our energy trading management strategy on the free market is based on two important distinctions: **management of the energy portfolio and the chosen sales dynamics**. Together, they enable superior results because few players share our characteristics – which emerge from the fact that we are one of the largest energy generators in Brazil, with the weight to offer competitive short- and long-term offerings, agility, and the dynamics of a private-sector global player, attuned to the market's opportunities and needs.

In 2020, free consumers represented 41.5% of physical sales and 37.6% of net operating revenues (excluding CCEE and other revenues), down 1.6 p.p. and 0.7 p.p., respectively compared with 2019.

Breakdown of clients by physical sales (%)



Breakdown of Customers in Contracted Sales Comprising Net Operating (%)



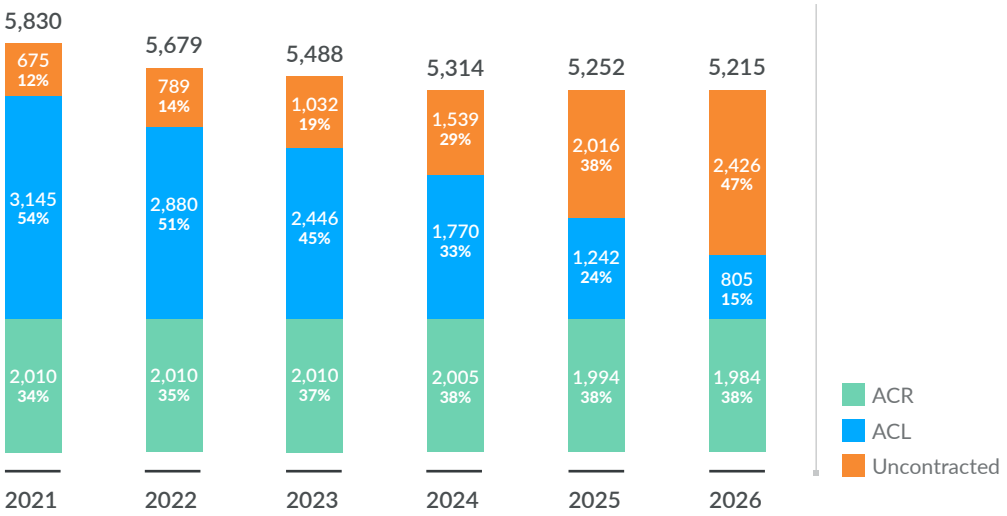


The reduction in the participation of free consumers in physical sales and in net operating revenues for the periods under analysis was largely due to decreased consumption on the part of industrial clients affected by the Covid-19 pandemic. However, this decrease was partially offset by migrations between trading company and free consumer profiles. Overall, the impact on net operating revenue was partially attenuated by new agreements at average prices higher than the average for current or terminated agreements.

Based on proprietary selling capacity data and energy sale agreements in force on December 31, 2020, the Figure summarizes the Company's energy balance.

Energy Balance

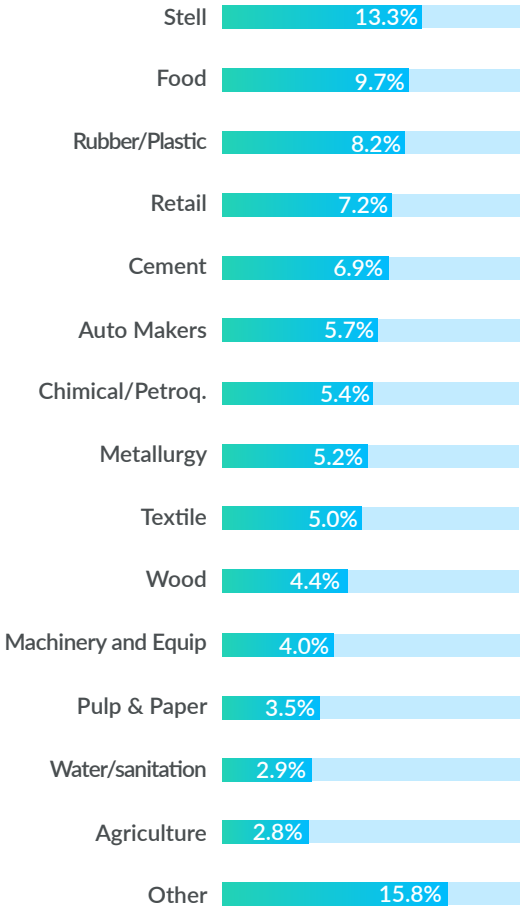
(% of total; MWa)



Management of the energy portfolio allows the Company to minimize short-term exposure risk, thereby avoiding payment of high prices when there is a shortage of hydroelectric generation – as has often been the case in recent years.

Within the context of trading dynamics, **we have formed a diverse portfolio of customers** made up of companies of different sizes and in different industries, mitigating the potential impacts of negative circumstances for certain segments, reducing the risk of revenue losses.

Diversification of clients portfolio



Thus, the Company is a **leader in the commercialization of energy in the Free Market**, adapting itself to different scenarios to capture the opportunities generated by the expansion of this market and the new relationship modalities.

In addition to energy from renewable sources, the Company also has other related offers, such as distributed solar generation products and services and carbon emissions neutralization, offsetting and reduction solutions. A recent example of the latter was the partnership with cosmetics manufacturer Natura for the sale of carbon credits that will offset 100 tons of greenhouse gases emitted. Another important milestone was the confirmation by the United Nations Organization (UNO) that the carbon credits project of the Campo Largo II Wind Complex (361.2 MW)

has been registered as a Clean Development Mechanism ("Mecanismo de Desenvolvimento Limpo" – MDL). The project is under construction and will contribute an annual average of 790 thousand tons of CO_{2e} in Greenhouse Gas emissions reduction. This is ENGIE's 23rd MDL project globally, and ENGIE Brasil Energia's 10th.

Blockchain and decarbonization

By means of an innovation program, ENGIE Brasil Energia has partnered with the TEO (The Energy Origin) platform to provide added digitalization and security for its customers in Brazil.

Developed by an ENGIE-accelerated startup company in Paris, **the platform stands as an innovative solution for automated, blockchain-based, certification of renewable attributes, enabling the traceability of energy generation from non-polluting sources, as well as of CO_2 consumption and emissions that the process avoids.**

Therefore, ENGIE's decarbonization solutions will incorporate blockchain technology by means of TEO, optimizing the certification and traceability processes associated with the Renewable Energy Contracts (ENGIE-REC) that the Company offers.



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Solutions released in 2020

E-conomiza

Looking to innovate in service to the Free Market, in July 2020, we released E-conomiza, a solution intended for companies that wish to reduce their energy costs by means of a simplified migration to the free environment. The offering focuses on small and medium-sized organizations spending a minimum R$ 40 thousand per month in energy – with the possibility of adding together the loads of different units to reach this level. Entry into contract with the Company allows these firms to facilitate their migration process, as the Company will represent them before the Electric Energy Trading Board ("Câmara de Comercialização de Energia Elétrica" – CCEE).

Energy Place

On a different front, adding the Free Market's potential for expansion and the increasing digitalization of the business, in November 2020 we released Energy Place, an online digital platform for consumers (both clients and non-clients), managers and consultancy firms. In addition to running energy e-commerce, the tool was developed to provide information and consumption histories, and to serve as a fully digital relationship and service channel. The platform is one of the links making up the multi-annual project to improve the commercial strategy, called Go To Market and which has been highlighted in previous reports.

Commercial and sectoral actions to face the pandemic

Every industry in the economy has been directly or indirectly affected by the Covid-19 pandemic to some degree, leading some Free Market customers to seek contract renegotiations. Applications were reviewed on a case-by-case basis, taking into account the size of the impacts they endured, commercial ties, the principle of good faith between contracting parties, and compliance with the agreements made. In all cases, there was no reduction to previously contracted prices, but rather postponement of the settlement of a portion of the amounts owed at market interest rates. As for distribution companies, the electric energy industry's players, including Aneel, worked together to draw a short-term bailout plan for these organizations, preventing defaulting from contaminating the remainder of the industry chain – the initiative culminated in Provisional Measure 950, regulated by Decree No. 10.350, of May 18, 2020.

Innovation and carbon neutral transition

[GRI 103-1; 103-2; 103-3; G4-EU8]

[2030 Agenda Goals: 7.2, 7.3, 8.2, 9.4., 9.5, 13.3]

Essential to the continuity of the business and the capture of opportunities, innovation in products, services and processes has increasingly gained connection with the corporate strategy. This is due to the fact that it blends in with the highly dynamic context of the energy transition and the expansion of the free energy market, which require new solutions to meet society's demands.

To create an environment conducive to innovation where employees can play an active role in building the Company's future, we concerned ourselves with the creation of platforms and the provision of the tools needed to disseminate an ever more innovative culture.

In 2020, these initiatives also helped **ENGIE Brasil to be one of the country's 150 most innovative companies according to the Valor 2020 Brazil Innovation Awards**, hosted by newspaper Valor Econômico in partnership with Strategy&, PWC's strategy consultancy practice. The rankings are based on a survey completed by companies of different sizes and in different industries – the 2020 questionnaire's central topic was "Future Competencies", and reviewed the innovation practices of companies active throughout Brazil.



one of the country's **150**

most innovative companies.

We showcase, next, the main innovation fronts on which the Company is active:

R&D

The Research and Development (R&D) program is an important link in our innovation-promotion. Aligned to open innovation culture, R&D is conducted on the basis of partnerships with companies, universities and research institutes, pursuant to Law 9.991/2000, which requires energy companies to invest 1% of its annual net revenues in R&D.

Throughout 2020, R$ 56.7 million was invested in the Program, according to the following distribution:

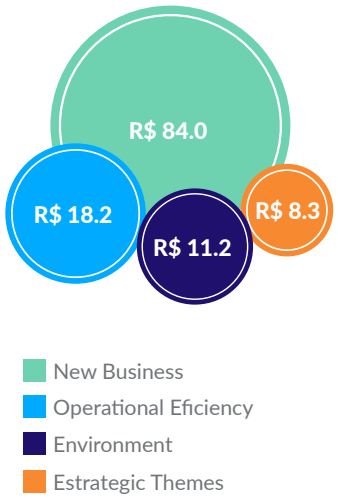
- **R$ 22.7 million to the National Science and Technology Development Fund (FNDCT);**
- **R$ 11.3 million to the Ministry of Mines and Energy (MME) as funding for the Empresa de Pesquisa Energética (EPE); and**
- **R$ 22.7 million to investment in new or ongoing R&D Projects.**

R$ 28.2 million were allocated in the year to the 13 projects underway.

The total portfolio of investment in ongoing projects adds up to R$ 121.7 million, as the figure next shows.

R&D ENGIE: investments in undergoing projects/2020

(R$ million)



A highlight among the research projects had in 2020 the **development and certification of the first large domestic wind turbine, at 4.2 M**. The project is being conducted in partnership with WEG – a Brazilian company specializing in the manufacture of electric motors, transformers and generators – and with cooperation from Centrais Elétricas de Santa Catarina (Celesc).

R$ 28.2 million

allocated in the year to the 13 projects underway.

The prototype is the first unit in a line of machines at nominal power ratings from 4.0 MW to 4.4 MW, depending on wind characteristics at the installation site. IT is the Brazilian electric industry's largest R&D project ever in terms of scope, length, budget and staffing. World-class technologies are being developed, such as a generator with permanent magnets in the external rotor configuration, layout, and the cooling of the elevator transformer. In this way, ENGIE, WEG and Celesc aim to develop a product that can compete globally with other large wind turbine manufacturers. The lower cost and improved quality of this R&D project have already guaranteed sale of an early batch of 43 wind turbines, where ENGIE will enjoy proceeds in the form of royalties per unit sold.



ENGIE Lab

As a global company that aims to value and integrate with local competencies, ENGIE began a move to internationalize the R&D+Innovation labs called ENGIE Labs, promoting projects in areas synergistic with the business. The 11th ENGIE Lab was set up in Brazil in 2019 as an open innovation lab – focusing on disruptive projects, incubation and venture-capital funding.

We thereby strive to develop innovative solutions in the areas of systems, equipment, hardware, software, business processes and models, pilot projects and end-to-end projects in partnership with companies with different profiles – from startups to major corporations, through member companies of the ENGIE Group.

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Link-Lab

ENGIE Brasil Energia is a member of LinkLab, a program of the Santa Catarina State Technology Association (ACATE), that brings together large corporations and startups to leverage synergies in the development of innovative projects. In 2020, we launched seven internal challenges in search of creative solutions to address them. A total 88 startups submitted suggestions, out of which the ones with the most potential will be selected to develop proofs of concept.

Programa Inove

Mechanism to stimulate internal innovation, "Inove" is the incentive program aimed at operational and process improvements, which generate both cost reductions and increased safety and efficiency. In the 2020 edition, the Program rewarded 92 employees, with prizes that totaled approximately R$ 200 thousand for their innovative initiatives. The 42 approved ideas have an expected financial return estimated at R$ 22 million.

R$ 22 million

approved ideas have an expected financial return estimated.

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Innovation marathon

In 2020, we held the Summer Hack, an innovation marathon dedicated to exploring opportunities in the Free Energy Market and developing new commercial solutions to serve customers in the segment. The event proposed a competition between cross-disciplinary teams facing the challenge of developing high-value solutions in a short period of time.

In 54 intense hours of creative work, the marathon involved more than 60 people, including participants, mentors and jurors.

Patents secured

In 2020, the Company obtained its first two patents granted by the National Industrial Property Institute (INPI). The two domestically-developed inventions are installed as field experiments in hydroelectric plants that the Group holds.

The former patent involves optic temperature sensors using the “Bragg networks” technology, which can be applied to several segments, but is being used in hydro plants to provide sensing for bearings and heat exchangers.

The latter concerns a method to identify features of an electrical machine. The solution assesses the status of electricity generators by analyzing the outer magnetic field. This provides a non-invasive means to detect electrical, magnetic and mechanical faults.

Innovation Day and Innovation Week

The open innovation model requires sharing results and lessons learned along the way. To this end, ENGIE Brasil promove annually holds the ENGIE Brasil Innovation Day, an event that gathers employees, startups and other members of the ecosystem at the Museu do Amanhã, in Rio de Janeiro (RJ), to discuss the matter and recognize innovative projects. The initiative is part of the Innovation Week, a global Group program devoted to mobilizing, promoting and discussing innovations alongside with ENGIE partners worldwide.

In 2020, because of the pandemic, the Innovation Day was held remotely by means of a live session on ENGIE Brazil’s YouTube channel. Connecting people from different Brazilian regions, the event’s sixth edition discussed the potential of innovation to develop people, conserve the planet, and boost business performance – the “3Ps” on which the Company’s strategy lies.

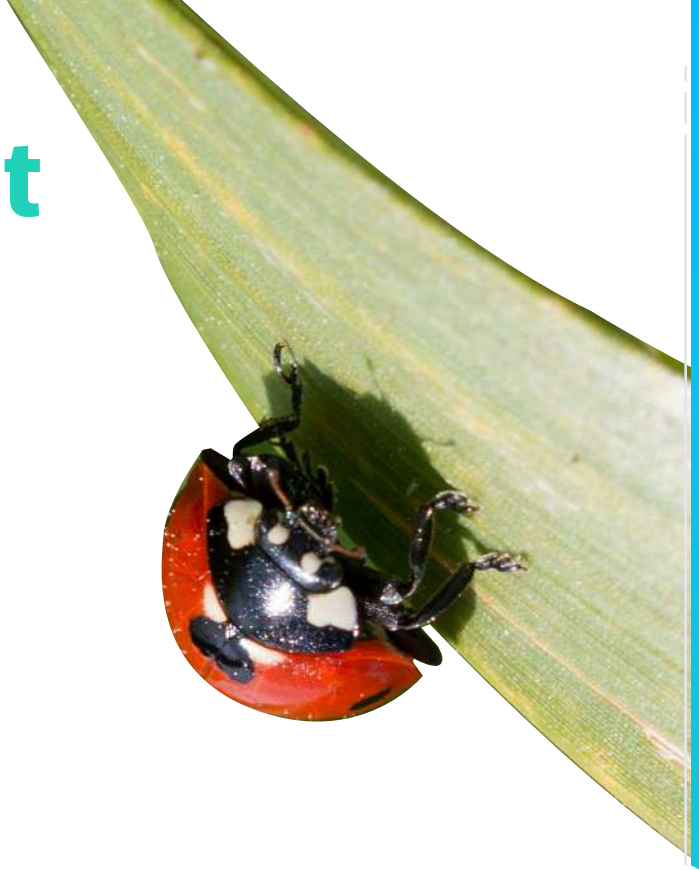
The session’s highlights included four projects developed by Group employees in Brazil – three of which done by ENGIE Brasil Energia teams. They were all Innovation Trophy finalists – the Company’s annual awards, shining the spotlight on solutions developed by teams in different countries to overcome managerial, technological, environmental and social challenges.

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Risk and opportunities managment

[GRI 102-11; 103-1; 103-2; 103-3; 201-2]

[2030 Agenda Goals: 16.6, 16.7]



Risk and opportunities analysis is a permanent exercise at the Company, involving, in addition to directors and officers, all employees, especially those dedicated to management functions. The Risk Management Forum, transversal and multidisciplinary, contributes to strengthen this dynamic. The analysis is guided by the Risk and Opportunity Management Policy, approved by the Board of Directors, and comprises the identification and classification of risks regarding the probability of occurrence and the significance in terms of financial, strategic and operational impact.

This assessment is carried out systematically, permeating all activities, based on three core principles:

- **Creation and maintenance of value, reputation and internal motivation.**
- **Encouraging a certain degree of risk taking, deemed reasonable relative to legal, economic and social aspects.**
- **Assurance of conformity of actions with legal and regulatory obligations as well as with ENGIE Brasil Energia's values.**

Results of this joint evaluation are registered in the Risks and Business Opportunities Matrix, an internal document which serves as guidance to the Company. The analyzed and risks are categorized as follows:

1 Tax Risk

Description

Adverse developments in the tax legislation, with potential impact on our results.

Mitigation

Systematic tracking of proposed or effective legislative changes with the potential to affect the Company's activities. This is done both individually and through trade associations.

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2 Industrial safety risk

Description

Damage to asset integrity, to the environment, and/or to occupational health and safety stemming from the Company's operating activities.

Mitigation

Adopting best Engineering practices from plant construction to operation and maintenance, monitoring civil structures by means of inspections, analyses and preventive maintenance done by a specialized team. Every hydro plant under ENGIE Brasil Energia's responsibility has a Dam Safety Plan that relies on topic-specific methodologies, in line with the laws and standards in force, as well as with the recommended criteria of the International Commission on Large Dams (ICOLD) and the Brazilian Committee on Large Dams (CBGB).

Contingency

All NBR ISO 14001-certified plants have in place Emergency Plans that provide for specific actions under various emergency scenarios, identified according to each project's reality and nature. As concerns dams, all of those that the Company operates are categorized as low-risk according to the matrix established by the National Electric Energy Agency (Aneel). In addition, we have in place rigorous health and safety practices driven by the Sustainable Management Policy, in addition to Internal Accident Prevention Commissions and 12 NBR OHSAS 18001-certified plants (Occupational Health and Safety).

3 Project installation risk

Description

The occurrence of events during the development or installation of projects which can result in delays in the construction work schedule, additional installation costs and/or inefficiencies in project operation.

Mitigation

Management is entrusted to a highly qualified and experienced construction works management team. Contracts with contractors and other suppliers involved are meticulously tracked, including technical, financial, environmental and social aspects, driven in any case by a permanent dialogue with all stakeholders.

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4 Regulatory risk

Description

An adverse evolution of the regulations governing the electric energy industry. These regulations, which the Federal Government historically influences, may impact, for example, the modes, terms and conditions of electric energy sale agreements in force, production levels, sectoral charges, and the relationships between industry players.

Mitigation

Active participation in debates on industry regulatory changes through trade associates, together with a strategic process that enables the Company to stay ahead of any changes.

Hydrological risk and regulatory evolution

When rains are lacking in the hydroelectric plants' catchment areas, the plants may generate power below their physical guarantee, that is, below the required minimum. In this case, the plant's owner must "replace" the missing energy to make up the physical guarantee, either by means of other generation sources in its portfolio or by acquiring energy in the short-term market, usually at high prices. To mitigate this risk, in a collective way, there is the Energy Re-Allocation Mechanism (MRE), in which all centrally-dispatched hydroelectric generation companies are mandatory members. The MRE transfers surplus output from plants generating above their physical guarantee to other members with generation below physical guarantee. Energy transfers within the MRE are compensated based on the Energy Optimization Tariff (TEO), which covers the average cost of hydroelectric plant operation and maintenance.

The MRE helps to mitigate hydrological risk when the system as a whole may reach or exceed the sum total of the physical guarantees of the plants that it comprises. However, starting in 2012, several members of the MRE began generating systematically less than their physical guarantees, a fact aggravated by dispatching outside the merit order. In 2015, after several discussions between the market and the regulator, hydro generators were given an opportunity to renegotiate this risk.

At the time, ENGIE Brasil Energia chose to adopt the renegotiation for the energy traded on the ACR. This consisted in purchasing insurance against hydrological generation deficits, so that reimbursement amounts to which the plants were entitled could be used against the insurance premium. Thus, 1,344.51 MWa of energy contracted on the ACR were protected from impacts greater than an average 7.5% generation deficit.

In 2020, Law 14.052 approved a new renegotiation where generation companies would secure a right to extend their generation concession award periods by up to seven years, considering only the portion of energy not renegotiated in 2015 as a form of compensation for the additional costs incurred. The Company's Board of Directors approved adhesion to renegotiations pursuant to the law for plants holding electric energy generation concessions.

Because renegotiations reduce risk, but do not eliminate it, companies may also develop individual mitigation strategies. In our case, we mitigate the risk by maintaining a larger than usual portion of the energy uncontracted in the short term, seasonally weigh allocation of own resources, and manage long and short positions on the short-term market.

5 Market risk

Description

The supply of and demand for electricity can deviate from forecast so affecting energy prices and volume.

Mitigation

Application of a proactive commercial strategy and smart management of the energy portfolio to nimbly capture price changes, minimizing losses and magnifying gains.

6 Cybersecurity risk

Description

Lacking or faulty planning, management or security in connection with resources and services in the areas of Information and Communication Technology (ICT), Automation Technology (AT), and the Internet of Things (IoT), that may have a negative impact on the Company's continued operations and image.

Mitigation

Definition of policies, management processes, controls and employee awareness of the risks that digital technologies pose. This involves the Information and Communication technologies (ICT) and the automation technologies (AT) used in industrial operation, control and supervision activities.

7 Risk of Non-Compliance with the Personal Data Privacy Law (LGPD):

Description

The use of digital technologies for relationships between companies and individuals through the collection of personal information has been increasing to customize and improve service levels and the consumer experience. Lacking or faulty planning, management or security of these resources may lead to the unauthorized disclosure of such personal information, leaving the Company exposed to regulatory risk in connection with private information security.

Mitigation

The Company prepared a diagnosis and implementation schedule for control and monitoring implementations so that the Company would be compliant with the law before it gained force, in August 2020. This includes training programs, process reviews and supplier relations, in addition to the development of new procedures, Additional information may be found in the "Ethics and Integrity" section.

8 Commercial counterparty risk

Description

The risk of a commercial counterparty with which the Company has energy purchase or sale operations failing to fully honor their obligations, with impact over revenues.

Mitigation

Active Counterparty credit risk management based on the Counterparty Risk policy as approved in January 2019.

9 Operationalization of the strategy risk

Description

Adversity in the process of ENGIE's strategic repositioning around its three basic pillars: digitalization, decentralization and decarbonization, due to the external and internal contexts.

Mitigation

In terms of the external angle, we attempt to join discussions with the regulator and society at large on topics such as the opening of the Free Energy Market, the evolution of distributed energy regulations distributed energy and carbon pricing, among others. In these discussions, we made a contribution by providing the Company's points of view and interests. Internally, we invested in training, skills and structures – both physical and IT – to enable the free flow of innovation and connections between areas, in a manner compatible with the energy transition's less steady and more dynamic scenario.

10 Ethics and compliance risk

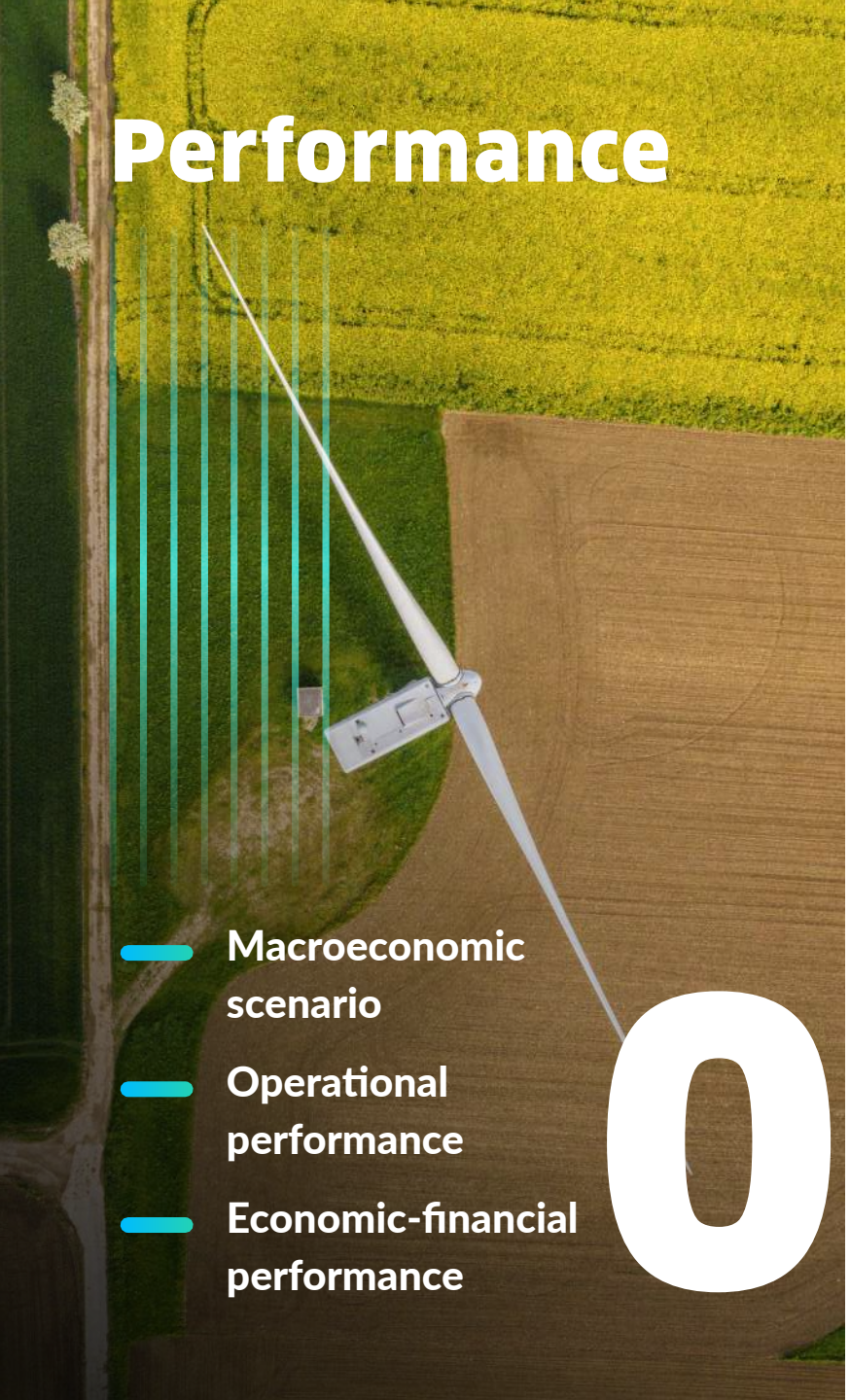
Description

Noncompliance, whether internal or with outside collusion, with values and principles pursuant to the Code of Ethics may lead to cases of corruption, fraudulent use of the Company's property, interference in bidding processes, and disregard of human rights. Failure to comply with the standards and regulations applicable to the Company's activities.

Mitigation

In addition to the Ethics Policy Code, to the establishment of the Ethics Committee and to an external whistleblowing channel, we embraced a rigorous internal controls program called Income, that all direct and indirect subsidiaries apply. Income was created in 2005, to meet the US Sarbanes-Oxley Act. It covers every operation by means if 12 processes that subdivide into 14 sub-processes. In addition to internal controls evaluations, the overall environment is analyzed based on the methodology provided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The results of the Internal Audit tests and of the analysis of the overall control environment are subject to approval from the CEO and the Chief Financial and Investor Relations Officer. Their reviews are subsequently submitted to the Board of Directors.



Performance

- Macroeconomic scenario
- Operational performance
- Economic-financial performance

04

+ 25.7%
Ebitda

+ 21%
Net Income

R$ 7.4 billion in value added

R$ 4 billion invested

R$ 2 billion in proceeds distributed

48 plants remotely operated

from the Generation Operations Center (COG), in Florianópolis (SC)

35,163 Gwh
generated in 2020

79.9%

of total installed capacity certified NBR ISO 9001, NBR ISO 14001 and OHSAS 18001

42.2 milion
m^3 of natural gas transported per day

Macroeconomic scenario

The pandemic caused a global economic downturn that Brazil experienced since March 2020, leading to **a 4.1% drop in the country's Gross Domestic Product (GDP)**, according to Brazilian Geography and Statistics Institute (IBGE). It is the greatest annual retreat since 1990. GDP was up 1.1% in 2019.

Although the retraction was smaller than expected by a majority of analysts mid-year, recovery was uneven across segments – generally, according to the Applied Economics Research Institute (IPEA), manufacturing and retail reached yearend operating at average levels above the pre-crisis period, whereas services lagged significantly below.

In the context, accumulated inflation has been 4.52% according to the National Consumer Prices Index – Comprehensive (IPCA) as published by IBGE. The IPCA was 4.31% in 2019. As for the jobs market, the effects of the recovery were modest until the fourth quarter, with unemployment at 13.1%, close to the historic ceiling according to the IBGE.

The financial market experienced a series of sharp oscillations on several global indices because of the uncertainties caused by the pandemic. These were mitigated, even if temporarily, by government stimulus and bailout packages, in addition to positive prospects associated with Covid-19 vaccines. Once again, the Brazilian funds rate (SELIC) reached yearend at its lowest level on record, at 2.0% p.a., while the US Dollar (Ptax) exceeded R$ 5.19 – it was trading at R$ 4.03 at yearend 2019.

Electricity power industry



1.6%

net energy consumption in Brazil was down in 2020.

According to data from the Energy Research Company ("Empresa de Pesquisa Energética" – EPE), **net energy consumption in Brazil was down 1.6% in 2020,** at 474.231 GWh – after increasing by 1.4% in 2019. Residential consumption was up 4.1%, commercial was down 10.5%, and industrial lost 1.1%. Other classes were down 2.3%. In the breakdown by region, the North and Center-West reported increases of 4.8% and 1.2%, respectively. The other regions were down, the Northeast by 2.4%, the South by 1.2% and the Southeast by 2.8%, for the worst performance nationally

Free market **consumption was up 13.1% in 2020**, exceeding recent years' records – growth was 1.9% in 2019 and 6.3% in 2018. Consumption on the captive market was down 2.3% in 2020 from 2019.

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Influence of the hydrological scenario on the sector

The 2020 hydrological scenario – which supplied 56,7 GWa of Natural Affluent Energy on the National Interconnected System (SIN) – was the fourth worst in two decades, and only surpassed by 2019, 2017 and 2014.



80.5%

was the GSF in 2020 - the system generates below its physical guarantees for another year.

At yearend, the situation was most critical in the Southeast, with the lowest reservoir level in 20 years (16.4% of maximum volume in December). This implied a resolution for using extra thermal assets (outside the merit order) in the last quarter of 2020. On the other hand, the storage in the Northeast was the highest in recent history, reaching 90% of maximum volume mid-year – due to a combination of satisfactory rainfall and changes in the policy for the use of São Francisco River basin reservoirs.

Under impact from the pandemic, demand for energy was down 1 GW in terms of annual average load compared with 2019. This is down 3 GW from previous estimates according to forecasts for 2020.

Demand for energy was down 1 GW in terms of annual.

Therefore, the average Differences Settlement Price ("Preço de Liquidação de Diferenças" – PLD) in 2020 was R$ 177/MWh. Closely associated with the effects of load reduction, energy surplus supply vis-à-vis demand left the year's average price R$ 48/MWh lower than in 2019.

According to CCEE data, the GSF (Generation Scaling Factor) in 2020 was 80.5%, down from 81.0% in 2019.



Operational performance

[GRI G4-EU1; EU2; EU11; EU30]

[SASB IF-EU-550A.2.]

[2030 Agenda Goals: 7.2, 7.3, 8.2, 9.1, 9.4]

In addition to abiding by corporate policies in every activity, the Company's operational evolution is based on the strictness of the controls forming its Integrated Management System (SIG), a platform that consolidates information and performance indicators.

In 2020, out of the 60 plants in operation, 12 were certified according to NBR ISO 9001 (quality), NBR ISO 14001 (environment) and NBR OHSAS 18001 (Occupational Health and Safety) standards. In addition, the Jorge Lacerda Thermoelectric Complex is NBR ISO 50001 certified with respect to Energy Efficiency. Consequently, **the percentage of certified installed capacity is 77.9%.**

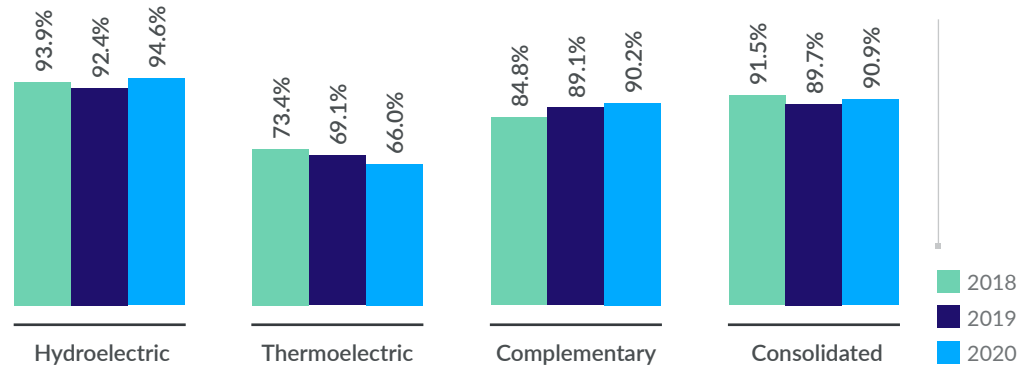
Out of the 10,431.2 MW operated by the Company, 52.4% (5,467,6 MW) are done remotely, by the Generation Operation Center (COG), located at ENGIE's Florianópolis (SC) headquarters. In this model, sophisticated technological resources, which allow real-time monitoring and ensure system reliability, increase the operational efficiency of the generating complex. In all, 47 of the 60 plants in the generator park are operated via COG, among them the Machadinho Hydroelectric Plant, which started remote operation in 2020, the first in a consortium to be managed remotely.

During the year, excluding scheduled shutdowns, plants operated by ENGIE Brasil Energia achieved an uptime ratio of 96.4%, 99.7% in the case of the hydroelectric plants, 76.9% for the thermoelectric power plants and 93.5% for plants powered from complementary sources — incorporating SHPs, biomass, wind and photovoltaics.

If all programmed stoppages are taken into consideration, **internal overall uptime for the full 12 months of 2020 was 90.9%**, that is, 94.6% for the hydroelectric plants, 66.0% for the thermoelectric plants and 90.2% in the case of plants fired from complementary energy sources. On a year-on-year comparative basis, global internal uptime was 1.1 p.p. higher, comprising increases of 2.2 p.p. and 1.1 p.p. at the hydro and complementary plants, respectively, and a reduction in the case of thermoelectric uptime of 3.1 p.p.

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Uptime operating, considering scheduled shutdowns



The reduction in availability at the thermoelectric power plants during 2020 against 2019, is due principally to unscheduled outages, in turn reflecting greater exposure to faults in continuous operations. The increase in hydroelectric and complementary energy sourced plants on the other hand was due to shorter time spans required for executing the work.

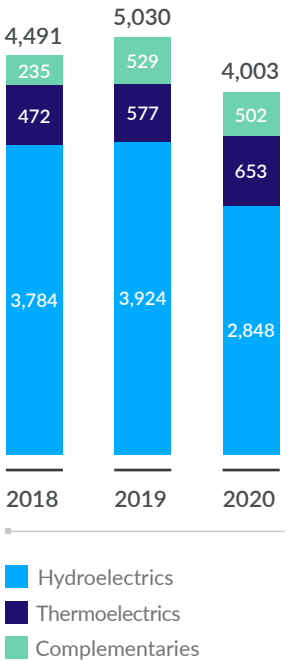
Related to electricity output from plants operated by ENGIE Brasil Energia, overall, the Covid-19 pandemic provoked a significant reduction in the National Interconnected System's load factor. Similarly, this fed through to global **production at ENGIE of approximately 35,163 GWh (4,003 MWa), 20,4% down on 2019**, when the total was 44,058 GWh (5,030 MWa). In 2020, only thermoelectric output was higher relative to the preceding year, 13.2% up on 2019. In the case of hydroelectric and complementary operations, the decrease was 27.4% and 5.0%, respectively.



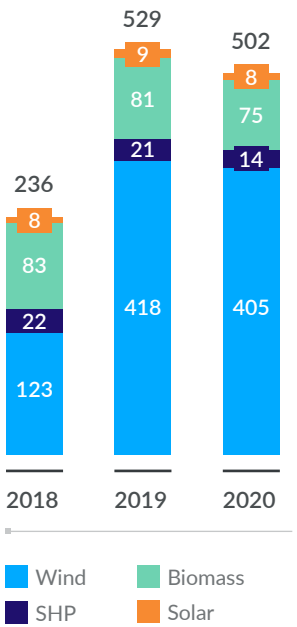




Energy Generation
(MWa)



Generation by Complementary Source
(MWa)



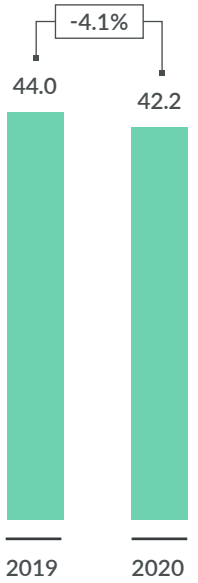
In this context, it is worth pointing out that an increase in the Company's hydroelectric generation does not necessarily reflect an improvement in economic-financial performance. Conversely, a reduction in this type of generation does not inevitably imply a deterioration in economic-financial performance due to the adoption of the Energy Reallocation Mechanism (MRE), which defrays the risks of hydro generation among its participants.

As to the Company's thermal generation, its increase might reduce (as a function of the Company's level of contracting) exposure to the Price for the Settlement of Differences (PLD), the opposite being the case when there is a decrease, all other variables being equal.

Related to gas transportation, the Transportadora Associada de Gás - TAG receives natural gas daily at gathering points along its pipeline network and delivers it to the carrier Petrobras at entry points known as city gates, in return being remunerated for the transportation service, comprising a portion for the effective transportation of the natural gas molecule and also a charge for unutilized capacity (ship-or-pay).

For the year as a whole, transmitted gas volumes were 42.2 million m³/day (44.0 million m³/day in 2019).

Average volume of gas transmitted
(MM m³/day)



Modernizations

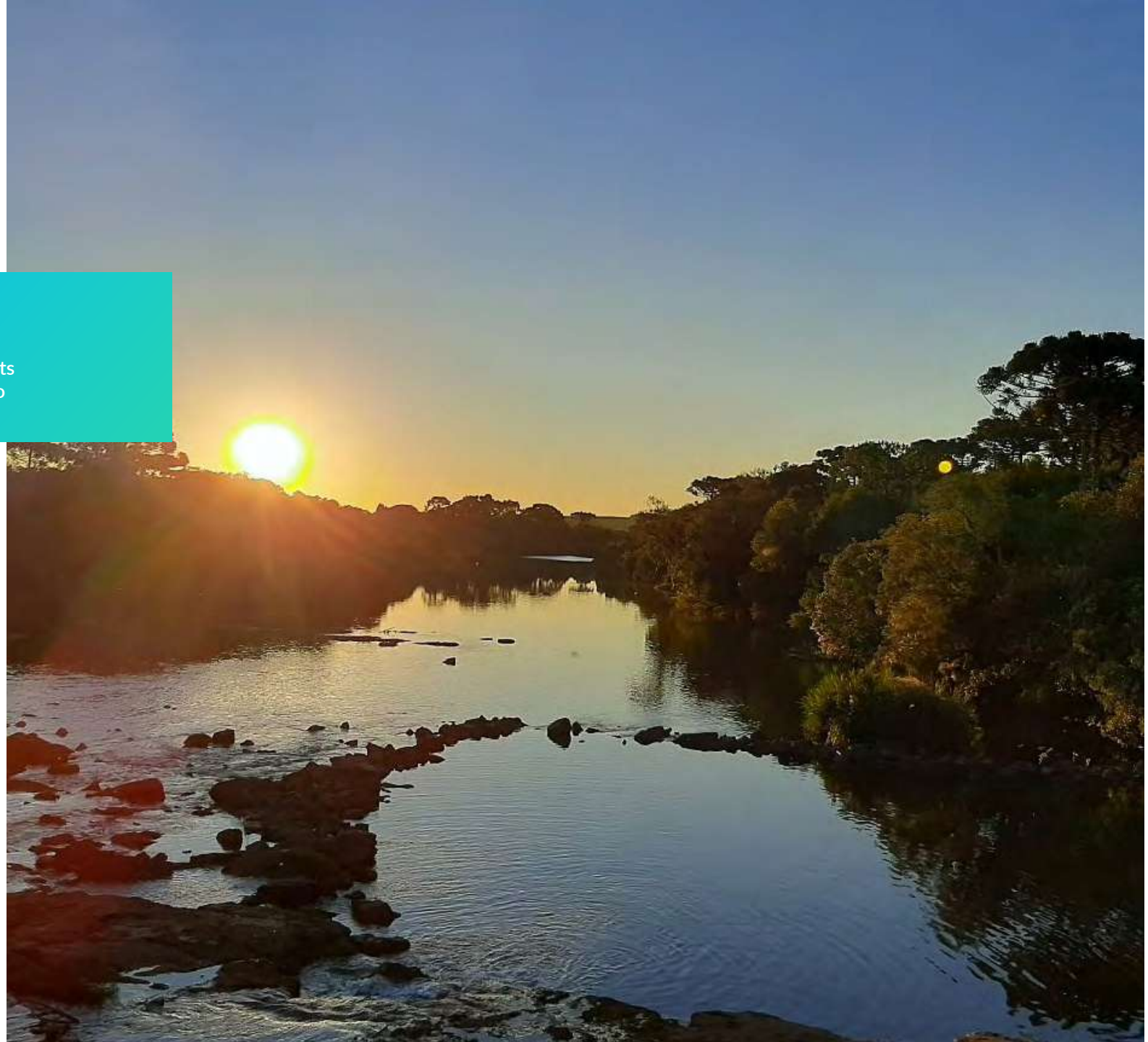
In 2020, we proceeded with the modernization of the Salto Osório Hydroelectric Plant, a large project that began in November 2017. The first modernized generating unit is scheduled for delivery in the first quarter of 2021 and full completion is expected in 2023.

In addition to upgrading operating attributes, the modernization will improve efficiency, with a physical guarantee increment estimated at 13.9 MWa.

13.9 MW

Physical guarantee increments estimated at the Salto Osório Hydroelectric Plant.

The modernization agreement for the Jaguara Hydroelectric Plant, by its turn, was executed in late 2020 with the purchase of a new generator for Generating Unit #01. Manufacture of the part is expected to conclude in 2021, so that field deployment will take place the year after. Entry into an agreement for the modernization of the Miranda Hydroelectric Plant's instrumentation and control systems (including speed regulator, generator voltage regulator and oversight system) is expected in the first quarter of 2021.



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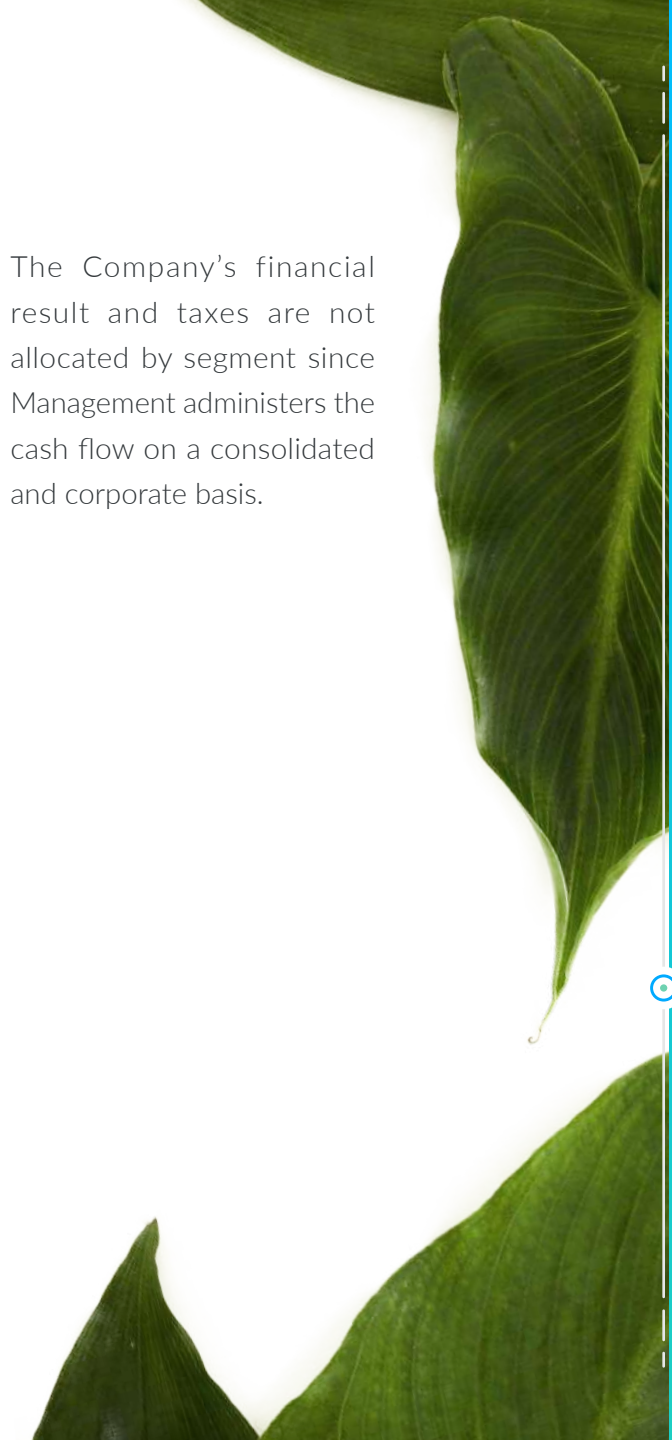
Economic-financial performance

[GRI 201-1; 201-4]

Result by segment – 2020 x 2019 (in R$ million)

	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
2020						
Net operating revenue	8,539.1	2,555.3	1,083.9	80.9	-	12,259.2
Operational costs	(3,328.6)	(2,274.3)	(1,111.5)	(81.5)	-	(6,795.9)
Gross income (loss)	**5,210.5**	**281.0**	**(27.6)**	**(0.6)**	**-**	**5,463.3**
Selling. general and administrative expenses	(267.8)	(1.1)	(3.1)	(5.4)	-	(277.4)
Other operating expenses. net	(4.7)	-	-	-	-	(4.7)
Impairment	(98.8)	-	-	-	-	(98.8)
Equity income	-	-	-	-	487.1	487.1
Income (loss) before financial results and taxes	**4,839.2**	**279.9**	**(30.7)**	**(6.0)**	**487.1**	**5,569.5**
2019						
Net operating revenue	8,427.7	169.9	1,109.0	97.9	-	9,804.5
Operational costs	(4,294.1)	(151.5)	(1,111.4)	(96.0)	-	(5,653.0)
Gross income (loss)	**4,133.6**	**18.4**	**(2.4)**	**1.9**	**-**	**4,151.5**
Selling, general and administrative expenses	(243.2)	-	(2.9)	(7.1)	-	(253.2)
Other operating expenses, net	320.4	-	-	-	-	320.4
Impairment	(4.9)	-	-	-	-	(4.9)
Equity income	-	-	-	-	81.1	81.1
Income (loss) before financial results and taxes	**4,205.9**	**18.4**	**(5.3)**	**(5.2)**	**81.1**	**4,294.9**
Variation						
Net operating revenue	111.4	2,385.4	(25.1)	(17.0)	-	2,454.7
Operational costs	965.5	(2,122.8)	(0.1)	14.5	-	(1,142.9)
Gross income (loss)	**1,076.9**	**262.6**	**(25.2)**	**(2.5)**	**-**	**1,311.8**
Selling, general and administrative expenses	(24.6)	(1.1)	(0.2)	1.7	-	(24.2)
Other operating expenses, net	642.6	-	-	-	-	(325.1)
Impairment	(93.9)	-	-	-	-	(93.9)
Equity income	-	-	-	-	406.0	406.0
Income (loss) before financial results and taxes	**633.3**	**261.5**	**(25.4)**	**(0.8)**	**406.0**	**1,274.6**

The Company's financial result and taxes are not allocated by segment since Management administers the cash flow on a consolidated and corporate basis.



Net operating revenue

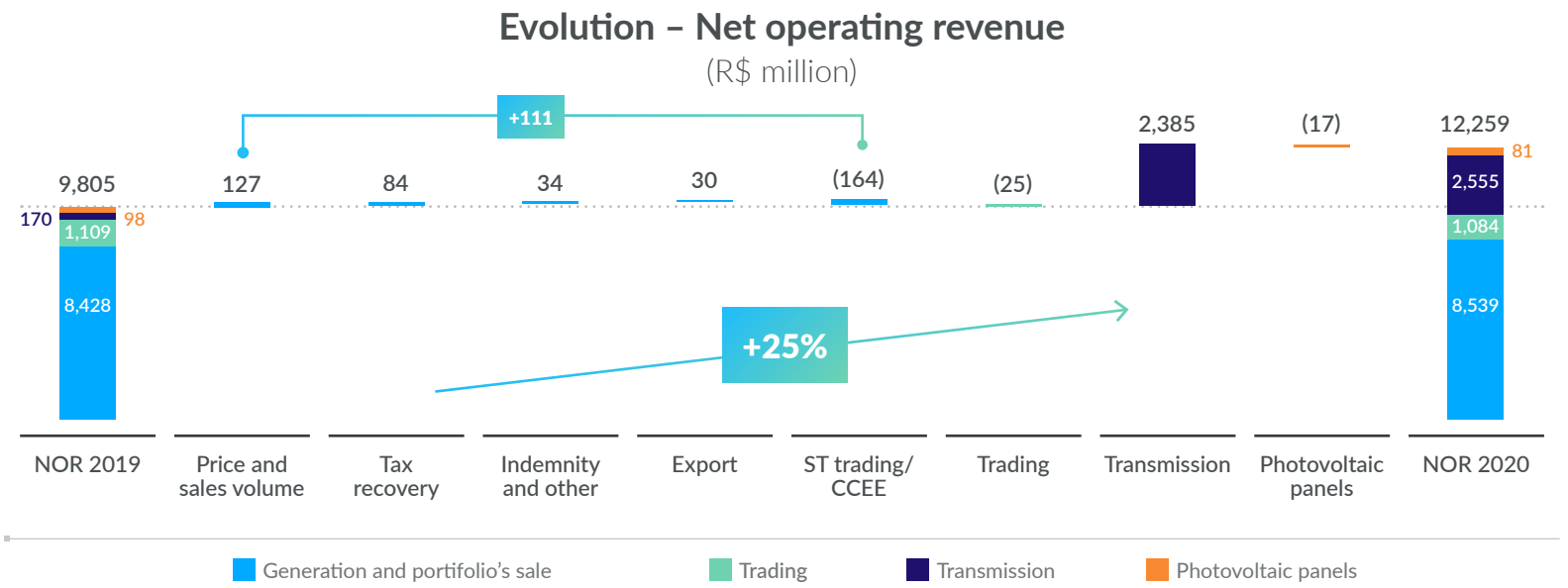
On a year-on-year comparative basis, net operating revenue rose from R$ 9,804.5 million in 2019 to R$ 12,259.2 million in 2020, or an increase of R$ 2,454.7 million (25.0%).

Generation and energy sales from the portfolio: increase of R$ 111.4 million (1.3%), mainly driven, by the following positive effects:

(i) R$ 126.5 million increase in revenue from energy sales contracts in regulated and free markets, as result of a combination of variations in energy volumes sold and the net average selling price;

(ii) R$ 83.5 million non-recurring from tax claw backs;

(iii) R$ 30.5 million from the export of energy in 3Q20; and



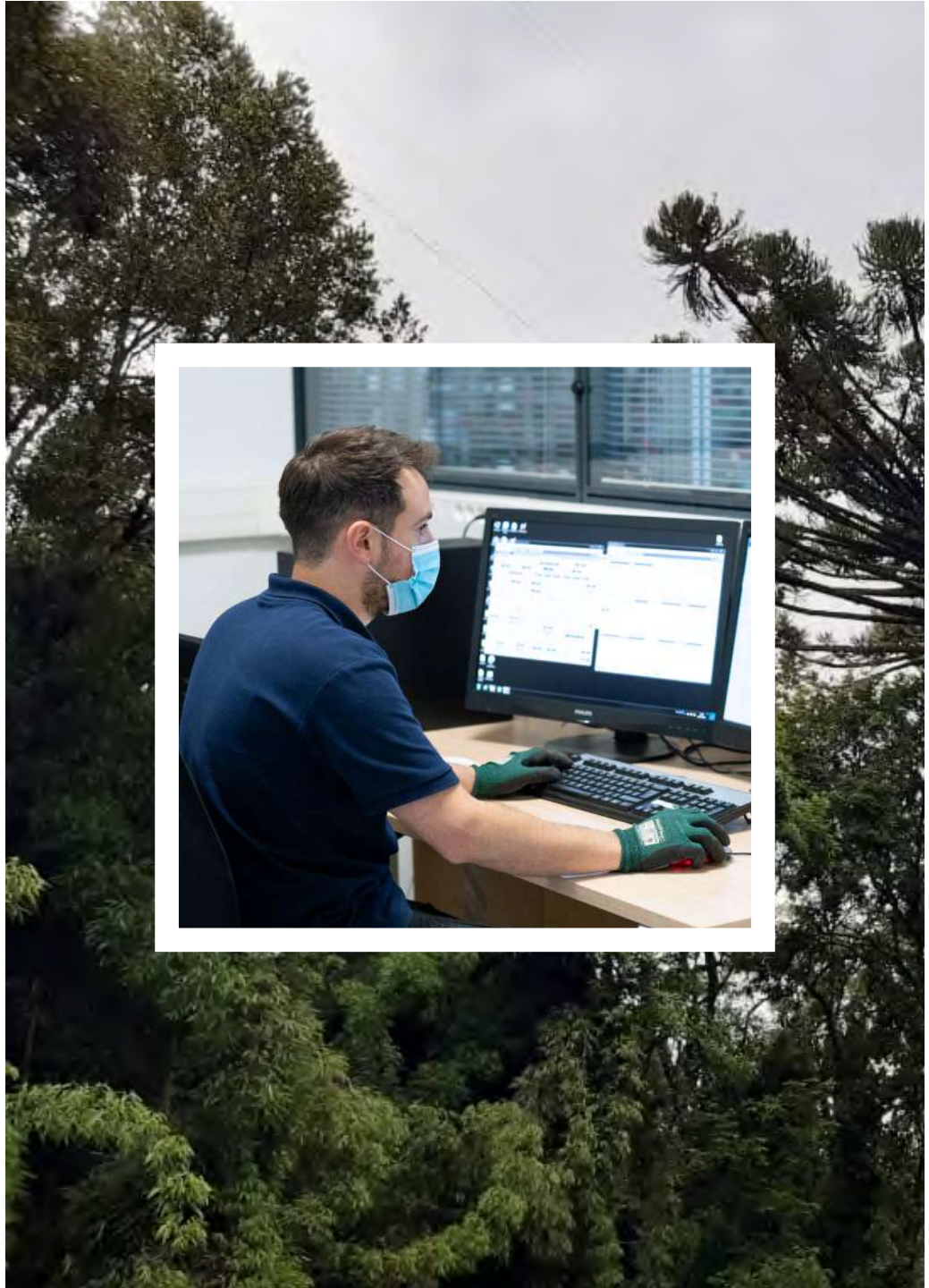
(iv) R$ 28.8 million relative to indemnification for interruption to business and a corresponding claim and the collection of a contractual fine for downtime. These effects were partially attenuated by:

(v) a decrease of **R$ 163.6 million** in transactions across the short-term market, principally the CCEE.

Trading: reduction of R$ 25.1 million (2.3%) mainly due to the negative result from marking to market of future sales and the decline in revenues from operations executed, partially offset by growth in transactions realized in the short-term market.

Transmission: an increase of R$ 2,385.4 million, largely due to advancing construction work on the Gralha Azul and Novo Estado transmission systems.

Solar panels: a decrease of R$ 17.0 million (17.4%) in the sale and installation of solar panels due to weaker demand, principally a reflection of the Covid-19 pandemic.

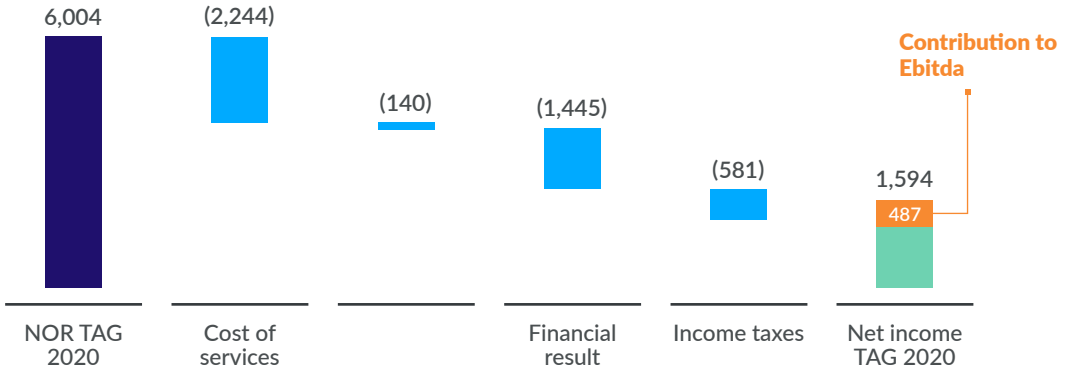


Equity Income

ENGIE Brasil Energia's 32.5% equity stake in Transportadora Associada de Gás S.A. (TAG) **resulted in a contribution of R$ 487.1 million to the Company's Ebitda in 2020** via equity income. Comparison of the effects impacting equity income results in 2019 and 2020 is inappropriate, as the 2019 equity income only covers six months of TAG results. In addition, in a large share of the latter half of 2020, the Company's equity stake in TAG was 32.5%, greater than the 29.25% applicable to periods preceding the additional acquisition.

Income statement TAG

(R$ million)



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Ebitda and Ebitda Margin

On a full 2019 x 2020 year comparison, **Ebitda increased R$ 1,326.3 million (25.7%) from R$ 5,158.2 million in 2019 to R$ 6,484.5 million in 2020,** a combination of the following positive effects:

(i) R$ 684.8 million (13.5%) in the **generation and electric energy** sales portfolio segment of the Company;

(ii) R$ 261.5 million from the **energy transmission segment**; and

(iii) R$ 406.0 million due to a higher **result from the corporate stake in the jointly controlled subsidiary** — TAG.

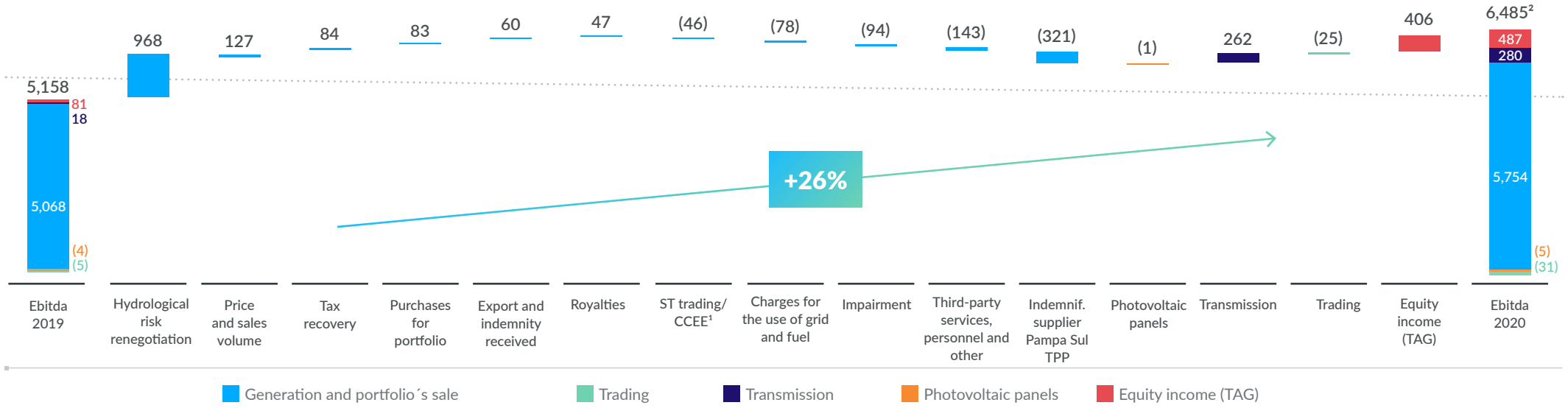
These positive effects were counterbalanced by the following negative effects:

(iv) R$ 25.4 million from the **energy trading segment** — of which R$ 45.2 million are a result of the effects of marking to market, albeit partly attenuated by the positive impact of R$ 19.8 million originating from executed transactions and from operating expenses; and

(v) R$ 0.6 million (13.6%) from the **solar panel** segment.

Evolution - Ebitda

(R$ million)



1 - Considers the combined effect of changes in revenue and expenses.

The generation segment, the variation of which is shown in item (i) above was affected by non-recurring events booked in the comparative years in the amount of R$ 636.3 million with respect to the following events:

(i) an additional **R$ 967.7 million** in recovered **energy costs in the light of the renegotiation of the hydrological risk** in 2020;

(ii) R$ 83.5 million gain from the successful legal action in 2020;

(iii) the negative effect of **R$ 321.0 million** of other operating revenues from **indemnifications received for non-compliance** with contractual conditions from the supplier responsible for the construction of Pampa Sul and booked in 2019; and

(iv) R$ 93.9 million arising from the **increase in asset impairment** between compared years.

Excluding these effects, Ebitda for this segment in 2020 would have declined from R$ 5,753.2 million to R$ 4,800.8 million and in 2019 from R$ 5,068.4 million to R$ 4,752.3 million. With this on a 2019 x 2020 comparative bases, Ebitda for this segment would have reported an increase of R$ 48.5 million (1.0%), mainly a reflection of the following positive effects:

(i) R$ 126.5 million, result of the combination of variations in energy volume sold and the average net selling price;

(ii) R$ 82.6 million reduction in **energy purchases;**

(iii) R$ 47.1 million decrease in **royalty** payments; and

(iv) R$ 28.8 million in indemnification for **interruption to business**. These effects were partially offset by the following negative effects:

(v) R$ 61.7 million increase in the costs of **outsourced materials** and services;

(vi) R$ 46.6 million from the **increase in charges** for the use of the network;

(vii) R$ 46.1 million in the result from **transactions conducted on the short-term market**;

(viii) R$ 31.1 million in **higher own fuel consumption**;

(ix) R$ 24.6 million in increased **selling, general and administrative expenses;**

(x) R$ 18.8 million in increased **payroll overheads**; and

(xi) R$ 7.6 million of other revenues, **costs and operating expenses**.

Generation Ebitda margin

The Ebitda margin for the generation segment recorded an increase of 7.3 p.p. from 60.1% in 2019 to 67.4% in 2020.



Consolidated Ebitda Margin

The **consolidated Ebitda margin** registered an increase of 0.3 p.p. **from 52.6% in 2019 to 52.9% in 2020**. Excluding the non-recurring effects already mentioned the consolidated Ebitda would have posted an increase of R$ 690.0 million (14.3%) between the years 2020 and 2019. The Ebitda margin on the same comparable basis would have shown a decrease of 4.0 p.p.

It should be pointed out that the consolidated Ebitda margin is partially reduced by the effects of energy trading operations, booking of revenue and costs for the construction of the transmission lines and the operations transacted by the EGSD subsidiary, where margins are characteristically inferior to those of the company's other operation.

Net income

On a 2019 X 2020 comparison basis, **net income increased from R$ 2,311.1 million in 2019 to R$ 2,797.3 million**, that is an increase of R$ 486.2 million or 21.0%. This positive effect is due to the following impacts:

(i) an increase of **R$ 1,326.3 million** in **Ebitda**;

(ii) increase of **R$ 675.4 million** of **net financial expenses**;

(iii) a further **R$ 113.0 million** in **income tax and social contribution**; and

(iv) an additional **R$ 51.7 million** of **depreciation and amortization**.

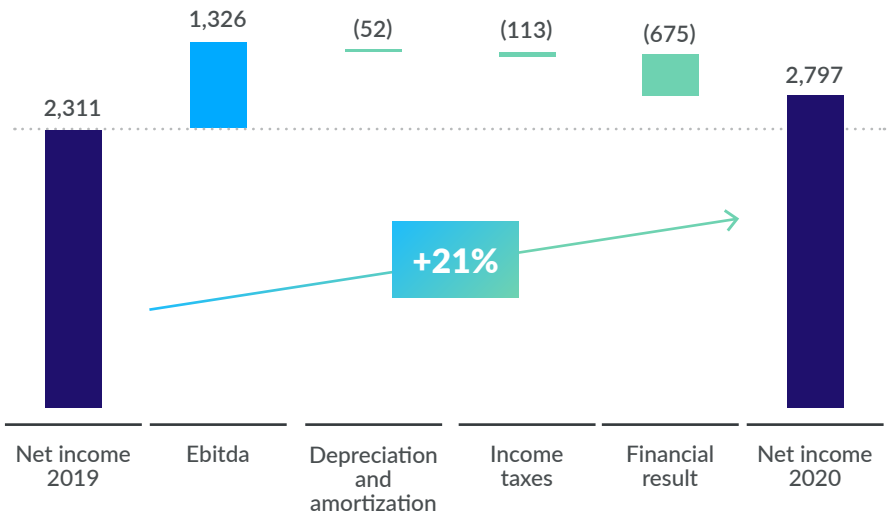
Excluding non-recurring items which impacted the periods (renegotiation of hydrological risk, asset impairment, and successful legal action in 2020 and indemnity payments received for non-compliance with contractual conditions plus asset impairment in 2019), net profit in 2020 would have been R$ 15.9 million (0.8%) higher.

R$ 486.2 millon

Increase in net income between 2019 and 2020.

Evolution – Net income

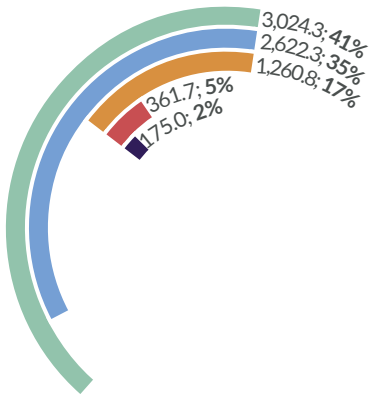
(R$ million)



Value added and financial support received

Value-added distribution

(R$ million and % of total)



In 2020, **the Company generated R$ 7,444.1 million in value added.** The results were distributed across our stakeholders as the figure shows. The result is up 20.0% from 2019's R$ 6,201.7 million and up 35.6% from 2018.

Out of R$ 361.7 million distributed to employees:

- **R$ 229.0 million (3.1%)** compensation and charges.
- **R$ 64.9 million (0.9%)** benefits.
- **R$ 48.2 million (0.6%)** profit sharing.
- **R$ 19.6 million (0.3%)** Fundo de Garantia por Tempo de Serviço (FGTS).

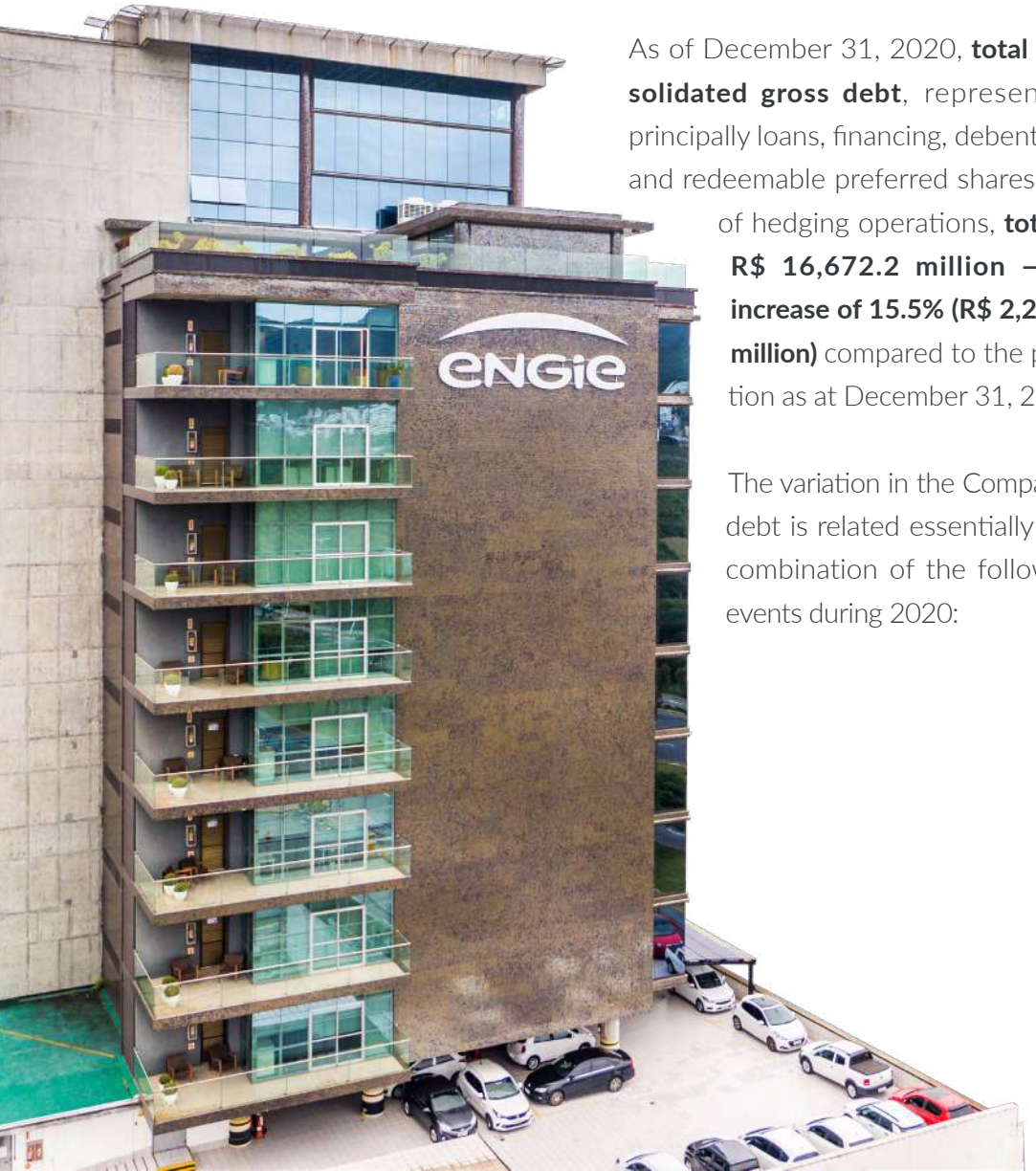
Out of R$ 3,024.3 million distributed to the government:

- **R$ 1,882.0 million (25.3%)** federal taxes.
- **R$ 44.5 million (0.6%)** state taxes.
- **R$ 5.0 million** municipal taxes.
- **R$ 163.1 million (2.2%)** sectoral charges.
- **R$ 929.7 million (12.5%)** charges on concessions payable.

The total monetary value of financial support ENGIE Brasil Energia received from the government in 2020 was R$ 77.9 million, as follows:

- **R$ 67.6 million in federal incentives, via Amazon Development Superintendence (Sudam) and Northeast Development Superintendence (Sudene);**
- **R$ 2.7 million in connection with the Lei do Bem, also federal, for RD&I incentives; and**
- **R$ 8 million in Bahia State incentives, in connection with the "Desenvolve Bahia Program."**



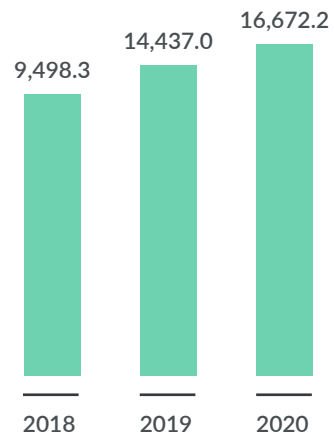


Debt

As of December 31, 2020, **total consolidated gross debt**, representing principally loans, financing, debentures and redeemable preferred shares, net of hedging operations, **totaled R$ 16,672.2 million — an increase of 15.5% (R$ 2,235.5 million)** compared to the position as at December 31, 2019.

The variation in the Company's debt is related essentially to a combination of the following events during 2020:

Total debt
(R$ million)



(i) drawdowns from the Brazilian Development Bank (BNDES) and on-lending banks amounting **R$ 2,181.3 million**, largely for the **construction of the Campo Largo II Wind Complex and the Novo Estado and Gralha Azul transmission systems**;

(ii) raising of loans via Law 4131 for **R$ 1,132.4 million** from **overseas financial institutions**, totally protected by hedge operations, and allocated for the formation of working capital and for the financing of Company's business plan;

(iii) a debentures issue for **R$ 1,009.3 million**, for financing the implementation of transmission projects and for allocation to Pampa Sul;

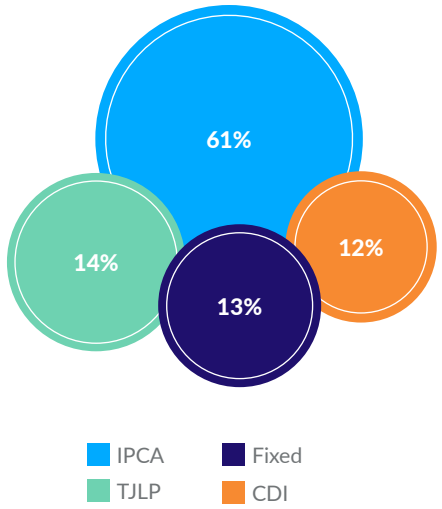
(iv) injection of **R$ 476.8 million** from the subscription of preferred shares of **Novo Estado Participações S.A.**;

(v) generation of **R$ 1,150.0 million** in **charges to be paid** and monetary restatement; and

(vi) **R$ 3,714.3 million** in amortizations of loans, financing and debentures.

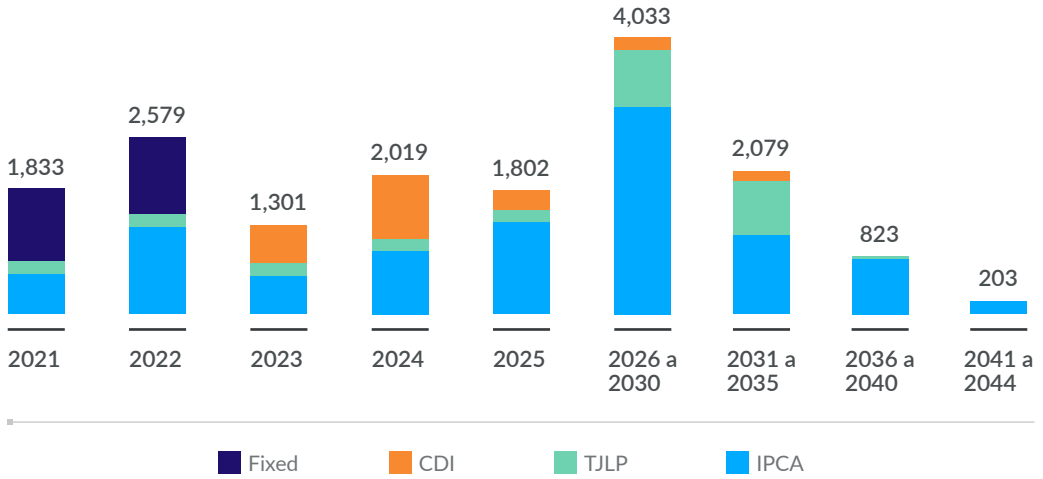
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Debt breakdown



Maturity Term Loans

(R$ million)



The average weighted nominal cost of debt at the end of 2020 was 7.6% (same as registered at the end of 2019).

On December 31, 2020, the Company's net debt (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was R$ 11,786.4 million, as increase of 15.6% compared with the end of 2020.



7.6%

average weighted nominal cost of debt at the end of 2020.

Capital expenditures

In 2020, the Company invested R$ 4,013.1 million, of which:

(i) R$ 655.8 million were used for the **acquisition of corporate stakes**: R$328.6 million for the acquisition of a 100% corporate holding in Novo Estado Energia S.A. and; R$ 327.2 million f or the acquisition of an additional 3.25% in Transportadora Associada de Gás S.A. (TAG);

(ii) R$ 3,214.7 million applied in the **construction of new projects** as follows:

(ii.i) R$ 1,229.2 million for the Novo Estado Transmissora de Energia transmission line;

(ii.ii) R$ 972.9 million in the Campo Largo II Wind Complex;

(ii.iii) R$ 859.9 million invested in the Gralha Azul Transmission Line;

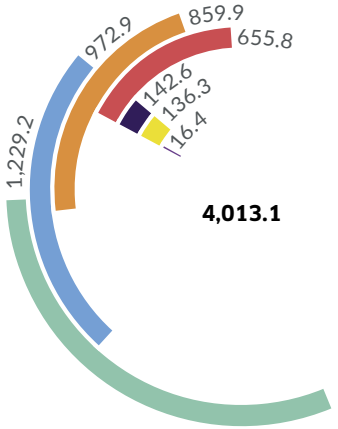
(ii.iv) R$ 136.3 million in the Pampa Sul Thermoelectric Power Plant and

(ii.v) R$ 16.4 million in other investments;

(iii) R$ 142.6 million were allocated to **generator complex maintenance, revitalization and modernization projects**, of which, **R$ 9.9 million** invested in the **modernization of the Salto Osório Hydroelectric Power Plant**.

Capital expenditures in 2020

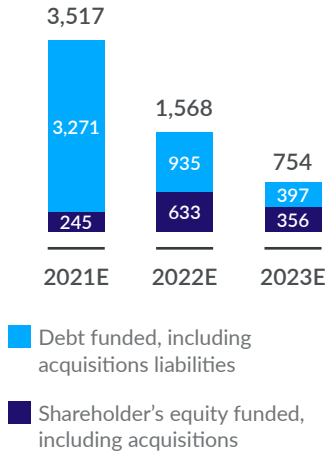
(R$ million)



For the coming years, the Company has an investment plan totaling approximately R$ 6 billion.

Budgeted investments and respective sources of financing

(in R$ million)



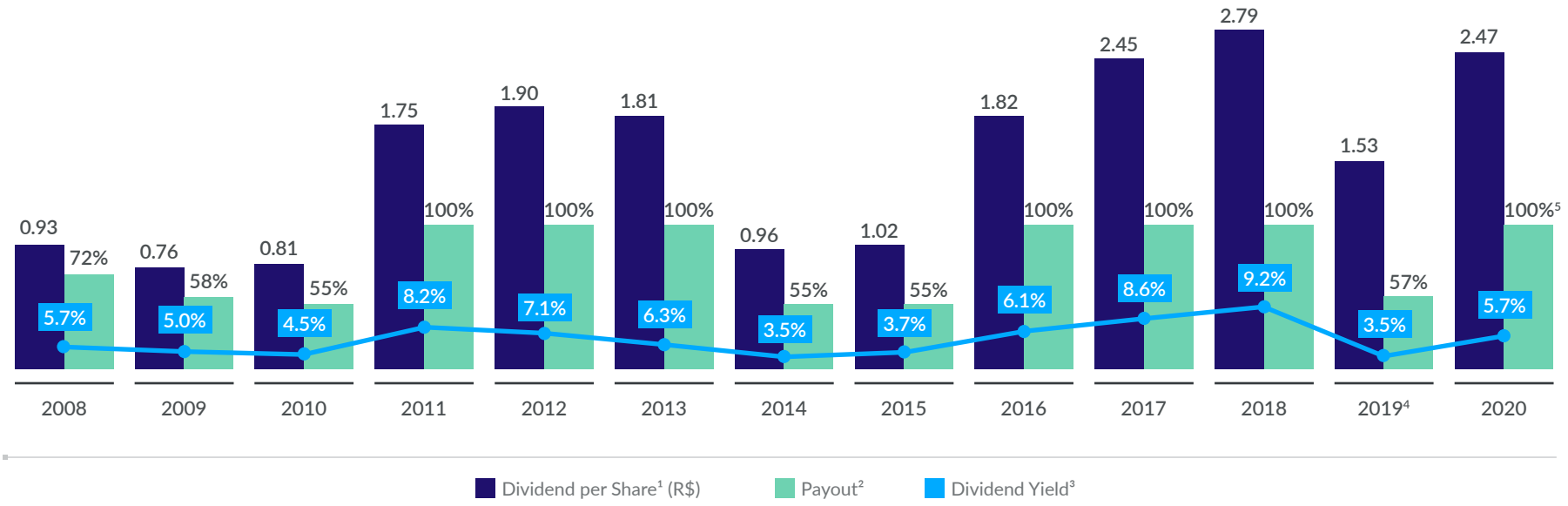


Dividends

The Company's Board of Directors, at meetings held 07.30.2020 and 12.15.2020, approved distribution of interim dividends in the respective amounts of R$ 677.7 million, equivalent to R$ 0.8305737385 per share, and R$ 554.5 million, equivalent to R$ 0.6795603315 per share. The shares were traded ex- interim dividends from 08.10.2020 and 12.21.2020, respectively. The total interim dividends approved equals 100% of the adjusted net income of 1H20. Subsequently, and after the herein reported facts, at a meeting held February 11, 2021, the Board of Directors approved proposed complementary dividends for fiscal year 2020, in the amount of R$ 609.6 million (R$ 0.7471177357 per share), to be ratified at the Annual General Meeting, which will determine the payment terms and conditions.

Even in the face of the challenges raised by the Covid-1 pandemic and investments made in 2020, **the total proposed proceeds for the fiscal year reached R$ 2,016.8 million (R$ 2.4717315830 per share), equivalent to 100% of payable net earnings** (excluding hydrological risk renegotiation).

History of dividend distribution (payout)



(1) 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.
(2) Considers the annual payable net income.
(3) Based on volume-weighted closing price of ON shares in the period.
(4) Figures for 2019 were resubmitted in the light of the AGM's decision on the retention of interim dividends for fiscal year 2019.
(5) Payout equivalent to 100% of the distributable adjusted net income (ex-hydrological risk negotiation).

Capital markets and performance of shares

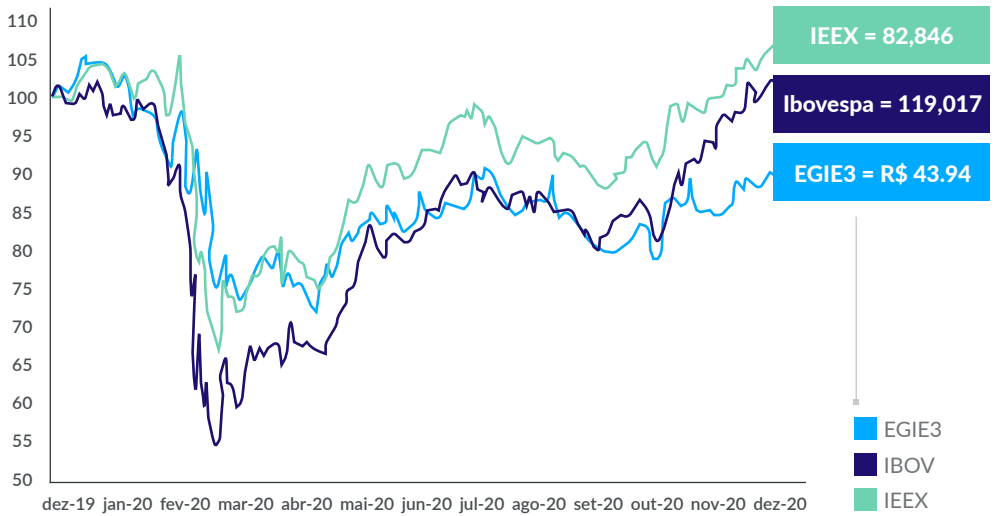
The Company's shares are traded on the Brazilian stock exchange (B3) under the EGIE3 (100% common shares) symbol. In addition, the Company has a Level I American Depositary Receipts (ADRs) Program, the securities for which are traded on the United States Over-The-Counter (OTC) market under the EGIEY symbol at a ratio of one ADR to every one common share.

ENGIE Brasil Energia's registered a devaluation of 10.1%, while IEEX and the Ibovespa posted growth of 8.1% and 2.9%, respectively. Average daily volumes traded were R$ 81.1 million, a growth of 35.1% compared with 2019 when trading turnover was R$ 60.0 million.

On the last trading day in December 2020, the closing price of the Company's shares was R$ 43.94/share, translating into **a market capitalization of R$ 35.9 billion.**

EGIE3 vs. Ibovespa vs. IEEX

(Base 100 – 31.12.2019)

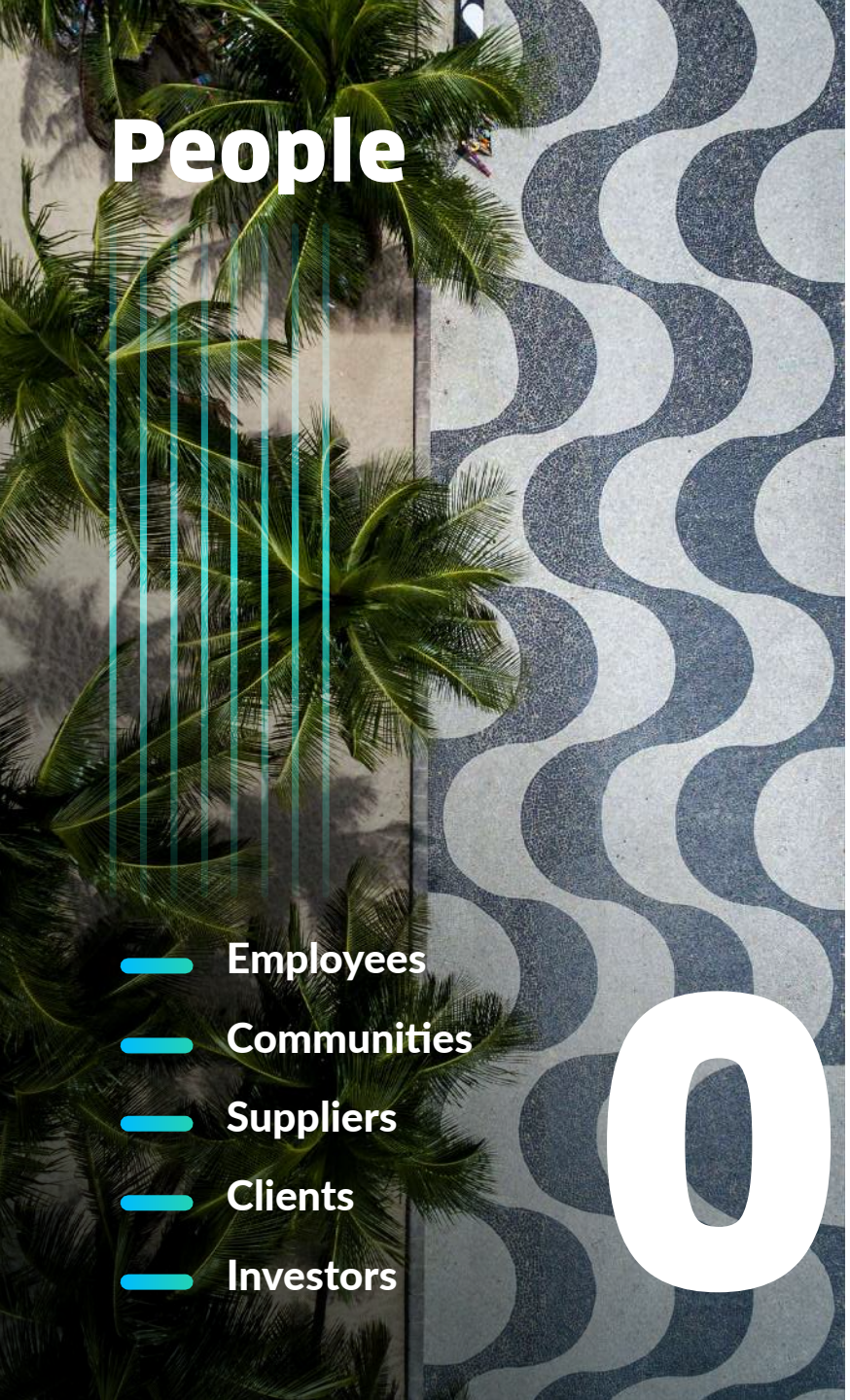


Ratings

In 2020, Fitch Ratings reaffirmed the Company's National Long-Term Rating at 'AAA(bra)', stable outlook, and its international rating at 'BB', stable outlook, one level above the sovereign rating.

Fitch Ratings Agency	Classification
Domestic Rating	AAA(bra)
International Rating – Issues in Reais	BBB-
International Rating – Foreign Currency issues	BB
Sixth debenture issue Rating, due 2024	AAA(bra)
Seventh debenture issue, due 2026	AAA(bra)

For additional details on economic and financial performance, view our **2020 Management Report**.



People

- Employees
- Communities
- Suppliers
- Clients
- Investors

05

Zero
fatal
accidents

1,538
direct employees

140
direct jobs created

Gender equality

3 women are now part of the Company's senior management – two at the Board of Directors and one at the Executive Board

In a survey with employees,
98%
of respondents said they believe that ENGIE is a socially responsible company.

Facing the pandemic

R$ 7.1
million donated to support local communities and healthcare institutions

59
thousand Covid-19 tests done on employees

Launch of the
Neighborhood Women Project
in 100 municipalities in 13 regions of Brazil

Communities

6 operating Culture Centers

33 thousand participants of the Power Plant Visitation Program

R$ 87 million paid as royalties

Other publics

3.2 thousand suppliers evaluated on several criteria each quarter.

720 customers served on the Free Energy market.

208
thousand investors – twice as many as at yearend 2019.



Solid connections

[GRI 102-43]

People lie at the foundation of ENGIE Brasil Energia's purpose. We strive so that they will act as agents for planetary change, which motivates us to guarantee our employees' development and welfare, maintain a dialogue with stakeholders, promote inclusiveness, and remain watchful of the social impacts of all of our activities.

As part of this pursuit, we share our values, policies, practices and other information that proves relevant to the various publics with which we interact. This has the support of several dialogue platforms, such as events, public hearings, communication channels and power plant visitation programs, among others. In addition, we work for effective community engagement, contributing to representation associations and sustainable development forums of the regions where the Company operates.

In 2020, facing the Covid-19 pandemic magnified the impact of ENGIE Brasil Energia's social responsibility actions, reflecting on the precautions taken on behalf of employees and service providers, as well as on the support provided to communities to overcome the health crisis and its developments.

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Employees

Workforce profile

[GRI 102-8; 102-41; 103-1; 103-2; 103-3; 401-1; 405-1]
[2030 Agenda Goals: 8.5]

At ENGIE Brasil Energia, human capital is an essential asset for business development. In line with the purpose of accelerating the energy transition and contributing to the construction of a more sustainable future, our employees have available ethically-minded programs and platforms intended for personal and professional development to enable quality of life, recognition and satisfaction.

In 2020, in the face of the Covid-19 pandemic, people management addressed additional challenges that were overcome based on the unbridled commitment to ensuring the physical and mental health of employees and their families.

In 2020, the Company created **140 new jobs** — 272 employees were hired and there were 132 terminations.

By yearend, 1,538 people formed our workforce — the figure covers workers active in the Company's wholly-owned projects. Add to these 47 interns and another 143 employees associated with partly owned companies (108 at TAG, 31 at Companhia Energética Estreito and four at Itá Energética).

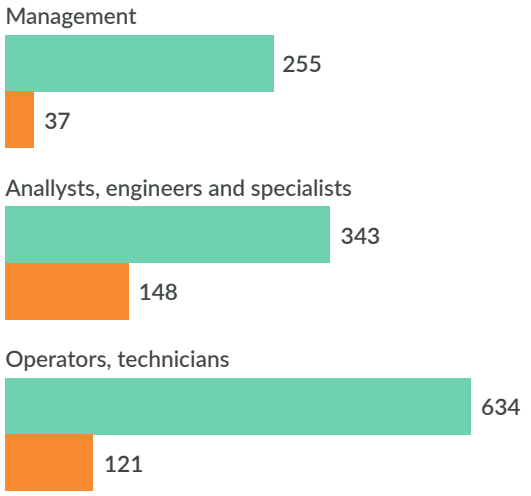


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Number of employees, by gender and category

(in 12.31.2020)



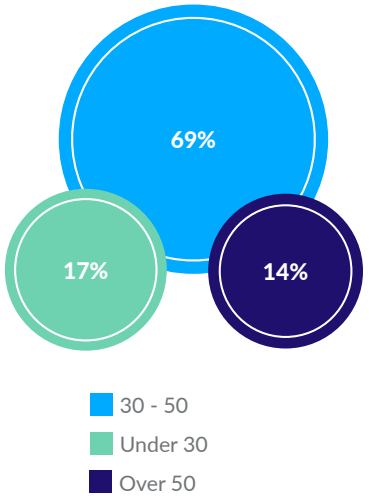


Percentage share of employees by gender



Number of employees by age group

(as of 12.31.2020)



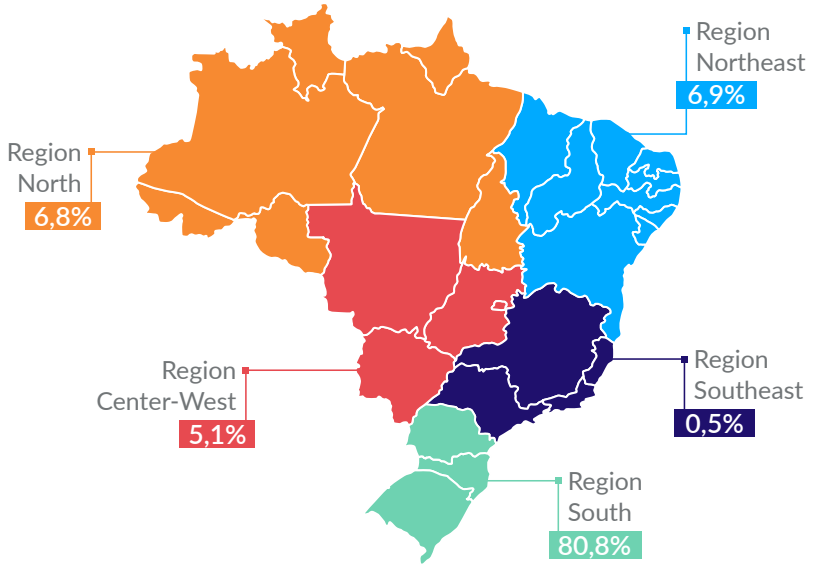


1,538
employees

up 10% from 2019

Percentage share of own employees by region

(as of 12.31.2020)



All employees have a right to freely associate and, in 2020, 100% of the workforce were covered by collective bargaining.

Internal Survey – ENGIE&ME

To measure the effectiveness of the programs developed for employees and their engagement with corporate objectives, we regularly hold **organizational climate surveys**. The surveys also enable benchmarking against domestic and international companies.

In 2020, 92% of the workforce completed the form. As a result, some of the survey cycle's highlights include:

95% **recommend the Company** as a good place to work;

92% **are proud** to be associated with the Company;

98% **believe that** ENGIE Brasil Energia is a socially responsible company;

97% **believe that** ENGIE Brasil Energia is an environmentally responsible company;

89% **believe that** Management supports diversity and inclusiveness at ENGIE Brasil Energia.

Occupational Health and Safety

[GRI 103-1; 103-2; 103-3; 403-1; 403-8; 403-9]
[SASB IF-EU-320a.1]
[2030 Agenda Goals: 8.8]

Physical and psychic employee integrity is a priority commitment for the Company, as per our Sustinable Management Policy. Care for the health, safety and welfare of ENGIE Basil Energia's employees extends to third parties and subcontractors, with support from specific clauses governing the matter in the agreements executed with suppliers.

Over the course of 2020, the Company persisted on the intensive accident prevention work it has been carrying out in recent years to gain employee engagement compliance with standards and adoption of recommended practices. In addition, the Company also reinforced its preventive health programs, and added new efforts to prevent the spread of the novel coronavirus.



Fighting Covid-19

As soon as the World Health Organization (WHO) declared the pandemic, the Company deployed a **Crisis Committe** on March 13, 2020, made up of the Management Board and professionals from different areas and regions. To evaluate impacts and measures to be adopted – both reactive and proactive – the group began to interact systematically, casting a holistic and diverse eye on problems and solutions.

As concerns employees, one of the earliest measures recommended by the Committee and endorsed by top management was to adopt a **work-from-home regime** for employees whose jobs were appropriate for execution in such a format – **beginning on March 17**, as a means to reduce the exposure of a significant portion of our staff. It is worth emphasizing that we were able to implement this measure quickly, with no need for significant technology adaptations, because of the digitalization efforts and investments that the Company has been making for years as one of its corporate strategy's pillars.

As for employees for whom remote work was not viable, such as those directly involved in operations and essential maintenance, we established **plans for different degrees of mitigation, contingency, confinement and isolation**. In addition, we took **additional precautions** — such as physical distancing between workers and more frequent cleaning of equipment and facilities – to maintain the supply of electric energy, which is a socially essential service.

Recognizing the **psychosocial impacts** of this, where the Company's response time was short, but the adaptation period for all workers and their families to the new reality might be lengthy, **the Company constantly sought to instruct, monitor and motivate its employees by means of several initiatives**. To this end, a healthcare channel was made available to fully support employees and their family members – confidentially, free of charge, and available 24 hours a day, seven days a week, by e-mail or telephone.

On a different front, employees got weekly questionnaires to determine their levels of anxiety, satisfaction and engagement. The results were shared with everyone and discussed collectively and openly for the exchange of impressions and suggestions among colleagues, together with content and lectures intended to mitigate recurring issues.

Gradually, and more intensely in the latter half of the year, the Company reestablished employees' return to on-site work – those in high-risk groups continue to work remotely or remain on leave. At yearend, employees were working on-site by rotation, so that a maximum 30% of the facilities were in use – and maintaining every distancing precaution and rigorous hygiene. Covid tests were administered fortnightly to employees and service providers **– a total 59 thousand tests were run** in the year.



59 thousand

tests were run in the year.

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Accident prevention

As a result of actions intended to prevent occupational or commuting accidents, **no fatal accidents were reported** in 2020 **and the annual Health and Safety indicators performed in line with the previously established standards and goals**, as the figures on page 82 show.

ENGIE Brasil Energia preventively establishes performance targets on this matter that managers must meet. The targets include the so-called **Management Safety Visits (VGS).** The practice requires on-field inspection of the application of safety procedures, so that managers must monitor control measures and reinforce communication with the teams. A total 1,379 VGS were carried out in 2020 – in each case while abiding by all pandemic-related safety protocols.

Management of **hazardous and near-accident situations**, including records and monitoring, takes place by means of a specific system that consolidates time series and integrates Occupational Health And Safety (OHS) indicators with other corporate management systems. In 2020, 5,886 events were logged on the system – of these, 80 were categorized as HIPOs (High Potential Events), a category that is given distinctive treatment with detailed action plans.

The Company also has in place 17 Internal Accident Prevention Commissions (CIPAs), formed by 96 elected and appointed members, pursuant to the NR5 standard, and representing 100% of employees. A CIPA focuses on preventing occupational accidents and diseases and one of its main responsibilities is to promote the Internal Occupational Accidents Prevention Week (Sipat), held at all power plants and at the headquarters as well.

In 2020, the Sipat was held in August, in virtual format because of the pandemic. It featured **presentations and awareness-building sessions on topics like mental health, anxiety, healthy and conscious use of technology tools and social media, and guidance on Covid-19 prevention**.

The following figures show the main OHS indicators monitored over the year –ENGIE Geração Solar Distribuída (EGSD) data are provided in separate.



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Occupational Health and Safety Indicators (except EGSD)

Indicator	2018	2019	2020	2020 Goal
Frequency Rate (FR) – direct employees	0.970	0.000	0.413	Not stablished
Severity Rate (SR) - direct employees	0.000	0.000	0.006	≤ 0.020
Frequency Rate (FR) – direct employees + long-term service providers	1.390	1.720	0.621	≤ 0.800
Frequency Rate (FR) – short-term service providers + work under construction	1.640	0.630	0.787	≤ 2.400

Occupational Health and Safety Indicators EGSD

Indicator	2019	2020	2020 Goal	2021 Goal
Frequency Rate (FR) – direct employees	4.650	0.000	≤ 4.63	≤ 3.50
Severity Rate (SR) – direct employees	0.302	0.000	≤ 0.069	None

In 2021, the above indicators will be measured based on a different methodology. The new targets will be as follows:

Indicator	2021 Goal
Operation and maintenance Frequency Rate (FR)	≤ 1.40
Own employees Severity Rate (SR)	≤ 0.02
Construction sites Frequency Rate (FR)	≤ 2.4

Development

[GRI 404-1; 404-3; 406-1]

[2030 Agenda Goal: 4.4]

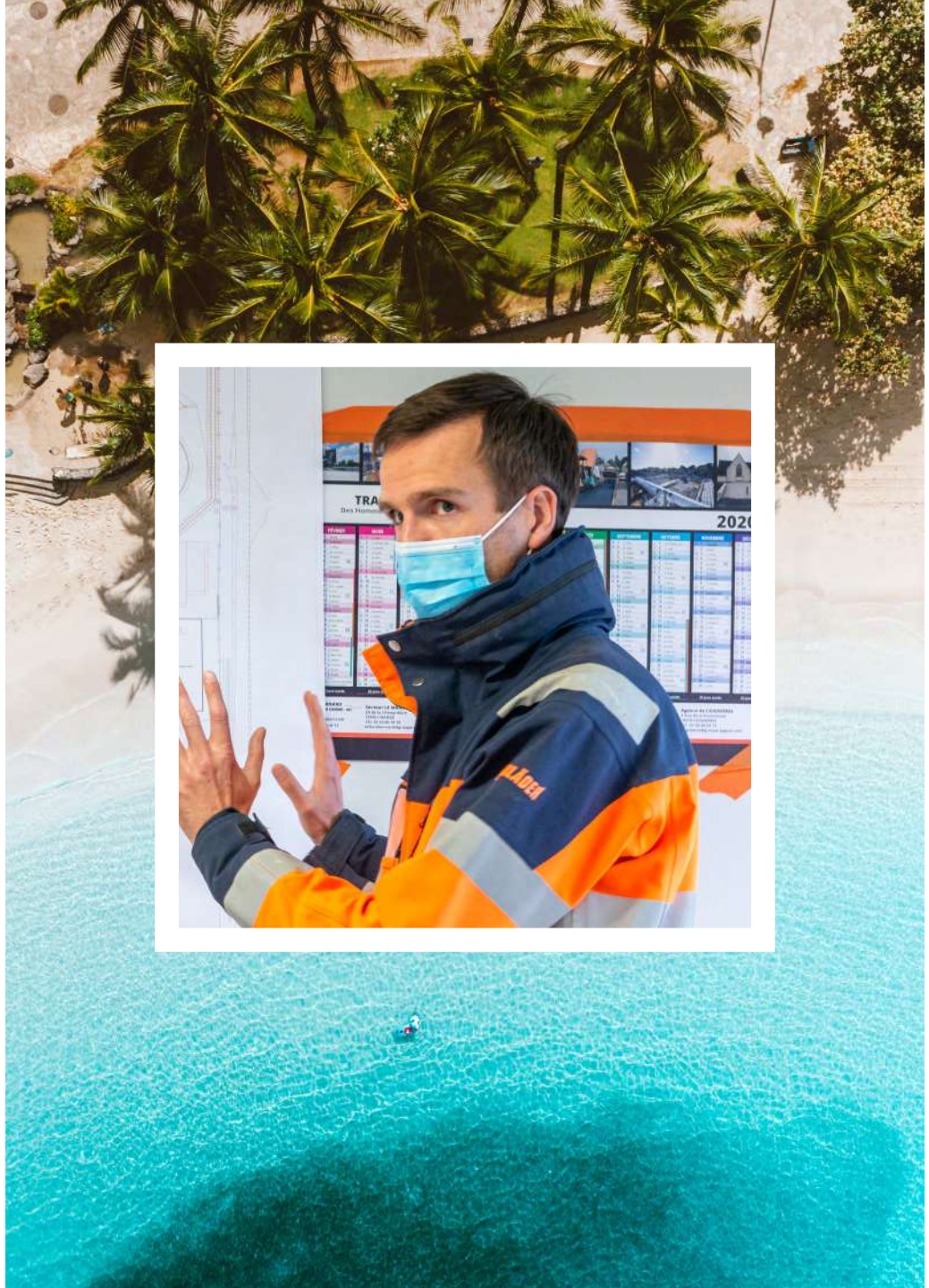
The continued development of employee competencies and skills enables deployment of the organizational strategy and agile adaptation to the evolution of the market in which ENGIE Brasil Energia operates. In 2020, due to pandemic-related restrictions – which prevented on-site meetings – the company reported an 11.9% training-hours decrease from 2019. Even so, approximately 66.1 thousand hours were dedicated to training, with R$ 3.8 million invested, down 32.1% from the previous year's amount.



Respect for Human Rights

Implementation of the externally managed whistleblowing channel in late 2019 helped employees feel comfortable reporting discrimination and harassment events, as well as other ethics- and integrity-related matters. The Company has thus been able to provide satisfactory responses to whistleblowers and, with their assistance, identify situations that deviate from proper conduct.

In 2020, out of seven discrimination reports filed, four were deemed accurate and led to the adoption of corrective measures.



To ensure career advance, we improved the tools intended for the personal and professional development of 100% of employees. In 2020, the Company launched a digital platform that systematizes **career dialogues** between managers and their teams, supporting the identification of development opportunities associated with needs arising from positions, businesses, and the interrelation of professional expectations and aspirations. An in-house campaign was also held to promote the tool and dialogues.

As a consequence of the dialogues, **Individual Development Plans (PDI)** are prepared by employees with guidance and validation from their immediate superior as a crystallization of the objectives and aspirations discussed while reflecting on their careers. By systematizing the PDIs of all employees, the People and Culture Management area identifies trends and proactively proposes training programs or collective development opportunities to meet the expectations of the majority.

From among several skills-building platforms, employees have access to the **ENGIE University**, a corporate university coordinated by the Controlling shareholder. It provides education and development programs to the Group's employees on a global scale. ENGIE University contents, as well as other training tools, integrate with the **Corporate Education Portal**, with an assortment of development offerings that employees may access freely or at the suggestion of either managers or the People Management and Culture area based on their PDIs.

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Diversity and inclusiveness

[GRI 405-1]

[2030 Agenda Goals: 5.1, 5.5, 8.5, 8.6, 10.2, 10.3, 10.4]

Our Human Rights Policy, as the Company Code of Ethics, provides for non-discrimination as a key element of our corporate culture. In this sense, no form of prejudice is tolerated – ethnicity, religion, gender, political or partisan choices, age, social status, physical disabilities, or any other personal traits.

In addition to being the right thing to do, fostering a diverse and inclusive environment is a mora imperative. It is crucial for ENGIE Brasil Energia to make sure that the workplace offers opportunities to everyone. In 2020, employees were offered several workshops to address topics in the areas of discrimination, harassment and disrespect. The goal was to bring about reflection on behaviors or situations that fail to reflect the empathy and inclusiveness expected of a diverse workplace.

In 2021, the learning journey will continue with specific training programs on unconscious decision-making biases. In addition to internal awareness-building activities, the Company has been making voluntary pledges and attending corporate forums and movements on this subject.

Reinforcing Inclusiveness

In 2020, two of the Company's programs made a special contribution to increased sensitivity towards abiding by the principles of equality in the workplace and beyond. The programs, called "Exchanging Looks" and "Inclusive Conversations", promoted Webinars intended for an exchange of experiences with and perceptions of diversity, towards opposing prejudice and eliminating inequality. Some of the topics addressed include:

- **Micro-aggression and unconscious biases;**
- **Domestic violence;**
- **Parenthood;**
- **The LGBTI+ movement;**
- **Identifying disrespect and harassment;**
- **Anti-racist attitudes;**
- **Masculinity.**

Gender equality

ENGIE Brasil Energia pays attention to the whole range of diversity-related groups and causes, and has in recent years been working more intensely on gender equality — **an increased share of women in leadership roles is one of the ENGIE Group's non-financial objectives**, at the global level. In this sense, an important 2020 milestone was the integration of three women as members of ENGIE Brasil Energia's senior management – two of them as Directors and one as an Executive Officer.

In Brazil, in 20199, the Company endorsed the "Women's Empowerment Principles" (WEPs), a UN Women initiative. By establishing this emphasis, we also contribute more effectively to the fifth Sustainable Development Goal (SDG) of the 2030 Agenda, which proposes attaining gender equality and empowering all women and girls. By late 2020 as women were 19..9% of the workforce, up 0.8 p.p. from the previous year and up 4.2 p.p. over five years.

According to the guiding principles of UN Women, the Company has ensured the inclusion of at least one woman among the finalists in its hire selection processes. The initiative is compounded by an effort to pursue women from outside the Company for technical careers, the provision of benefits to reconcile the professional and personal lives, and training to offset biases that prevent equitable evaluation compared to men.

As a member of the Citizen Company Program, ENGIE Brasil Energia offers extended maternity and paternity leave to its employees. For women, in addition to the legally mandated 120 days, the Company offers an additional 60 days. For men, in addition to the 5 days as per the law, the Company offers 15 more days.



To determine the effectiveness of the policies and practices intended to recognize and retain employees, the Company monitors its rate of post-maternity return to the job. In 2019-2020, the rate was 96% – out of all the employees taking maternity leave in the past two years, only one left the workforce.

Youth and the disabled

ENGIE Brasil Energia has since 2019 been a member of the Alliance for Mercosur Youth, an initiative that aims to support the beginning of the working life by means of a network of partner companies developing actions and programs with this public in mind. In 2020, approximately 17% of ENGIE's workforce was under 30 years old – internships and apprenticeships concentrate the majority of young employees.

Our diversity policies also promote the inclusion of Special Needs Persons (SNPs). At yearend 2020, 53 of them were employed with the Company. To facilitate admission, we announce opportunities open to this group on a special Website: (https://www.oportunidadesespeciais.com.br/Engie/).

Communities

[GRI 103-1; 103-2; 103-3; 201-4; 413-1, 413-2]

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

As partners in the pursuit of sustainable development, the communities of the regions where the Company operates stand as priority stakeholders for ENGIE Brasil Energia. As a result, the company keeps dialogue channels open and supports several community initiatives, allocating social investments to the following main strategic areas: access to culture and sports, protection of children and teenagers, income generation, and social inclusiveness.

In projects undergoing implementation, and based on engagement of local communities and guidance from licensing authorities, the Company also fosters skills-building and productive activities, particular emphasis being due on support to association and cooperativism, and improving the socio-economic conditions of the most underserved social groups.

Identifying local impacts

Electric energy generation and transmission activities generate direct and indirect impacts on the surrounding communities. These effects, and negative ones in particular, are evaluated and measured both in pre-implementation studies – with socioeconomic analyses as part of Environmental Impact Studies (EIAs), for example –, during implementation and in the operational phase. The results of these studies, and in particular of implementation-related ones, are presented to the communities in public hearings (whether online or in person) where they are subject to discussions between the Company, the licensing authority and the communities themselves – this may include the Prosecutor's Office, local associations and third-sector organizations. Based on this process, the licensing authority establishes tracking and monitoring programs – many of which remain active throughout a project's useful life as a condition for the renewal of operating permits.

In the projects' operational phase, interactions with and commends and complaints from the community are logged into the Integrated Management System to generate "action plans for stakeholder communications", which follow a registration, analysis and, as the case may be, action and subsequent feedback to the stakeholders involved. In 2020, 93 claims were logged into the system – which covers 100% of operations.

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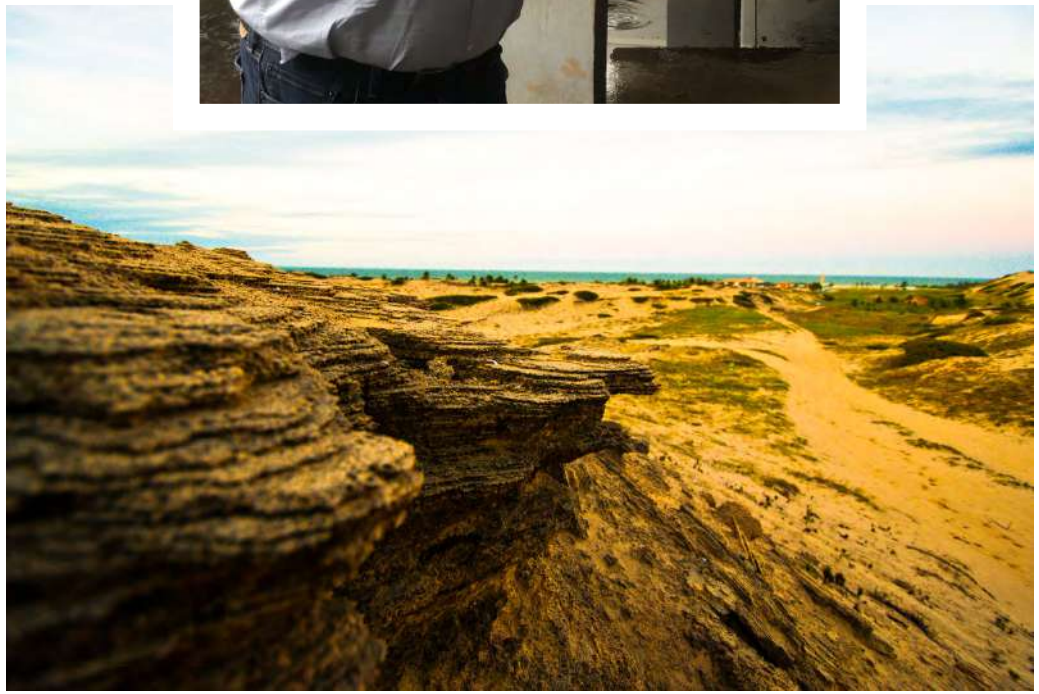
Other impacts – both negative and positive – perceived by certain neighboring communities are provided on page xx, as part of the report on the formal stakeholder engagement process, using structured consultation panels held every three years and which also generate logs, action plans and feedback.

In 2020, the Company invested R$ 22.6 million in community development projects not associated with project implementation. These investments have been distributed across own and incentivized resources, as the table below shows, to magnify positive impact on communities. The total funding was down 12.5% from 2019 due mainly to the suspension of certain projects pursuant to pandemic-related social distancing guidance.

Investments in social responsibility
(in thousands of R$)

Source	2018	2019	2020	Change 2020 x 2019
Non-incentivized investments	3,497.0	4,034.6	7,504.2	86.0%
Investments through the Infancy and Adolescence Fund - FIA	1,837.0	2,609.0	1,868.4	-28.4%
Investments under the Culture Incentive Law – Rouanet Law	8,798.0	9,375.0	7,264.6	-22.5%
Investments under the Sport Incentive Law	1,610.0	2,490.0	1,418.5	-43.0%
Investments under the National Support Program for Oncological Care - PRONON	1,597.0	2,535.0	1,661.0	-34.5%
Investments under the National Care Support Program for People with Special Needs - PRONAS/PCD	1,607.4	2,546.0	1,436.3	-43.6%
Investments through the Municipal Fund for the Elderly	1,430.9	2,286.0	1,480.9	-35.2%
TOTAL	**20,377.3**	**25,875.6**	**22,633.9**	**-12.5%**





Facing the pandemic

Recognizing its social role, ENGIE Brasil Energia carried out a series of actions in support of communities to face the Covid-19 pandemic and its effects, allocating R$ 7.1 million to initiatives thus intended. In the early days of the health crisis, the focus was on immediate support to healthcare institutions as a means to improve their conditions to serve the population, via the donation of hospital equipment and materials. Then, support turned to underserved households, which benefitted from foodstuffs donations and more structure jobs and income-generation projects.

R$ 7.1 million

destined to support communities in tackling the pandemic

In parallel with solidary action, ENGIE remained connected with research institutions dedicated to the development of solutions for Covid-19 prevention and diagnosis. One of the main efforts on this front was setting up an emergency fund for Fundação Instituto Oswaldo Cruz (Fiocruz) to increase test production. ENGIE Brasil Energia joined forces with five other companies in the electric energy industry for an initial allotment of R$ 9 million to the fund – of which the Company provided R$ 1.5 million. Another highlight was the "Estímulo 2020" Program, a movement to provide skills and financial support for small entrepreneurs to maintain their activities during the pandemic, with R$ 1.0 million in financial support from ENGIE Brasil Energia.



To demonstrate engagement with support to communities, and inspired in similar steps taken by the officers of ENGIE S.A. in France, all of the Company's Directors appointed by the controlling shareholder agreed to waive their compensation for June, July and August, 2020. The respective amounts were incorporated into the Solidary Campaign held for the employees, and allocated to assist healthcare institutions and underserved persons.



mulheres
do nosso bairro

The Mulheres do Nosso Bairro project, which the Company launched in October 2020, aims to support the women in local communities to overcome the negative effects of the pandemic. In line with ENGIE Brasil Energia's pledge to foster gender equality, the initiative is based on the realization, as reported in UN studies, that women were the hardest bit by the health crisis – they make up 70% of the fighting front (social work and healthcare jobs) and hold the largest share of grey-market jobs, which here hit hard in the period and enjoy little social protection.

The project's initiatives include fostering entrepreneurship, free online skills-building courses, information on support networks, sensitization and awareness-building actions against domestic violence, and support to health during pregnancy. The project launched with a R$ 770 thousand injection of funds and covers more than 100 municipalities in 13 Brazilian states. On another of the initiative's drivers, the 1st edition of the Call for Projects ended in December 2020, recognizing 28 female entrepreneurs who will receive a total of R$ 500 thousand to develop their businesses, generating a positive impact on their households and communities.



Neighborhood Women

Find out more by clicking here.

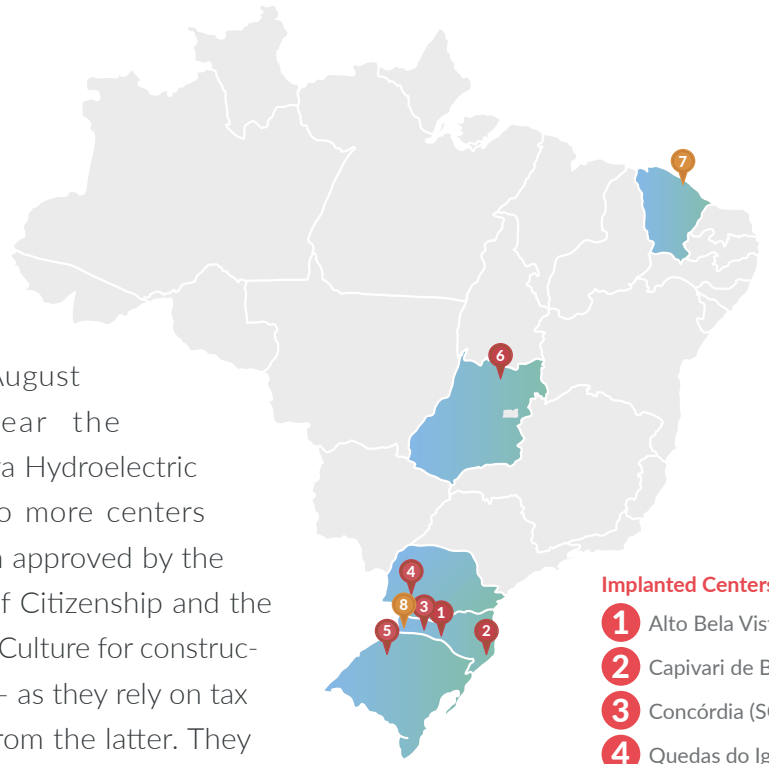
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Culture and Sustainability Centers

One of Company's main community relations efforts concerns the Culture and Sustainability Centers – designed, implemented and maintained since 2011 with EBE sponsorship, using both incentivized and own funds. These venues foster cultural and educational initiatives in the communities neighboring the Company's operations, providing community socialization opportunities and access to artistic manifestations such as drama, music, dance and cinema – so seldom found in smaller countryside towns. Six centers have been implemented thus far, the latest of which opened in the city of Minaçu (GO) in August 2019, near the Cana Brava Hydroelectric Plant. Two more centers have been approved by the Ministry of Citizenship and the Bureau of Culture for construction start – as they rely on tax benefits from the latter. They are the Trairi Culture Center (CE) and the Saudade do Iguaçu Culture Center (PR). Another center awaits the Bureau's approval in Itá (SC).



Centers Location



Implanted Centers

1. Alto Bela Vista (SC)
2. Capivari de Baixo (SC)
3. Concórdia (SC)
4. Quedas do Iguaçu (PR)
5. Entre Rios do Sul (RS)
6. Minaçu (GO)

Centers in the process of implementation

7. Trairí (CE)
8. Itá (SC)

Visitations Program

Another important tool for community outreach and the dissemination of the sustainability culture is the Visitations Program. The Company partners with other entities to maintain structured visitation routines at the plants that form its generation complex, introducing the projects' operations and the socio-environmental projects carried out in the surrounding areas.

The program is supplemented by presentations at schools and in other community environments, focusing on the same topic and emphasizing environmental education. The program involved approximately 33 thousand in 2020, markedly lower than in previous years, due to activities suspended because of the Covid-19 pandemic.

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Financial compensation

The Company also contributes indirectly to value generation in the communities where it operates by means of Financial Compensation for the Use of Hydro resources (CFURH) which is applicable to hydroelectric plants. Pursuant to the law, municipalities and states receive 45% each of these funds – the Federative Unit takes the remaining 10%.

The pro-rating is done based on the percentage of flooded area per municipality. **In 2020, ENGIE Brasil Energia paid R$ 87.5 million in royalties. The exact amount allocated to each of the 70-plus municipalities collecting compensation can be viewed here.**

Support to volunteering

R$ 563 thousand

were collected through three campaigns to encourage the donation of employees to entities.

ENGIE Brasil Energia has since 2018 held the "Energia Voluntária" campaign, which encourages employees to donate from their Income Tax bills to social projects such as culture centers, day-care centers, orphanages, hospitals, or homes for the elderly. The Company provides consulting support to enable the donations. Another important face of the initiative lies in engaging donors with beneficiary projects and their social causes. The 2020 Campaign involved 52 employees, generating donations of approximately R$ 100 thousand.

In the same vein, the Company held three campaigns to encourage employees to donate to entities from around the Company's operations that lent assistance those most affected by Covid-19, with particular support to the purchase of staples, PPEs, and personal hygiene and cleaning products. In the first campaign, the Company matched the amount donated by employees. Two more rounds where held where the Company tripled amounts collected from its teams. The campaigns raised R$ 563 thousand, considering 1,528 donations from employees and the stake of ENGIE Brasil Energia.

Project highlights

Fostering association

Based on an innovative technical support program developed by ENGIE Brasil Energia, families relocated due to the implementation of the São Salvador Hydro Plant **made association the bedrock of their resumed socioeconomic activities, engaging local farmers in partnerships for sustainable agriculture and the fight against famine.** The initiative has been in place since 2009 and stands out for the application of a new model of support to self-relocated families that choose greater autonomy, and may be replicated in different contexts.

The first step to enable the prosperity of families on the field was to provide technical support to provide guidance for their socioeconomic activities in their new homes. Given the profile of these households, which previously dedicated themselves to subsistence farming, the initial focus of support was on transmitting know-how on production techniques with a strong educational appeal.

To create the conditions for the families to sustainably succeed in their new context, ENGIE Brasil Energia encouraged association as a means to join forces, leverage results and share benefits. Thus was formed in 2011 the **Association of Farmers, Families and Artisanal Producers of Palmeirópolis and Region (AFAP)**, the first of its kind to be formed by this type of public in Brazil. In 2020, 70 families in the community were members of the AFAP.

The Association's formation and the support from ENGIE Brasil Energia, enabled synergies with other social agents in various partnerships. One highlight was AFAP's integration into the Foodstuffs Procurement Program (PAA) – a mechanism for trading foodstuffs produced by family farming, that allocates the produce to public and/or charitable institutions, such as day-care centers, hospitals and schools. In addition to enabling family farming, application of the PAA met the needs of the municipalities in the Plant's catchment area – all of which are small and with large shares of the population enduring social vulnerability conditions. A total of approximately 230 tons of foodstuffs have been delivered to the region since the project began.

Gains in Bahia

In the municipalities of Umburanas and Sento Sé, in the state of Bahia, the Company maintained its investments in support of the communities neighboring the Campo Largo I and II and Umburanas Wind Complexes. **ENGIE Brasil Energia has invested approximately R$ 17 million in socio-environmental projects since it began operating in the region.**

Highlights in 2020 include initiatives associated with Campo Largo II, which is undergoing implementation. With a total R$ 2 million in funding, the Company's voluntary socio-environmental actions aim to stimulate social embeddedness and improve the living quality of the communities by means of access to culture, education, health and sports, among other aspects.



R$ 17 million

in socio-environmental projects since it began operating in the region.

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One of the year's main projects has been the construction of a community center in Campo Largo, which adds to four others that the Company built in the communities of Federal, Rodoleiro, Gruna and Barriguda Brasília. The latter also received the fourth Mandala Vegetable garden implemented by ENGIE Brasil Energia in the region, benefitting 20 families through shared and sustainable foodstuffs production.

In addition, the first steps have been taken for the 2021 execution of "In-Between Needles and Threads – Sewing Dreams", whose main beneficiaries will be the women of the Rodoleiro community. In addition to implementing a tailoring studio, the project provides for acquisition of equipment and materials, as well as technical skills programs in partnership with SESI.

To promote entrepreneurial training using digital tools, the Company has partnered with Recode to set up a Digital Empowerment Center in the city of Umburanas. The center will offer training courses beginning in 2021, providing the local community with opportunities for learning, income generation and social inclusion.

Mandala Vegetable garden implemented by ENGIE Brasil Energia in the region, benefitting 20 families.



Skills-building and local hiring

ENGIE Brasil Energia aims to support the development and qualification of local labor, particularly in regions where its presence is more recent. The Company understands that initiatives like this generate a positive economic impact on the community, even as they benefit the company itself by establishing organic and lasting relationships with local stakeholders.

In 2020, for example, the **Technical Specialization Course for Wind Farm Maintenance and Operation was concluded**. The program was delivered in partnership with Senai in the municipality of Jacobina, state of Bahia. The 460-hour specialization program was a regional pioneer. It began in October 2019 and enabled workers to act as technicians in the Electrical, Electromechanical and Electronic areas. To celebrate the accomplishment, the Company held a virtual graduation ceremony on September 22 for the 24 graduates – who may work in future ENGIE projects or projects of other wind farm operators, which are seeing massive expansion in the region.

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Traditional communities

Respect and cooperation are the brand of ENGIE Brasil Energia's relationship with traditional communities. In 2020, the highlight was the support provided to the Quilombola Descendant Community of Rio do Meio, in the municipality of Ivaí, state of Paraná, where the Gralha Azul Transmission System is being implemented. In addition to emergency anti-pandemic measures, such as the distribution of staple foods baskets, hygiene kits, facemasks and informational material to prevent the spread of the novel coronavirus, the Company developed a series of socio-educational activities adapted to the restrictions created by the health crisis.

In addition, the Company articulated the donation and installation of photovoltaic panels to be used in the Community's Cassava Processing Mill, built by the Pró-Rural Program of the Paraná State Bureau of Agriculture and Supply. The goal is to contribute to the economic independence, productive inclusion and food safety of the community – whose cassava processing group is made up of 15 women.

Novo Estado Project

In the implementation area for the Novo Estado Transmission System, in the North Region of Brazil, the Company intensified dialogue with local communities to clarify the phases and impacts of construction works in each municipality involved. These interactions contributed, among other aspects, to the identification of demands for support, providing guidance to the private social investment ENGIE Brasil Energia will make in the coming years.

In 2020, the stakeholder management system for the project was improved. In line with the corporate guidelines for stakeholder relationships, the method developed manages interactions with both organizations and individuals. The information is systematized by means of technology tools like GIS and BI – and geo-spatialization enables generating heat maps and viewing the regions that demand the most attention. Thus, specific action plans for every demand identified can be developed and carried out with data provided to the teams on a Web platform that facilitates strategy-setting and supports the decision-making process.



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Suppliers

[GRI 102-9; 102-10; 103-1; 103-2; 103-3; 205-1; 308-1; 308-2; 414-1; 414-2]

[2030 Agenda Goals: 8.7, 8.8]

We believe that exercising a positive influence on the Company's value chain is one means to disseminate best sustainability practices. We therefore strive to continuously improve the socio-environmental analysis of suppliers and service providers – a group that numbered 3,155 companies at yearend 2020.



One driver for this evolution has been the ENGIE Due Diligence Policy that the Group created to comply with French laws, which requires measures to prevent corruption and detect damages to the environment, to health, or to human rights throughout companies' value chains. Together with the Company's consolidated Sustainable Management and Human Rights Policy and its Code of Ethics, this guideline drives relationships with trade partners.

2030 non-financial objectives – suppliers

The Engie Group at the global level included among the pledges to be accomplished by 2030 two that relate to increased sustainability requirements applicable to the supplier chain:

- **100% attainment by 2030 of the responsible procurement index (except for energy purchases), which includes socio-environmental assessments and inclusive procurement.**
- **100% attainment, by 2030, of preferred suppliers certified according to Science Based Targets (SBT) pledges.**

Suppliers assessment

ENGIE Brasil Energia's due diligence process includes an automated Big Data tool that enables analyzing over 238 criteria applicable to suppliers. These include delinquencies of the company and its owners according to nationwide files, the status of environmental licensing, notices or embargoes, ties with slave labor, corruption-related lawsuits or strong suspicions, conflicts of interest and money laundering, ties with politically exposed individuals, codes of conduct or ethics, and human rights policy.

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Where required, Level 2 two due diligence takes place. This process is more detailed and in-depth as concerns suspicious or noncompliant elements. In 2020, the Company's entire categorized suppliers base – approximately 3.2 thousand companies (including 799 new suppliers) – was analyzed quarterly according to the Level 1 procedure, reducing the risk of involvement with suppliers that are not aligned with the Company's values and pledges – the analysis did not include suppliers of Geração Solar Distribuída (EGSD).

In 2020, no agreements for improvement or terminations of ties because of evaluations held were reported.

Contracts underway

Upon selection for retainer, suppliers certified in the due diligence phase(s) undergo specific documentation reviews – a practice applicable to 100% of long-term service agreements that are deemed high-risk for the Company. Additional mandatory requirement controls also apply to specific supplies or services deemed critical.



238

socioenvironmental and ethical criteria of suppliers are evaluated on a quarterly basis, using a big data tool.

All mandatory documents for services or suppliers are described both in the negotiation phase and in the agreements between the parties. Therefore, suppliers declare agreement with ENGIE's Policies and values, in particular those associated with Human Rights, Ethics and Compliance.

Services involving employees of contractors at ENGIE facilities include an integration meeting involving 100% of the outsourced workers. These training sessions emphasize safety procedures and socio-environmental precautions applicable to every activity.

Once performance under a contract begins, periodic reviews take ´place to evaluate the supplier's performance in connection with previously established criteria. Aspects monitored, in particular as concerns critical services, include quality, safety, occupational medicine and hygiene, the environment, social responsibility, improvements/innovations used or suggested during the service, and administrative and legal matters.

If a supplier's performance fails to meet the agreed levels on any such aspects, action plans are prepared jointly for adjustment. However, if a plan is not effectively implemented, agreements may be terminated.

Clients

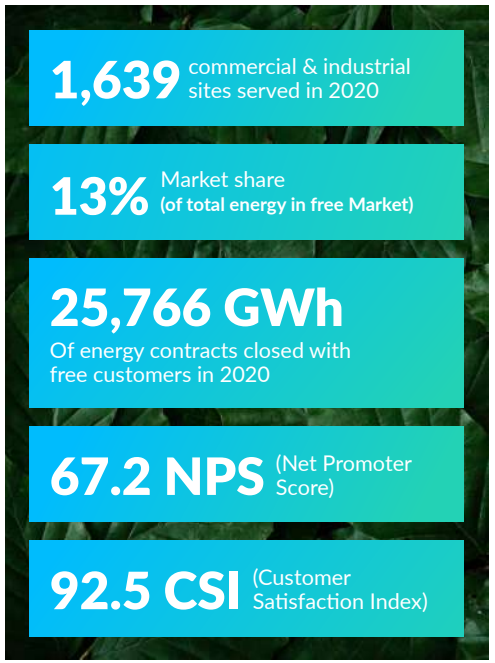
[GRI G4-EU3]

Companies in different industrial, commercial and service sectors make up the Company's customer base in the Free Energy Market. With relationships driven by ethics and shared value generation, in 2020 we had agreements in place with 720 free customers, up 15.9% from 2019.

Evolution of free consumers[1]



1. Net of trading operations



The year's highlights include **the launch of Energy Place, a digital channel that the Company** created to provide additional convenience, ease of use and reliability to Free Energy Market agents. The initiative is yet another important step that the Company has taken to extend the benefits of digitalization to customers, in line with the accelerated internal shift.

The platform offers 100% digital energy trading for monthly billing, and extends to all Free Market agents. In addition to this energy e-commerce, if offers managers and ENGIE customers important information for the purposes of contract management: consumption history, data segmented by consumer unit, and financial guarantees, in addition to other relevant aspects. It also serves as a digital relationship and service channel, opening calls for direct interaction with the Company's experts.

In 2020, **the Company also launched E-conomiza, a solution intended to facilitate the access of Small and Medium-Sized Businesses (consuming up to 1 MWm) to the Free Energy Market.** With the solution, the entire operational process of migration, as well as energy bill management, is performed by ENGIE Brasil Energia experts. An additional benefit lies in the ability to purchase energy from renewable sources, which adds value to the customer's operations.

Additional details on the portfolio's profile and on solutions offered to our customers can be found in the topic "Commercial and portfolio management dynamics".

Investors

ENGIE's shareholder base continued to grow exponentially in 2020, maintaining a trend seen in recent years. **By late December, the Company had more than 208 thousand investors, from 99 thousand in 2019 (up 109.2%) and 32 thousand in 2018** — which also reflects the increasing number of investors, including individual investors, on the Brazilian stock market.

Transparency is the brand of the Company's relationships with these stakeholders, and is assured by means of the timely disclosure of information on the Investor Relations Website, e-mail notices, and conference calls and videoconferences to address relevant matters, such as the successful bidding in the energy transmission auction and the acquisition of a stake in TAG. Furthermore, we ensure the dissemination of reliable information by means of official channels of communication – such as the repositories of B3 and the Brazilian Securities Exchange Commission (CVM) – that provide free access to materials such as:

- **Material Facts;**
- **Announcements to Shareholders;**
- **Announcements to the Market;**
- **Quarterly Performance Reports and results presentations;**
- **Management Report and Financial Statements; and**
- **Sustainability Report.**

The **"Talk to IR"** channel is also available on the Website and enables direct contact with our Relationship team – which had 883 calls in 2020, from 707 in 2019. Interaction strengthens with the promotion of videoconferences and conference calls for results presentations and meetings with market analysts. Some of 2020's highlights include:

285 institutions and analysts served in conferences (in person, conference calls and videoconferences) and non-deal roadshows.

1,966 viewers of conference calls and videoconferences for results presentations – since 3Q20, results have been disclosed by videoconference instead of the traditional conference calls.

45 viewers at the Annual Conference hosted by the Association of Capital Markets analysts and Investment Professionals **(Apimec)**.

In 2020 we also hosted the event "electric Energy Markets – How to forecast and extract performance", intended for an exchange of experiences and to encourage improved training of industry analysts so that they can provide more in-=depth analyses of concepts and potential gains for the Brazilian electric energy sector.

As for Shareholders' Meetings, the Company's Website also provides channels and clarification on remote attendance by means of distance voting, pursuant to CVM Instruction 561. There is also a specific channel of communication for shareholders to suggest matters for discussion at Meetings.

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Inside ENGIE

The 2020 edition of "Inside ENGIE", an annual meeting intended for investors and market analysts, was held on December 11 in digitally adapted format.



350

views, 102 of which from institutional investors.

With a live and open broadcast on YouTube, the event addressed business evolution and the Company's strategic positioning in the face of the industry's trends and regulatory changes. It thereby enabled investors to gain more in-depth knowledge of the operations and get in touch – albeit virtually – with Senior Managers.

The event drew a total 380 views, 102 of which from institutional investors.

The event's video and the presentations made during the day are available at **by clicking here**.

Open, diverse and digital dialogue

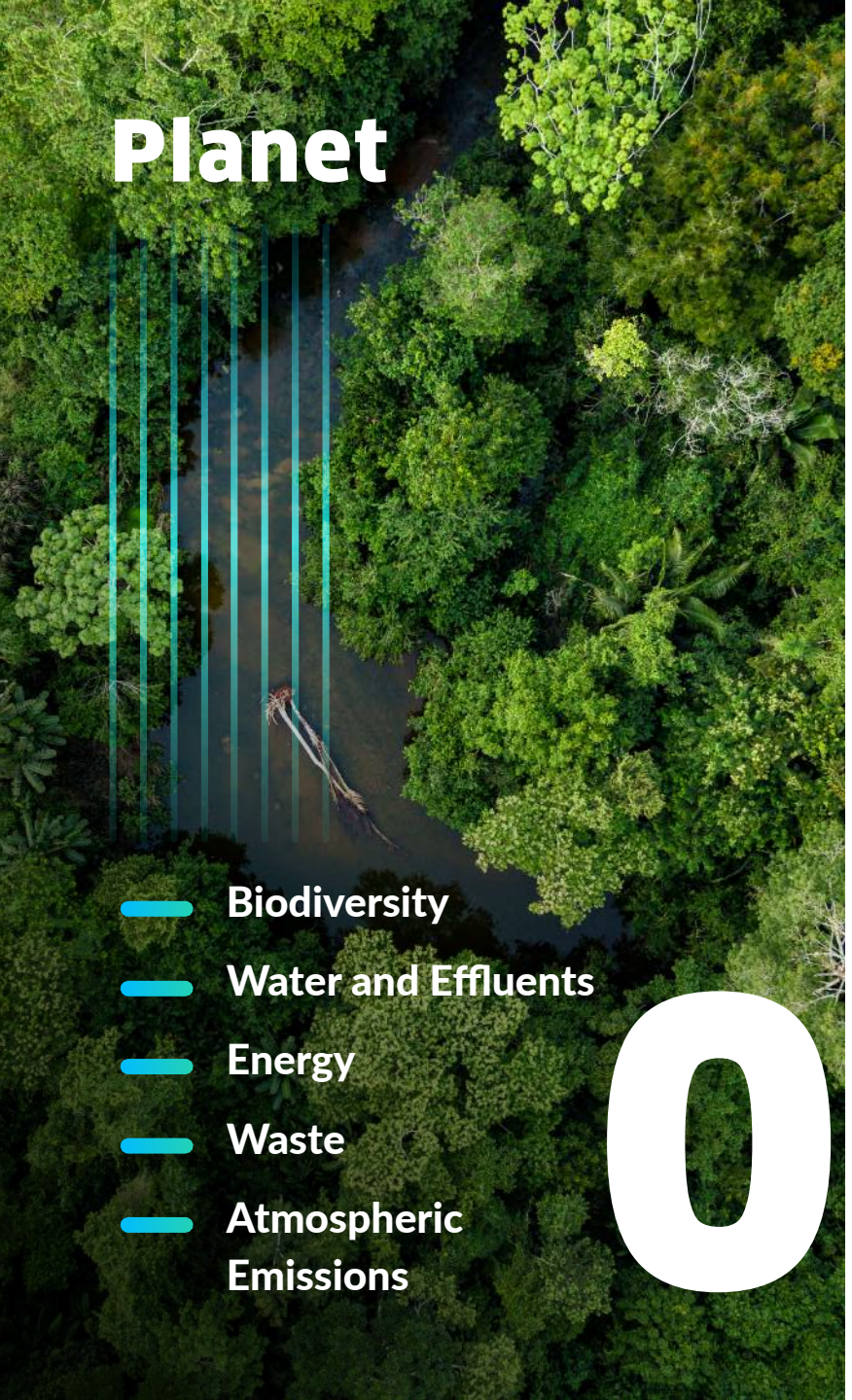
To provide relevant, qualitative and strategic information to a diverse audience – from those who help build the company on a daily basis to people more interested in the markets where business takes place. It was based on this challenge that ENGIE put into motion over the course of 2020 a series of initiatives intended to **strengthen its dialogue with stakeholders.**

In a year marked by digitalization, the production of information on the company and its businesses gained different formats. For those interested in corporate matters ENGIE Brasil began offering a **monthly newsletter** in place of the Boas Novas magazine, with stories on the Company's businesses and projects, in addition to managerial and sustainability practices, among other topics.

Going beyond the boundaries of the business itself, the Company innovated by releasing the **Além da Energia** news hub, a Brand Publishing project intended to produce and distribute curated and original journalistic content associated with the energy transition, renewable energy and smart cities. By widely disseminating concepts and trends on this subject, the platform aims to accelerate this transition, as provided in ENGIE's strategic objectives.

The text content available from the news portal adds to the audio-visual production that offers webinars, podcasts and videocasts available on different digital platforms.

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Planet

- Biodiversity
- Water and Effluents
- Energy
- Waste
- Atmospheric Emissions

06

ENGIE's global and Planet-related non-financial objectives – emphasis on:

Greenhouse gas emissions from energy production (scopes 1 and 3) down **46%** by 2030;

Water consumption for industrial activities down **35%** by 2030;

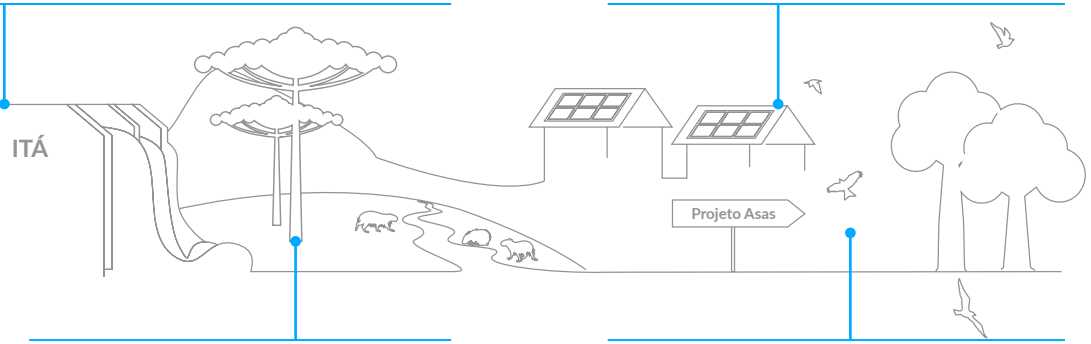
Reaching a minimum **58%** of renewables in the installed capacity mix, from 27.8% in 2019.

Licenses

6 environmental licenses renewed in 2020

Approval by the National Environmental Institute (Ibama) of the **Environmental Plan for Conservation and Use of the Reservoir Surroundings (Pacuera)** for the Itá Hydroelectric Plant, in Santa Catarina

Execution of 21 Socio-Environmental Programs in the implementation area of the Novo Estado Transmission System



Partnership with Embrapa Florestas on an **Araucaria conservation project**, in Paraná

Partnership with the **Asas project** to protect **wildlife** wildlife in the Miranda Hydro Plant's region, in Minas Gerais.

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Respect for the Planet, as well for people, is a pledge that ENGIE's non-financial objectives reflect, as they drive the corporate strategy beyond economic aspects.

Besides working to accelerate the transition to a carbon-neutral economy – both in its own operations and in its customers and the communities where it operates – the Company endeavors to responsibly and proactively address socio-environmental matters, acting in full compliance with the law and undertaking voluntary actions that contribute to sustainable development.

In this sense, we are committed to full compliance with the environmental law. Therefore, projects at their implementation and operation phases undergo rigorous evaluations as to their impacts on the ecosystem.

These evaluations are backed by in-depth studies done by experts in each subject area and duly validated by the relevant environmental authorities – a requirement for securing and maintaining the necessary licenses. To supplement activities carried out to ensure legal compliance, **the Company undertakes a series of voluntary initiatives that focus on conserving natural resources and minimizing impacts on the environment and communities.**

As a means to attain the corporate environmental objectives and targets, the Integrated Management System (Sistema Integrado de Gestão – SIG) tracks several performance and compliance indicators, such greenhouse gas emissions, water and effluents management, solid waste, and plant life and wildlife handling. To continuously improve performance, we establish annual targets for every project, given the most relevant aspects in terms of impact and resource usage.



Licenses renewed

In 2020, the Operating Licenses (LOs) of the following projects were renewed:

- **Trairi Wind Complex, in Ceará**
  a) Mundaú Wind Farm
  Date of renewal: **11/20/2020**. | Valid for: **Six (6) yeras**.
  b) Santa Mônica Wind Farm
  Date of renewal: **09/02/2020**. | Valid for: **10 yeras**.

- **Tubarão Wind Farm, in Santa Catarina**
  Date of renewal: **04/23/2020**. | Valid for: **Four (4) years**.

- **Water withdrawal, Adduction and Treatment for Industrial Supply in the Lages Co-Generation Unit, in Santa Catarina**
  Date of renewal: **04/20/2020**. | Valid for: **Four (4) years**.

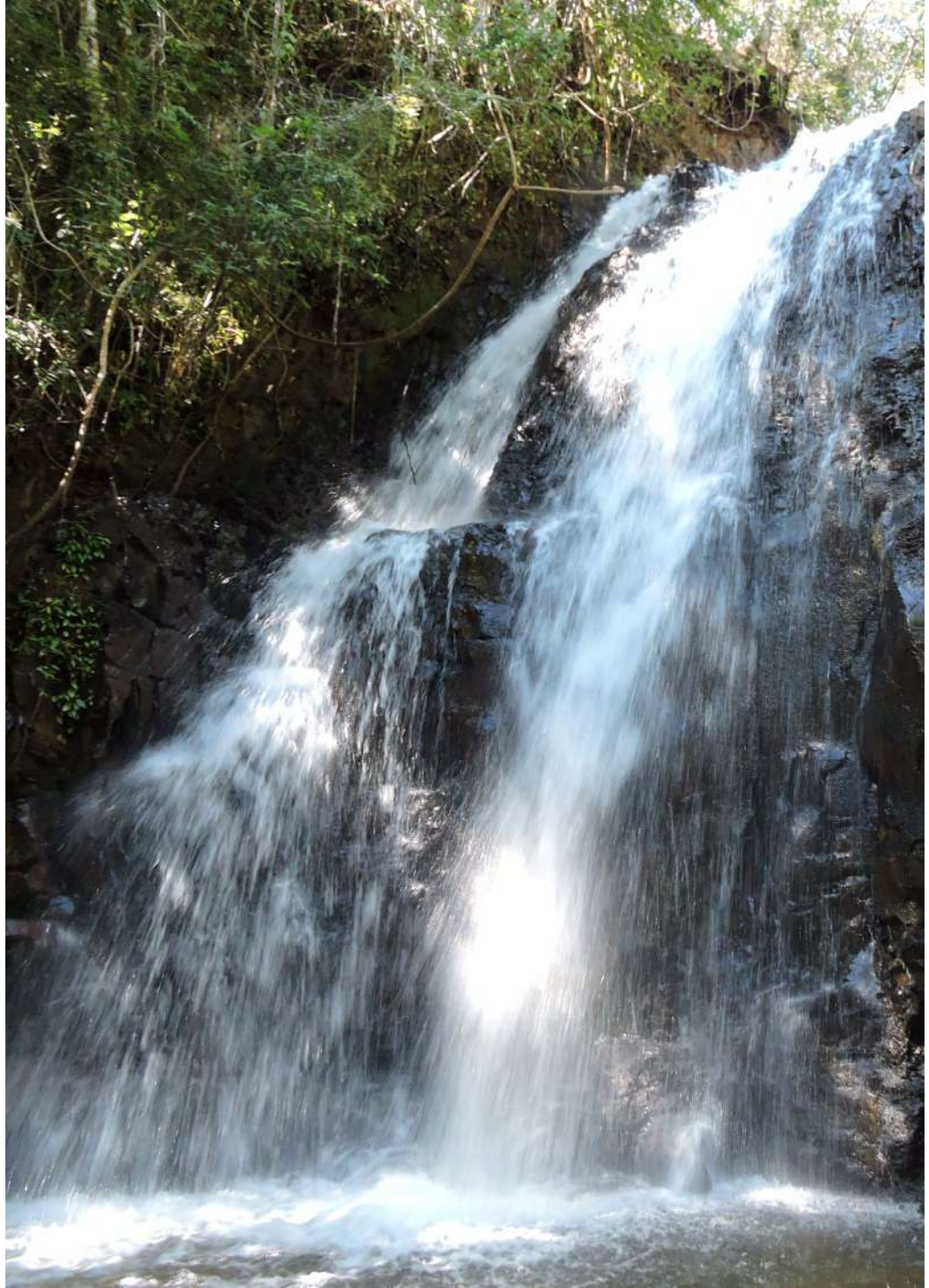
- **138 kV Transmission Line of the José Gelazio da Rocha SHP, in Mato Grosso**
  Date of renewal: **07/21/2020**. | Valid for: **Five (5) years**.

- **Pampa Sul Thermal Power Plant, in Rio Grande do Sul**
  Date of renewal: **02/04/2020**. | Valid for: **Five (5) years**.

2020 environmental goal status, by Plant:

	Total goals	Met	Not met
Jorge Lacerda Thermoelectric Complex (75%)	8	6	2
Cana Brava Hydroelectric Plant (43%)	7	3	4
Estreito Hydroelectric Plant (43%)	7	3	4
Itá Hydroelectric Plant (60%)	5	3	2
Machadinho Hydroelectric Plant (50%)	6	3	3
Passo Fundo Hydroelectric Plant (67%)	6	4	2
Ponte de Pedra Hydroelectric Plant (75%)	8	6	2
São Salvador Hydroelectric Plant (37,5%)	8	3	5
Salto Osório Hydroelectric Plant (43%)	7	3	4
Salto Santiago Hydroelectric Plant (71%)	7	5	2
Miranda Hydroelectric Plant (43%)	7	3	4
Jaguara Hydroelectric Plant (29%)	7	2	5

The 2020 highlights in this area include submission of the Plan for Environmental Conservation and Use of Reservoir Surroundings (Pacuera) for the Cana Brava Hydro Plant, in Goiás, and approval by the National Environment Institute (Ibama) of the Plan for the Itá Hydro Plant, in Santa Catarina, submitted to the authority in 2019.



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Biodiversity

[GRI 103-1; 103-2; 103-3; 304-1; 304-3]
[2030 Agenda Goals: 2.5, 15.5, 15.8, 15.a]

To reduce the impact of its operations on the biodiversity of the regions where it operates, ENGIE Brasil Energia carries out a series of environmental programs and projects. The actions executed under these programs are dimensioned according to each project's maturity stage, as well as the local ecosystem's conservation status.

Projects undergoing implementation

Biodiversity management is one of the main challenges facing implementation of a project, be it for energy generation or transmission. To prevent critical environmental events in this phase, the Company carries out a series of preventive measure that go from mapping the pre-implementation status to the deployment of mitigation or handling plans. All of these activities are performed with the consent of the licensing authorities.

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Gralha Azul Transmission Systems

The project's environmental license was granted and approved by the Paraná State Water and Land Institute (IAT). The Gralha Azul Transmission System also has authorizations and consents given by the Palmares Cultural Foundation (FCP), the National Indian Foundation (FUNAI), the National Historic and Artistic Heritage Institute (Iphan), the State Historic and Artistic Heritage Coordination (CEPHA), and all municipalities intercepted and other relevant authorities.

The transmission line's path, which is approximately 1,000 kilometers long and with minimum right-of-passage clearance width of 60 meters, crosses 27 municipalities and approximately 2.4 thousand properties. Approximately 67% of the direct catchment area is occupied by pastures or farming – where new impacts on biodiversity in addition to existing ones are minimal – and 31% are occupied by vegetation. The most significant effects associated with the project include increased electric and magnetic field levels, habitat fragmentation and alteration, reduced plant cover, and potential accidents involving wildlife, particularly during the implementation period.

Several actions are underway to mitigate these impacts, such as the preservation of native tree species, limiting plant suppression to the width strictly required for implementation, technical monitoring and guidance for execution of the Forest Replacement Program's activities. These and other impacts will remain under monitoring for the duration of the construction works, which are still in their early stages, and some will extend into the operational phase.



Controlled suppression

Plant suppression, where needed, is planned in advance and done with once duly approved by the relevant authorities, in full compliance with the applicable law. All plant loss, as well as other impacts that may take place as a result of project implementation, has bene controlled, minimized, mitigated or offset by means of environmental programs whose execution and results are properly reported to the relevant authorities.

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In addition, the project includes a series of efforts to minimize plant suppression, such as using taller towers to prevent tree removal, the use of self-bearing towers exclusively in native vegetation areas and path detours from preservation areas (Such as Private Natural Heritage Reserves and Conservation units), urban centers and consolidated tourist attractions, traditional communities (such as Native Land), to name a few precautions.

Partnership for conservation

To promote conservation of the araucaria pine, a native species present in the implementation area of the Gralha Azul Transmission System, ENGIE Brasil Energia executed a partnership with Embrapa Florestas in 2020. The partnership focuses on strengthening Embrapa's araucaria seed (germplasm) bank, which will be compounded by the creation of a benchmark network for the subject, involving farming families. The Company has invested approximately R$ 520 mil in the Project, whose initial phase will take place over the next three years.

Novo Estado Transmission System

The Novo Estado Project's Transmission Lines extend for a total of approximately 1.8 thousand kilometers and their path was drawn to avoid more sensitive areas wherever possible – preventing interference with Conservation Units, Native Lands and Quilombola communities. Cavities identified in speleological prospecting, most of which are rated low-relevance, are being preserved.

21

environmental programs and subprograms are being implemented to reduce, control and compensate environmental impacts.

The project also provides, where applicable, for the use of self-bearing towers in fragmented forest areas where detours were not possible, in areas with high density of threatened and legally protected species, and in points where secondary vegetation occurs at intermediate and advanced regeneration stages.

To reduce, control and offset environmental impacts, 21 environmental programs and subprograms are being implemented. Actions provided for and already executed include plant and wildlife monitoring and rescue, archeological prospecting and rescue, speleological prospecting, environmental education, construction oversight, social communication, recovery of degraded areas, environmental management and action plan for malaria control, among others.

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Campo Largo II Wind Complex

The geographic scope of biodiversity impacts associated with implementation of the Wind Complexes in Bahia is relatively limited. The main issues include plant suppression in the areas occupied by wind turbines, administrative facilities, construction sites and internal and external access roads, with the resulting effects on the fauna. There is also a potential risk to archeological heritage, which is significantly present on site.

130

Licuri trees found in plant suppression areas were relocated to other areas of the project.

The complex lies on a migrating bird route, the Northeast Route, according to the National Wild Birdlife Research and Conservation Center' (Cemave)[1] Annual Report. In this respect, the Company monitors the bird fauna and any carcasses, as the environmental licensing process requires, and has so far identified no incidents involving collision of any species of bird during the wind turbines' operation.

As such, impacts on the local ecosystem have been managed by means of the Legal Reserve Preservation Program, the Wildlife Monitoring, Distancing and Rescue Program, and the Degraded Areas Recovery Program (mostly concerning construction sites), among others. The Company carries out offsetting measures wherever needed. One illustrative case has been the creation of a nursery for more than 70 native species, particular note due on the Licuri (Syagrus coronata). In 2020, 130 Licuri trees found in plant suppression areas were relocated to other areas of the project. The plan provides for a minimum 15 saplings planted for every individual of the species that requires suppression, with an estimated 12 thousand saplings to be planted.

It is worth emphasizing that the Wind Complexes neighbor the Boqueirão da Onça National Park and lie inside the namesake Environmental Preservation Area (APA), one of the largest and best preserved remnants of the – representing an important refuge and breeding zone for several species of the local fauna and flora and, therefore, of the utmost biological relevance. The Company considers means to partners with local and national stakeholders to enhance preservation measures for the Park and its surroundings.

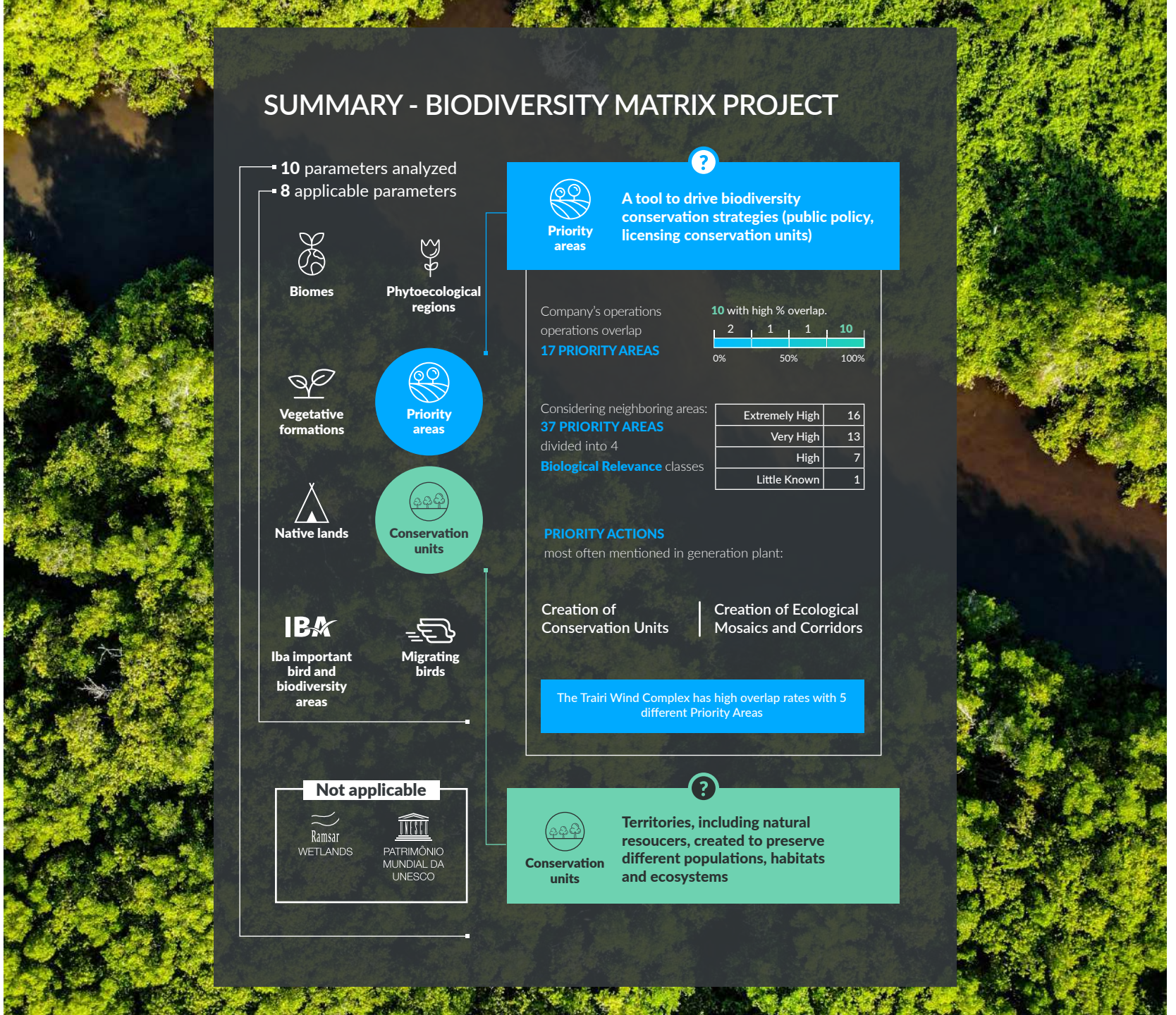
[1] Belonging to Instituto Chico Mendes de Conservação da Biodiversidade (ICMBio).

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Operational projects

The Biodiversity Matrix project has been in place since 2016. Its main purposes are to drive investments in the area, to align environmental conditions with priority conservation actions, to improve performance indicators, and to leverage the positive impact on threatened environmental attributes.

In 2020, the results of in-depth environmental studies at pilot projects – the Salto Osório Hydro Plant, in Paraná, and the Campo Largo Wind Complex, in Bahia – enabled developing priority actions and identifying strategic stakeholders to engage in biodiversity conservation in the regions where the projects lie.



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EBE's projects lie close to 21 Conservation Units.

11 Atlantic Rainforest **2 Caatinga** **8 Cerrado**

Plant	Conservation Unit (UC)	Area (ha)	FU
Itá	Apertado Municipal Natural Park	22.43	RS
	Uruguay River Forest Teixeira Soares Municipal Natural Park	429.12	RS
	Fritz Plaumann State Park	733.36	SC
Machadinho	Espigão Alto State Park	1,443.68	RS
	Rio Canoas State Park	571.38	SC
Passo Fundo	Papagaio-Charão State Park	1,023.28	RS
	Sagrisa Municipal Natural Park	1,425.00	RS
Salto Santiago	Rio dos Touros Ecological Reserve	356.90	PR
Cana Brava	Serra do Tombador Private Natural Heritage Reserve	141.71	TO
	Pouso Alto Environmental Protection Area	77.274,86	GO
São Salvador	Lago de São Salvador do Tocantins, Paranã and Palmeirópolis Environmental Protection Area	14,587.11	TO
	Lago de Peixe/Angelical Environmental Protection Area	77,274.86	TO
Rondonópolis	Dom Osório Stoffel State Park	13,068.03	MT
José Gelazio	Dom Osório Stoffel State Park	13,068.03	MT
Trairi	Dunas da Lagoinha Environmental Protection Area	1,320.88	CE
	Mandaú River Estuary Environmental Protection Area	9,222.38	CE
Ferrari	Porto Ferreira State Park	681.42	SP
	Sitio Kon Tiki Private Natural Heritage Reserve	11.89	SP
Estreito	Chapada das Mesas National Park	16,599.37	MA
	Fossilized Trees Natural Monument	18,018.99	TO
Jorge Lacerda	Baleia Franca Environmental Protection Area	8,534.08	SC

Itá is in contact with 3 Full Protection Units, 2 of them created and supported by EBE. **Usina Hidrelétrica Itá Fritz Plaumann Park Teixeira Soares Park**

In the area surrounding Jorge Lacerda, the Company created the **Encantos do Sul Environmental Park** (50 há) from the restoration of a former ash disposal site.

The project also contributes to identifying the ecosystemic services of the greatest relevance to each location, focusing on more intense dependency, synergy or potential impact. For example, the two pilots found relevance in erosion and water flow regulation, providing water for human and animal supply, regulating soil and water quality, recreation and tourism, among other services.

In the future, in line with data availability and ENGIE's strategic objectives, this information may support decision-making on investments on biodiversity conservation.

Wildlife Release Area – RPPN Jacob

In the region of the Miranda Hydro Plant, in Minas Gerais, the Company is responsible for the Jacob Private Natural Heritage Reservation (RPPN), with 385 hectares of the Cerrado biome. A partnership was formed in 2020 with the Wildlife Release Areas (ASAS) project so that the area may welcome animals released from the Wildlife Treatment and Rehabilitation Center (Cetras) of the State of Minas Gerais, abiding by technical criteria on the local fauna and supporting capacity.

These animals, which are usually the victims of trafficking or mistreatment, are captured by environmental authorities and returned to nature after receiving treatment at Cetras. ASAS is an initiative by Ibama and the State Forest Institute (IEF), with support from the Waita Research Institute.

Fish fauna and invasive species

Attention to the fish fauna in the reservoirs of the hydroelectric plants that the Company operates is a key part of our environmental management system. In this sense, monitoring activities have two main purposes: **conservation of the local fish fauna and preventing against invasive species.**



Concerning the latter, a highlight is an ongoing Research and Development (R&D) project intended to study the propagation dynamics of the golden mussel *(Limnoperna fortunei)* in the reservoirs of Hydro Plants on the Uruguay River rapids, and also provides for testing biological control methods. The clam is a small freshwater mollusk that attaches to and multiplies on the Plant's structures, with real or potential impacts on operations – which increase maintenance costs, in addition to posing a risk of misbalancing the local ecosystem.

On another front, an R&D project began in 2020 in partnership with the Paraná Federal University to develop and apply genetic tools – like next generation sequencing – to assist in monitoring the reservoirs' fish fauna. The project's initial activities focus on the São Salvador Hydro Plant's area, in the state of Tocantins.

As another point for constant attention from environmental management teams, the purpose of macrophytes control is to mitigate the effects of eutrophization (an excessive presence of nutrients in the water) and prevent their indiscriminate development. This effort helps maintain the reservoirs' multiple use conditions and minimize impacts on operations and other species.

Event at the Ponte de Pedra Hydro Plant

In 2020, an unexpected an untimely shutdown took place on tow generator units of the Ponte de Pedra Hydro Plant. The incident interrupted electric energy generation for approximately three hours and reduced the flow of the Correntes River in the region comprising the municipalities of Sonora (MS) and Itiquira (MT). Although the situation was rapidly addressed, the event caused fish of the Curimatá (Prochilodus lineatus) species to become trapped in a segment of the river. The Plant's environmental licensing authority was immediately notified of the incident, as were the other local stakeholders. To determine the significance of the event for the local fish fauna, a special consultancy firm was retained. After the appropriate analyses, the experts found that the amount of fish affected – approximately 53 kilograms – posed no relevant loss to fish inventories or to regional diversity.

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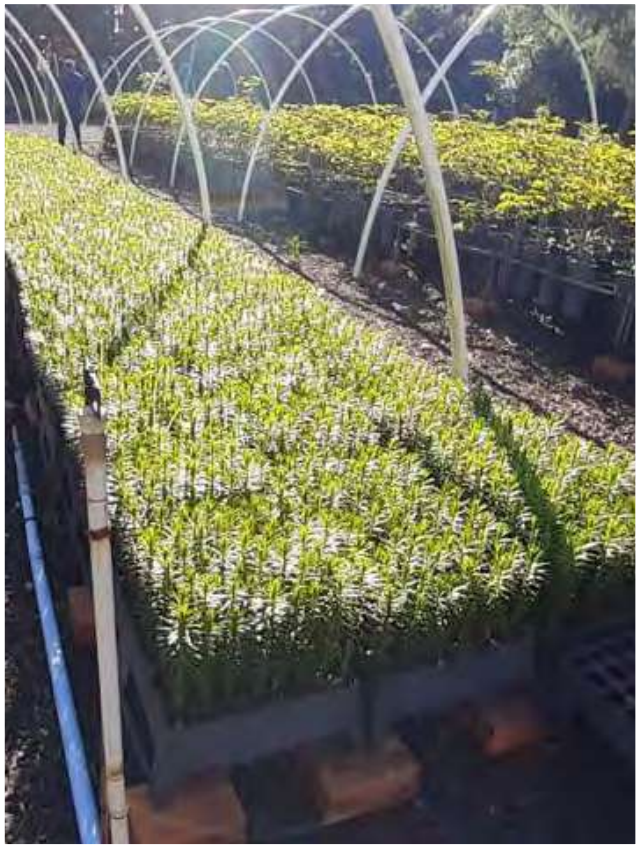
Drought, reservoir levels and impacts on the fish fauna

In the Iguazu and Uruguay Basins, a consequence of the record-setting drought was the drastic reduction in reservoir levels. As a result, lagoons formed in the areas of the Passo Fundo (RS) and Salto Santiago (PR) Hydro Plants, requiring immediate and coordinated action with a dedicated fish-rescue team throughout the dry season. The effort enabled reducing impacts on the local fish fauna.

Sapling donations and planting

ENGIE Brasil Energia maintains eight forest farms that help maintain the biomes of the regions where they are deployed by means of the production of native species saplings, donations to the community, and planting by the Company. In addition to helping conserve biodiversity, the nurseries play an educational role as some donations are made at events held at schools and other community venues.

In 2020, a total of over 360 thousand saplings were planted or donated. This includes 2.8 thousand araucárias in Paraná as part of the offsetting measures connected with the implementation of the Gralha Azul Transmission System.





360 thousand

saplings were planted or donated.

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Water and Effluents

[GRI 103-1; 103-2; 103-3; 303-1; 303-2; 303-3; 303-4; 303-5]
[SASB IF-EU-140a.1; IF-EU-140a.2; IF-EU-140a.3]
[2030 Agenda Goals: 3.9, 6.4]



Conserving hydro resources by maintaining water quality and through rational consumption is an ever-present environmental management goal for ENGIE Brasil Energia. Additionally, the Company is a member of certain River Basin Committees in the regions where it operates. In this role, it addresses the sustainable use of water by society before public- and private-sector institutions.

In the Plants' catchment areas, water conservation also involves multiple use of reservoirs, which the Company disciplines by means of the Environmental Plan for the Conservation and Use of Reservoir Surroundings (Pacuera), a legally prescribed instrument to minimize the negative impacts of activities carried out in the projects' regions.

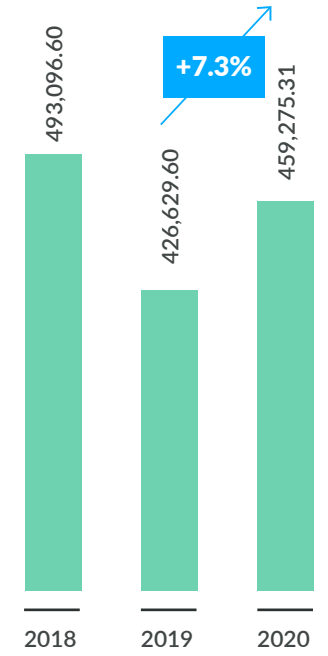
Also with the purpose of contributing to the conservation of hydro resources, we are members of the Hydro Resources Councils of the States of Santa Catarina and Paraná.

Withdrawal and consumption

In 2020, considering all sources of withdrawal, the total volume of water used in operations was 459.3 thousand ML, up 7.3% YoY. As for consumption, the Company used 9.7 thousand ML (+14%) in the same period.

2030 non-financial objective – Water consumption
The ENGIE Group has made a global pledge to reduce water consumption for industrial activities by 35% by 2030 – from 93Mm³ in 2019 to 60Mm³ in 2030.

Total water withdrawn
(in ML)



The increase in consumption is associated with the operations of the Pampa Sul Thermal Power Plant, which had its operational startup in 2Q19. Thermal power plants in general are responsible for the bulk of the Company's water consumption, as the resource is used to generate steam and in other industrial processes – such as dredging heavy ashes from boilers. The measures taken to reduce consumption include rainwater capture and the application of reuse technologies, minimizing pressure on local water sources.

At hydroelectric plants, the most significant use involves the generator units' cooling systems – however, the water used in the process only travels through the system and returns to the receiving water body with the same characteristics it had upon withdrawal – except for its temperature, which increases in the process but remains within the legal range.

Main water management-related risks

Potential Risk	Mitigation strategies and practices
Risk of emergency oil leaks at energy generation plants, in particular hydroelectric ones, with potential water contamination	NBR ISO 14001-certified Environmental Management System, with preventive maintenance procedures, Operation tests and inspections, firefighting systems, containment barriers, and water-oil separation systems and, in the event of an accident, the Emergency Response Plan.
Hydro plant reservoir pollution due to illegal use and occupation of reservoir banks.	Environmental and Social and Property Inspection Teams active in and around reservoirs

The quality of the water discarded by the Company is also monitored on an ongoing basis by means of physical-chemical analyses to make sure that it returns to the water bodies at disposal standards compatible, at a minimum, with those set forth by the applicable environmental law. In addition, all hydro plants implement the Reservoir Water Quality Monitoring Program.

In 2020, water disposal totaled 450.6 thousand ML, up 7.8% YoY, which is explained by the operations of the Pampa Sul Thermal Power Plant. There were no cases of noncompliance associated with water use (quantity, permissions, quality standards and regulations) over the year.

Headwaters conservation

Carried out in partnership with governmental and third-sector organizations, the Headwaters Conservation Program contributes to the preservation of hydro resources and the improvement of the quality of the water consumed by communities. Since the program started, 2,040 wellsprings have been protected, 133 of them in 2020 alone, in the catchment areas of 14 plants that the Company operates.

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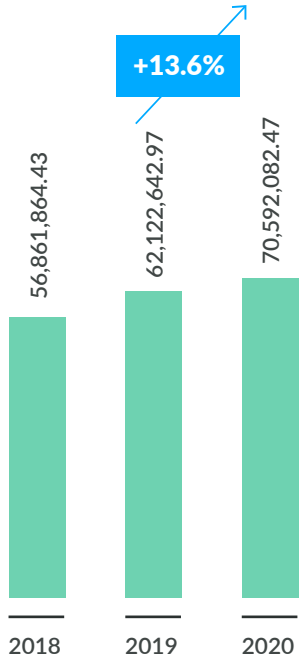
Energy

[GRI 103-1; 103-2; 103-3; 302-1; 302-3] [2030 Agenda Goals: 7.3, 9.4]

In line with our Sustainable Management Policy, the Company is committed to the adoption of measures to reduce its consumption of fossil fuels. These include the preferred use of dual-fuel cars, the retainer of transport for the employees of the majority of plants, and more intensive use of videoconferencing resources to prevent meeting-related travel – which intensified in 2020 due to the Covid-19 pandemic.

Consumption of energy from non-renewable sources was up 20% in 2020, due mainly to the operational startup of the Pampa Sul Thermal Power Plant. As such, the Company's total energy consumption increased in 2020: 70.6 GJ, up 13.6% from 2019.

Total energy consumption
(GJ)

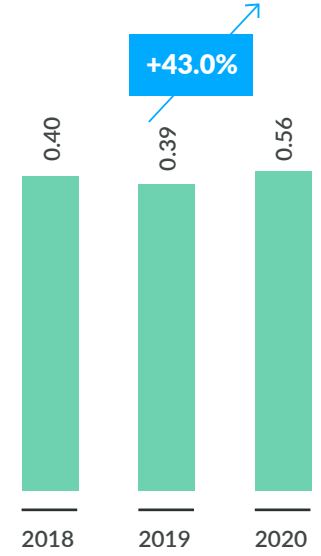


Grid electricity consumption was 270.8 thousand GJ in the year, down 55% from 2019. Changes in electric energy consumption are independent from the Company's operations, and relate with demand from the National System Operator (ONS) for power plants to operate at certain times as "synchronous condensers", a practice that helps regulate the voltage of the national Interconnected System (SIN) and consumes grid energy.

Furthermore, starting in 2018, we changed the methodology used to measure plants' energy consumption: We now subtract from total energy consumed the volume of energy generated by the plant itself. That is, figures now consider grid energy consumed alone.

As for fuel consumption, the Jorge Lacerda Thermal Complex, responsible for approximately 63% of fuel consumption at the Company's thermal power plants, is NBR ISO 50001-certified. The standard focuses on continued energy performance improvement and includes efficient energy usage aspects. To maintain the certification, several control actions have been established that periodically undergo to internal and external audit.

Energy intensity
(GJ consumed/ GJ produced)



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Waste

[GRI 103-1; 103-2; 103-3; 306-1; 306-2; 306-3]
[SASB IF-EU-150a.1; IF-EU-150a.2]
[2030 Agenda Goals: 12.5]

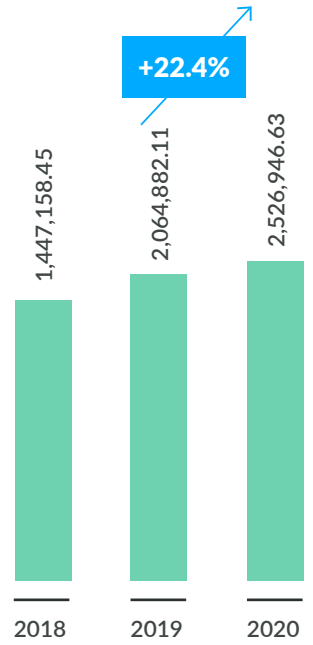
Waste management at all of our operations aims to guarantee proper disposal, as well as enhancement, wherever possible, of materials recycling, re-use, and recovery processes. To guarantee proper disposal, the Company requires contractors retained to collect and dispose of waste to comply with the applicable environmental law, in particular Law 12305/2010, which governs the National Solid Waste Policy.

Digitalization of the process began in 2020. The plant waste weighing system was automated based on digital scales that input the quanta directly into a database to generate each unit's Waste Inventory. Beginning in 2021, the Company's entire solid waste management will have the support of specific software that integrates service providers nationwide, improving the prospect of recovery. In addition, digitalization adds reliability to generation and disposal control, as well as to the selection of appropriate suppliers to carry out the activity.

Waste management

In 2020, the Company posted a 22.4% increase in total waste generated. Out of this, 82.9% have been recovered. Ashes from thermal plants answer for the bulk of the waste; however, almost all of it is allocated to the cement industry and to agriculture (sugar-cane growing and planted forests).

Total waste
(tons)



Out of the total non-hazardous waste, 2,477,991.1 tons (98%) correspond to ashes from the coal burned at thermal power plants. Two ash ponds collect the waste removed from boilers. The parameters set by the Environmental Operating Licenses (LAO) are monitored and periodically reported to the inspecting authority.

Hazardous waste

In the Company's operations, waste rated as hazardous originates from chemical inputs. The risks associated with potential leaks and accidents are monitored by expert teams with the appropriate skills to address emergency situations. As ISO 14001-certified plants, the process undergoes frequent audit that includes phases carried out by third parties.

Hazardous waste is stored at specific areas of the Waste Centers, separated from the remainder and subject to safe disposal depending on its physical status and hazard posed. Hazardous liquid waste, such as used oil, for example, are stored in covered, ventilated sites with restricted access, waterproof floors and containment systems for emergency leaks.

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Atmospheric emissions

[GRI 103-1; 103-2; 103-3; 201-2; 305-1; 305-2; 305-3; 305-4]
[SASB IF-EU-110a.1; IF-EU-110a.2; IF-EU-110a.3]
[2030 Agenda Goals: 7.2, 7.3, 13.2, 13.3]

Driven by its purpose of accelerating the transition to a carbon-neutral economy, ENGIE continues to implement its strategy to lead the decarbonization movement. In addition to supporting customers and suppliers in the right direction, the pledge implies assertive management of emissions that our entities may generate, so that we can progress on our own transition.

As part of the actions prescribed in the ENGIE Climate Change Policy, the Company periodically takes a Greenhouse Gas (GHG) Emissions Inventory to improve its mitigation and adaptation actions and strategies. The document accounts for and quantifies emissions based on concepts and guidelines in accordance with the Brazilian GHG Protocol Program, and is verified by an independent outside party. The Inventory's consolidated data takes account of the two approaches that the Program uses: operational control and equity stake. **Click here** to view the full version of our 2020 Greenhouse Gas Emissions Inventory.

Global Objectives Greenhouse gas Emissions

ENGIE has a series of pledges and objectives at the global level in connection with greenhouse gas emissions, chief among them:

Objective	Reference value (2019)	2030 Objective
Greenhouse gas emissions from energy production (scopes 1 and 3), in line with the Science Based Targets (SBT) path.	80 $MtCO_2e$	43 $MtCO_2e$
Renewables as percentage of total capacity, in line with the Science Based Targets (SBT) path.	27.8%	≥ 58%

These objectives are shared by all of ENGIE's operating units around the world, so that each contributes to attainment in different ways. **ENGIE Brasil Energia has for several years been committed to the disposal or de-commissioning of the last non-renewable assets in its portfolio**: the Pampa Sul Thermal Power Plant, whose buyer prospecting process will resume with added efforts in 2021, and the Jorge Lacerda Thermal Power Complex, for which viable alternatives are being reviewed in the light of impacts on and interests of various stakeholders. One possible alternative is a selling process – subsequently to the facts reported herein, the Company announced, in February 2021, that a proponent is running due diligence on the asset's disposal, in a process that will persist until June 2021, at least. Another possibility on the table is a phased decommissioning, in a process set to being in late 2021 for completion in 2025.

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Carbon Credits

ENGIE Brasil Energia has **ten renewable energy projects registered with the Clean Development Mechanism (CDM)**, corresponding to 49 plants, including the Campo Largo II Wind Complex, registered in 2020 – the Complex generated no credits that year because it is in its final implementation stages. Taken together, the projects are expected to generate approximately 2.8 million carbon credits per year – this does not include Lages Bioenergética, which has already completed the 10 years of credit issues to which it was entitled.

Upon acquiring a carbon credit, the beneficiary may offset scope 1, 2, or 3 emissions from its inventory and add other socio-environmental attributes to operations. In addition to the CDM registration, the Company's renewable energy projects are part of the ENGIE Group's Green Bond funding structure and thereby raise international funds for renewable sources expansion in Brazil. Out of the 9.65 billion Euros that the Controlling shareholder has raised from Green Bonds, more than 1 billion were allocated to projects in Brazil.

I-REC

Renewable energy certificates (I-RECs) substantiate that the electricity purchased by a customer comes from a renewable source, and may be used to neutralize scope 2 emissions from their emissions inventory. ENGIE has certified the São Salvador Hydroelectric Plant as an I-REC issuer (every MWh of energy generated corresponds to one 1 I-Rec). Therefore, we generate an estimated 800 thousand I-RECs/year, approximately.

ENGIE-REC

Like I-RECs, the ENGIE-RECs substantiate the origin of the energy sold to a customer, including the socio-environmental attributes of the project selected by the buyer – whether wind, solar, or hydroelectric. In addition, they neutralize scope 2 emissions. Because these are bilateral agreements, the purchase limit is the renewable energy guarantee of the as-yet uncertified company.

Performance

The Company emitted 5,884,220.76 tCO_2e in under the operational control methodology, and 5,884,877.62 tCO_2e under the equity stake approach, as the table next shows – up 11.3% from 2019 in each case. The Company's total emissions had been trending down for five consecutive years, which is due mostly to the decommissioning/sale of three thermal power plants: Charqueadas, Alegrete and William Arjona. From the entry into operation of the Pampa Sul Thermal Power Plant, in mid-2019, emissions resumed rising, as the project's source of energy is coal combustion. **As previously discussed, the both the Pampa Sul Thermal Power Plant and the Jorge Lacerda Thermal Power Complex have decommissioning or disposal plans in place. Taken together, the assets correspond to 99.3% of the Company's emissions** — 73.4% at Jorge Lacerda, and 25.9% at Pampa Sul.

Total emissions

(tCO_2e)

Year	Operational Control	Equity Stake
2020	5,884,220.76	5,884,877.62
2019	5,288,046.07	5,293,110.33
2018	4,367,433.91	4,368,848.15

Data on other significant atmospheric emissions (NOx, SOx, Particulate Material) can be seen in the Supplement (attachment).

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Direct Emissions (Scope 1)

The Company's total direct emissions in 2020 were 5.853.984,06 tCO_2e under the operational control approach, and 5.852.774,10 tCO_2e under the equity stake approach – up 11,3% in comparison with 2019. The increase is mainly due to the operational startup at the Pampa Sul Thermal Power Plant, which took place in mid-2019 – therefore, 2020 was its first full year in operation.

Indirect emissions (Scope 2)

The Company's total indirect emissions in 2020 were 14.596,32 tCO_2e under the operational control approach, and 16.459,89 tCO_2e under the equity stake approach, up 13,8% and 27,9% respectively, from the previous year. GHG emissions from electricity consumed are mainly associated with the operations of the Jorge Lacerda Thermal Complex and ancillary services provided by the Company to the National Interconnected System (SIN) – which are necessary to balance grid voltage, requiring generators to operate as motors to consume energy. This is a mandatory.



Direct emissions – Scope 1
(tCO_2e)

Year	Operational Control	Equity Stake
2020	5,853,984.06	5,852,774.10
2019	5,260,402.94	5,265,263.89
2018	4,340,467.59	4,341,640.86

Indirect emissions – Scope 2
(tCO_2e)

Year	Operational Control	Equity Stake
2020	14,596.32	16,459.89
2019	12,825.45	12,873.02
2018	11,945.92	12,089.20



Other Emissions Sources (Scope 3)

The Company's total emissions from other sources in 2020 were 15.640,38 tCO_2e under the operational control approach and 15.643,62 tCO_2e under the equity stake approach, up 21.9% and 21.5% respectively, from the previous year. The Jorge Lacerda Thermal Power Complex answers for more than 80% of these emissions, which are mostly related with the transportation of inputs like Diesel fuel, and of waste, ashes in particular.

Emissions Intensity

Like total emissions, the Company's emission intensity (amount of CO_2 emitted to generate 1 MWh) had been trending down for five consecutive years because of the sale and demobilization of thermal assets. The figure resumed rising – 34.8% under operational control and 38.7% under equity stake, if comparing with 2019 – because of the operational startup of the Pampa Sul Thermal Power Plant – 2020 was the asset's first full year of operation.

Other emissions sources – Scope 3

(tCO_2e)

Year	Operational Control	Equity Stake
2020	15,640.38	15,643.62
2019	12,825.45	12,873.02
2018	11,945.92	12,089.20

Emissions Intensity

($kgCO_2e/MWh$)

Year	Operational Control	Equity Stake
2020	256.1	211.4
2019	190.0	152.4
2018	184.7	145.0

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Reporting profile



- Reporting profile
- Stakeholders outreach
- Material Topics
- GRI/SASB Summary
- Letter of Assurance

07

Stakeholder Engagement
Survey involved about
600 people
in **17 municipalities**

(conducted before the Covid-19 pandemic)

81 *disclosures* GRI
(Global Reporting Initiative) reported

12 *disclosures* SASB
(Sustainability Accounting Standards Board) reported

Assurance Statement
Bureau Veritas

Material topics centralized in 4 perspectives:

Leading the
energy transition

Wholesome,
prosperity oriented relations

Consistent
performance

Environmental
Management

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Reporting profile

[GRI 102-3; 102-45; 102-50; 102-51; 102-52; 102-53; 102-54; 102-56]

Since 2007 ENGIE Brasil Energia Sustainability Report according to the standards provided by the Global Reporting Initiative (GRI), a nonprofit organization that proposes guidelines to guarantee the reporting quality of organizations worldwide. Based on these guidelines, this edition provides information on corporate management and on our environmental, social and economic performance in the period from January 1 to December 31, 2020.

The publication addresses the performance of the Company, with registered offices in Florianópolis (state of Santa Catarina, Brazil), and of the companies responsible for the majority of its sales and operations as at year-end 2019, as disclosed in the 2019 Management Report and Financial Statements.

This Sustainability Report abides by the latest GRI-proposed guidelines, Standard version, "in accordance - Essential" and subject to independent external review – conducted by BVQI do Brasil Sociedade Certificadora –, reflecting the Company´s commitment with transparency. (see the independent auditors' Letter of Assurance on page 127.

The Report preparation process is coordinated by the Investor Relations Area and involves several teams throughout the Company. They consolidate indicators and provide information and analyses in connection with different views of the business and its relationship with sustainability.

Publication

ENGIE Brasil Energia publishes Sustainability Reports on an annual basis and can be accessed on our website. The previous edition was published in April 2020 and concerns fiscal year 2019. Comments on the publication may be submitted by e-mail to ri.brenergia@engie.com.

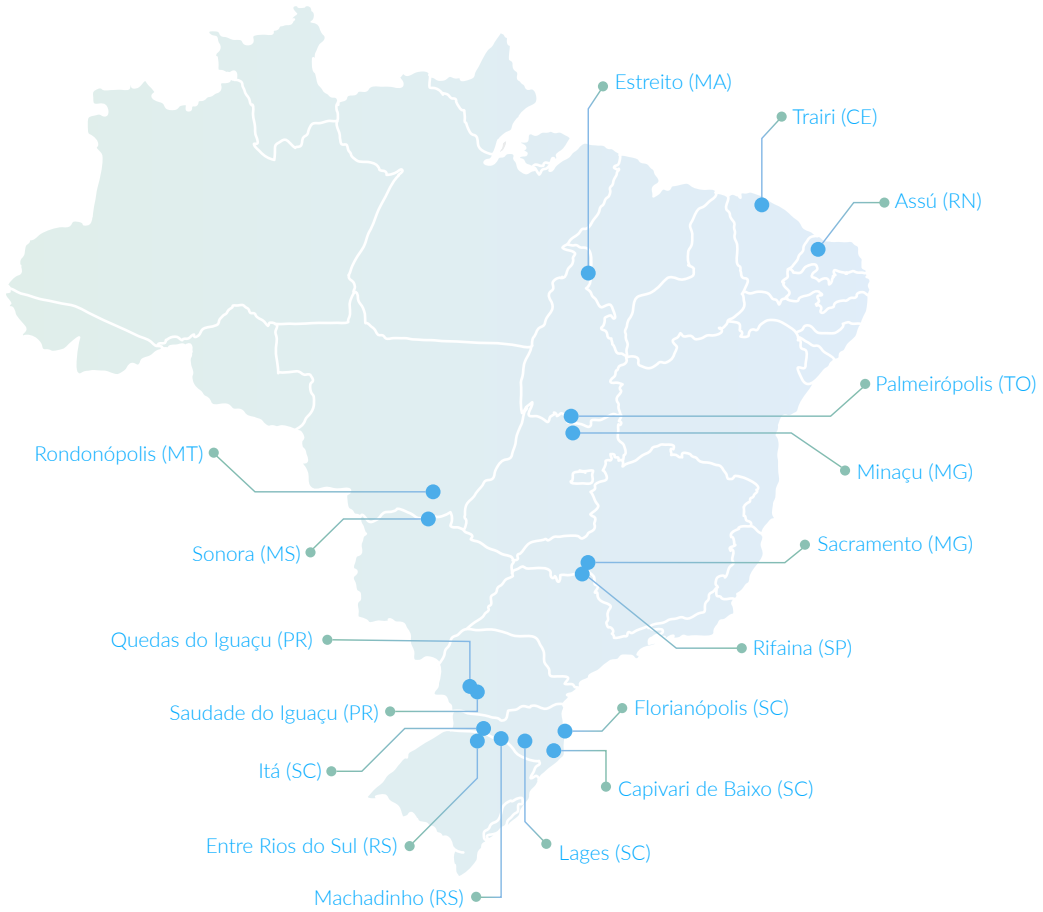
Stakeholder outreach

[GRI 102-40; 102-42; 102-43; 102-44; 102-46; 102-47; 102-49; 413-1; 413-2]

In line with the GRI guidelines, a key phase in the definition of the topics to be addressed in the Company's Sustainability Report involves stakeholder engagement. To make sure that the publication addresses the interests of both the Company and its various stakeholders, the present edition is based on the outreach **process carried out in the latter half of 2019, which involved approximately 600 people in 17 municipalities** where we operate in different regions of Brazil.

At events dedicated to dialogue, called Sustainability Panels, representatives from various stakeholders – such as employees, suppliers, communities, customers and government authorities – submit their views of the impacts of ENGIE Brasil Energia's activities, list topics of great interest and relevance, and suggest actions to enhance the Company's contribution to sustainable development. Definition of the stakeholders to be engaged took place based on contact frequency, as well as on each group's relevance to the business, as per guidance from ENGIE Brasil Energia's Sustainability Forum.

Host locations of 2019 Sustainability Panels



Main impacts of the Company's activities as identified by Sustainability Panel Participants

POSITIVES	NEGATIVES
Creation of jobs, income and opportunities.	Communities displaced to implement projects.
Tax revenue.	Environmental change: wildlife and plant life impact, noise, emissions, landscape.
Improved local infrastructure.	Socio-economic consequences of decarbonization*
Renewable energy generation.	
Care for the environment.	
Social-environmental projects.	
Quality of life for employees	

* Associated with the sale of thermal power plants.

To reach out to stakeholders who do not attend the Panels, the Companhia launched – also in 2019 – **a complementary survey** done online that 34 respondents used. Because the Company deemed the fruits of the process relevant, it based choice of this report's topics on the positive and negative impacts that stakeholders identified. In addition, given the pandemic context, we revised the study done for materiality definition purposes, referring to documents on related matters prepared by various institutions, such as the Intergovernmental Panel on Climate Change (IPCC), B3, 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) – under the scope of the task Force on Climate Related Financial Disclosures (TCFD). Aligning the report with the recommendations from these organizations, which represent different stakeholder groups, helps ensure the relevance of the topics and aspects addressed, improving the transparency and accuracy of the information disclosed.

Relevant topics

For the 2020 reporting cycle, the Company retained the previous year's material themes, which are distributed along **four key axes and 15 topics**, as the infographic beside shows. Realizing that the Covid-19 pandemic had a greater impact on topics already addressed by materiality. The publication provides deeper insight into information on how the health crisis was addressed in different respects, such as occupational health and safety, support to local communities, and operational and economic-financial performance.

Material topics (2019/2020)

1. Consistent performance

- Generating economic results and sharing value with society.
- Innovate to improve processes and create new solutions and services.

2. Leading the energy transition

- Prioritizing renewable energy generation sources.
- Dynamic relationship with customers, focusing on providing sustainable solutions.
- Emissions management.
- Adaptation to climate change

3. Wholesome, prosperity oriented relation

- Preventing, monitoring and fighting corruption.
- Team and community safety.
- Employee well-being, development and diversity.
- Boosting local communities' prosperity.
- Fostering best socio-environmental practices among suppliers and customers.

4. Environmental Management

- Water and effluents.
- Biodiversity.
- Solid waste.

Related indicators

Based on the definition of the material topics. The Company selected the performance indicators to monitor and report. For this cycle, in addition to the disclosures proposed by the **Global Reporting Initiative** (GRI), which we traditionally report, the publication added, where applicable, indicators from the **Sustainability Accounting Standards Board** (SASB) — CDSB Framework and the Electric Utilities Power Generators Standard (2018). Below, the GRI/SASB Summary shows the selected indicators categorized by topic.

GRI/SASB Summary

[GRI 102-55]

Disclosure	Description	Page	Omissions
102-1	Name of the organization	12	
102-2	Activities, brands, products, and services	12; 15	
102-3	Location of headquarters	12; 120	
102-4	Number of countries in which the organization operates	15	
102-5	Ownership and legal form	12	
102-6	Markets served	12; 43	
102-7	Scale of the organization	12	
102-8	Information on employees and other workers	77; 131	
102-9	Description of the organization's supply chain	95	
102-10	Significant changes to the organization and its supply chain in the period	95	
102-11	Precautionary Principle approach	51	
102-12	External initiatives embraced or endorsed	133	
102-13	Membership of domestic or international associations	133	
102-14	Statement from the most senior decision-maker	3	
102-16	Values, principles, standards, and norms of behavior	12; 24	
102-17	Internal and external mechanisms adopted for guidance requests on ethical behavior	24	
102-18	Governance structure	22	
102-22	Composition of the highest governance body and its committees	22	
102-40	List of engaged stakeholders	120	
102-41	Percentage of employees covered by collective bargaining	77	

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Disclosure	Description	Page	Omissions
102-42	Identifying and selecting stakeholders	120	
102-43	Approach to stakeholder engagement	76; 120	
102-44	Key topics and concerns raised	120	
102-45	Entities included in the consolidated financial statements	120	
102-46	Defining report content and topic Boundaries	120	
102-47	List of material topics	120	
102-48	Explanation of the consequences of any restatements of information in previous reports	-	
102-49	Material changes from previous years as concerns material topics, limits on topics addressed	120	
102-50	Reporting period	120	
102-51	Date of most recent report	120	
102-52	Reporting cycle	120	
102-53	Contact point for questions regarding the report	120	
102-54	Reporting assumptions in accordance with the GRI Standards	120	
102-55	GRI content index	123	
102-56	External assurance	120	
103-1	Explanation of the material topic and its Boundary	18; 24; 29; 33; 43; 47; 51; 77; 79; 86; 95; 103; 111; 113; 114; 115	
103-2	The management approach and its components	18; 24; 29; 33; 43; 47; 51; 77; 79; 86; 95; 103; 111; 113; 114; 115	
103-3	Evaluation of the management approach	18; 24; 29; 33; 43; 47; 51; 77; 79; 86; 95; 103; 111; 113; 114; 115	
201-1	Economic value generated and distributed	51; 63	
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	29; 115	
201-4	Financial support from government sources	63; 86	
205-1	Percentage and total number of operations subject to corruption-related risk analysis and significant risks identified	24; 95	
205-3	Confirmed cases of corruption and steps taken	24	
302-1	Energy consumption within the organization	113	
302-3	Energy intensity	113	
303-1	Interactions with water as a shared resource	111	
303-2	Management of water-disposal related impacts	111	
303-3	Total water withdrawal	111; 136	

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Disclosure	Description	Page	Omissions
303-4	Total effluents disposal in all areas	111; 136	
303-5	Total water consumption	111	
304-1	Location and size of areas held, leased or managed within protected areas or adjacent thereto, and areas of high biodiversity rates outside of protected areas	103	
304-3	Habitats protected or restored	103	
305-1	Direct GHG (Scope 1) emissions	115	
305-2	Indirect GHG (Scope 2) emissions from energy acquired	115	
305-3	Other indirect (Scope 3) GHG emissions	115	
305-4	GHG emissions intensity	115	
305-6	Emission of Ozone Depleting Substances (ODS)	139	
305-7	Emission of NOX, SOX, and other material atmospheric emissions	139	
306-1	Waste generation and significant impacts related to waste	114	
306-2	Waste generated, broken down by type and disposal method	114	
306-3	Waste generation	114; 138	
306-4	Waste not destined for final disposal	138	
306-5	Waste destined for final disposal	138	
308-1	Percentage of new suppliers selected based on environmental criteria	95	
308-2	Material negative environmental impacts (actual and potential) along the supply chain and measures taken in this respect	95	
401-1	New hires and employee turnover	77; 131; 132	
403-1	Occupational Health and Safety Management System	79	
403-8	Employees covered by the occupational health and safety management system	79	
403-9	Occupational injuries information	79; 132	
404-1	Average training hours per year per employee, broken down by gender and category	82; 133	
404-3	Percentage employees with regular performance and career development reviews	82	
405-1	Governance body and workforce diversity	77; 84; 131	
406-1	Total number of discrimination cases and steps taken	82	
412-3	Percentage and total number of material investment agreements and contracts that include human rights clauses or that underwent human rights screening	24	
413-1	Percentage of operations with programs in place to engage local communities, evaluate impacts, and/or foster local development	86; 120; 135	

Disclosure	Description	Page	Omissions
413-2	Operations with significant actual and potential negative impacts on local communities	86; 120; 135	
414-1	Percentage of new suppliers selected based on human rights-related criteria	95	
414-2	Material negative human rights impacts (actual and potential) along the supply chain and measures taken in this respect	95	
G4-EU1	Installed capacity, broken down by primary energy source and regulatory regime	15; 59	
G4-EU2	Energy input into the grid, broken down by primary energy source and regulatory regime – net energy production	59	
G4-EU3	Number of residential, industrial institutional and commercial consumer units	43; 97	
G4-EU8	Electric energy research and development and sustainable development promotion	47	
G4-EU11	Average thermal plant efficiency by energy source and regulatory system	59	
G4-EU30	Average plant uptime factor by energy source	59	

SASB Indicators

Disclosure	Description	Page	Omissions
IF-EU-140a.1	Total water withdrawn, total water consumed, percentage of each in each region under hydro stress	115	
IF-EU-140a.2	Number of cases of water-related noncompliance	115	
IF-EU-140a.3	Description of water-management risks and discussion of mitigating strategies and practices	115	
IF-EU-110a.1	Scope 1 emissions	139	
IF-EU-110a.2	GHG emissions associated with energy deliveries	111	
IF-EU-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction goals, and performance review	111	
IF-EU-120a.1	Atmospheric emissions of the following pollutants: NOx (except N2O), SOx, particulate material (PM10), lead (Pb) and mercury (Hg)	111	
IF-EU-150a.1	Quantity of coal combustion waste generated and percentage recycled	114	
IF-EU-150a.2	Total number of withheld coal combustion waste, broken down by potential hazard rating and structural integrity evaluation	114	
IF-EU-320a.1	Total rate of reportable incidents, fatality rate and frequency rate	79	
IF-EU-420a.2	Percentage electricity load served by smart grid technology	89; 59	
IF-EU-550a.2	Average system interruption duration and frequency index	59	ENGIE applies – at both its Generation Operations Center (COG) in Florianópolis at locally operated plants – distinctive technological resources to ensure the reliability, safety and efficiency of the operation and, thereby, of the grid.

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Independent assurance statement bureau veritas

INTRODUCTION

Bureau Veritas Certification Brazil (Bureau Veritas) was engaged by Brasil Energia S.A. (ENGIE), to conduct an independent assurance of its Sustainability Report for the year 2020 (hereinafter referred to as the Report).
This assessment was conducted by a multidisciplinary staff with expertise in non-financial data.

SCOPE OF WORK

The scope of this verification encompassed the Standard and Principles[1] of the Global Reporting Initiative™ GRI for Sustainability Reports, for the period from 1 January to 31 December 2020.

ENGIE AND BUREAU VERITAS RESPONSIBILITIES

The collection, calculation and presentation of the data published in the report are ENGIE's management sole responsibility. Bureau Veritas is responsible for providing an independent opinion to the Stakeholders, pursuant to the scope of work defined in this statement.

METHODOLOGY

The assurance work covered the following activities:

1. Enterviews with the personnel responsible for material issues and Report content;
2. Review of documentary evidence provided by ENGIE in relation to the reporting period (2020);
3. Verification of performance data relating to the principles that ensure the quality of the information, pursuant to the GRI Standards;
4. Remote verification regarding corporate and operational indicators;
5. Desk review of ENGIE's stakeholder engagement activities;
6. Evaluation of the method used to define material issues included in the Report, taking into account the sustainability context and the scope of the information published.

[1] Materiality, Stakeholder Inclusiveness, Sustainability Context, Completeness, Balance, Comparability, Accuracy, Periodicity, Clarity, and Reliability

The level of verification adopted was Limited, according to the requirements of the ISAE 3000 Standard[2], which were incorporated to the internal assessment protocols of Bureau Veritas.

LIMITATIONS AND EXCLUSIONS

Excluded from the scope of this work was any assessment of information related to:

- Activities outside the defined reporting period;
- Statements of position (expressions of opinion, beliefs, goals, or future intentions) on the part of ENGIE;
- Accuracy of economic and financial data contained in this Report which has been taken from financial statements verified by independent financial auditors;
- Inventory of Greenhouse Gas (GHG) emissions;
- Data and information regarding related companies that are not under operational control of ENGIE;

The following limitations apply for this assurance engagement:

- The principles of Accuracy and Reliability were limited to data samples related to material aspects published within the Report;
- Economic and financial data presented within the report were assessed against the GRI reporting principle of Balance.

TECHNICAL REPORT

- ENGIE conducted a materiality study in 2019 that resulted in 15 material topics. This study was carried out through 34 face-to-face meetings and complementary consultations with stakeholder groups, included by the company. Additionally, we evidenced that the Report deepens information related to facing the health crisis generated by Covid-19;
- In our understanding, the Report presents the impacts of the company's activities in a balanced way;
- ENGIE demonstrated an adequate data collection and compilation method in relation to the GRI reliability Principle. We evidenced an increase in the reliability of data and quantitative indicators during this verification cycle, so that the recommendation issued last year has been met.

[2] International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information

CONCLUSION

As a result of our assurance nothing has come to our attention that would indicate that:

- The information presented in the Report is not balanced, consistent and reliable;
- ENGIE has not established appropriate systems for the collection, aggregation and analysis of quantitative and qualitative data used in the Report;
- The Report does not adhere to the Principles for defining report content and quality of the GRI Standards and does not meet its Core level.

DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas Certification is an independent professional services firm specializing in Quality, Health, Safety, Socialand Environmental Management, with more than185 years' experience in independent assessment.

Bureau Veritas has a quality management system that is certified by a third party, according to which policies and documented procedures are maintained for the compliance with ethic, professional and legal requirements.

The assessment team has no links with ENGIE and the assessment is performed independently.

Bureau Veritas implemented and follows a Code of Ethics throughout its business, in order to assure that its staff preserve high ethical, integrity, objectivity, confidentiality and competence/ professional attitude standards in the performance of their activities. At the end of the assessment, a detailed report was drawn up, ensuring traceability of the process. This Report is kept as a Bureau Veritas management system record.

CONTACT

Bureau Veritas Certification is available for further clarification on **www.bureauveritascertification.com.br/faleconosco.asp** or by telephone (55 11) 2655-9000.

São Paulo, Brazil, April 2021.



Alexander Vervuurt
Lead Auditor; Assurance Sustainability Reports (ASR)
Bureau Veritas Certification – Brazil

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Rua Paschoal Apóstolo Pítsica, 5.064 - CEP 88025-255 — Florianópolis (SC) Phone: (48) 3221-7000

Shareholders or market analysts

Investor Relations - ri.brenergia@engie.com Phone: (48) 3221-7225

Shareholder service/Custody bank

Banco Itaú S.A. Unified Service

Phone: (11) 3003-9285 / 0800-7209-285

Depositary bank (American Depositary Receipts)

The Bank of New York Mellon

Environmental, health & safety, or social responsibility matters

Sustainability Forum - comitesustentabilidade.brenergia@engie.com

Environmental, health and safety, or social responsibility matters

Ethics Forum: forumdeetica.brenergia@engie.com

Whistleblowing or inquiries:

https://www.canalintegro.com.br/engiebrasil/ (guaranteed anonymity)

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https://www.engie.com.br/fornecedores/

Customers

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https://blog-solucoes.engie.com.br/

Credits

General coordination

Investor Relations (RCI)

GRI Consultancy, text and editing

We Sustentabilidade

Graphic design and layout

L7 Design

Translations

Tristar Traduções Ltda

SUPPLEMENTARY BROCHURE

PEOPLE

This section provides information and indicators in addition to those mentioned in the 2019 Sustainability Report's main volume, in connection with policies and practices embraced with the main publics with which we interact.

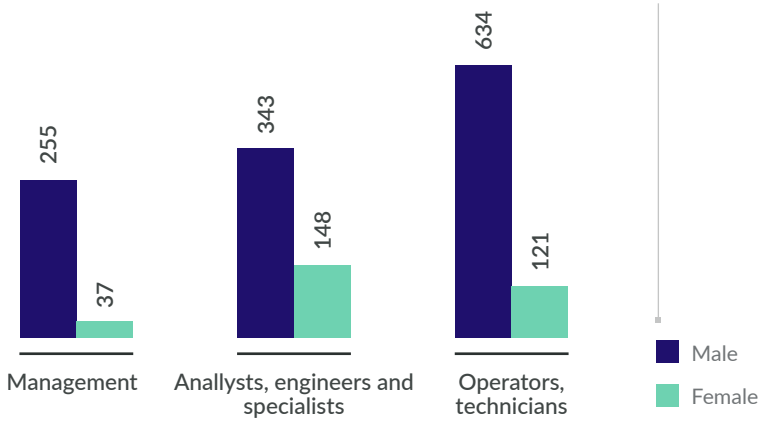
DIVERSITY

[GRI 102-8; 405-1]

Governance body membership by gender

	Male	Female	Under 30 y.o.	Between 30 and 50 y.o.	Over 50 y.o.
Board of Directors	78%	22%	0	22%	88%
Executive Board	87.5%	12.5%	0	57%	43%

Number of employees, by gender and category



Number of employees in 2020 by job type

	Male	Female
Full-time	1,226	301
Part-time	6	5

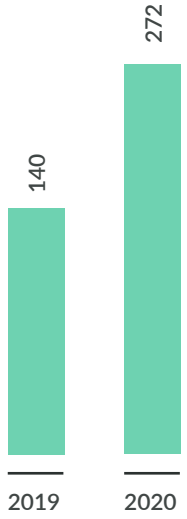
Number of employees in 2020, by employment type

	Male	Female
Permanent	1.095	271
Temporary	137	35
Total	**1,232**	**306**

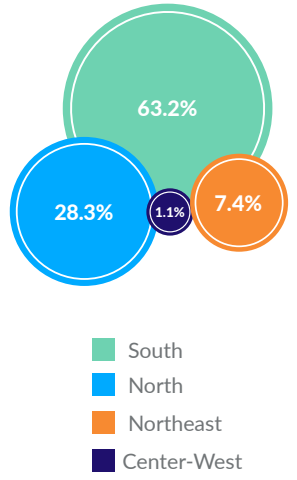
HIRES

[GRI 401-1]

Evolution in the number of hires



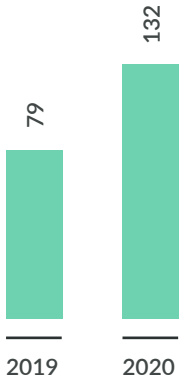
Hire rate by region



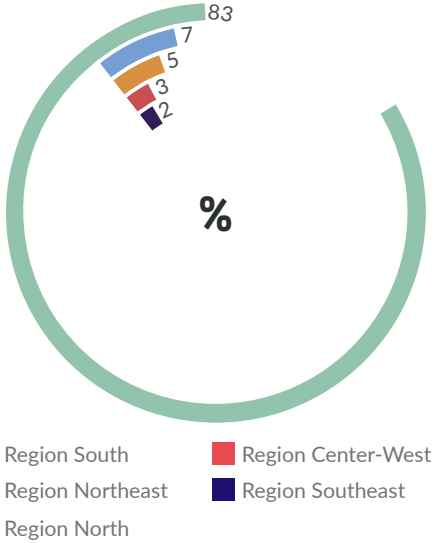
Severances

[GRI 401-1]

Evolution in the number of severances



Percentage severances by region



Turnover, by region

North	Northeast	Center-West	Southeast	South	General
2.7%	0.7%	0.2%	0.3%	9.1%	13.1%



OCCUPATIONAL HEALTH AND SAFETY

[GRI 403-9]

Number of occupational accidents, except ENGIE Geração Solar Distribuída

	2018	2019	2020
Own employees			
Hours of risk exposure	2,060,731	2,338,743	2,420,548
Number of occupational and commuting accidents without leave	3	7	5
Number of days lost – occupational accidents with leave	30	0	15
Number of fatal accidents	0	0	0
Contractor employees			
Hours of risk exposure	18,728,672	8,603,756	17,660,961
Number of occupational and commuting accidents without leave	155	55	102
Number of fatal accidents	0	0	0

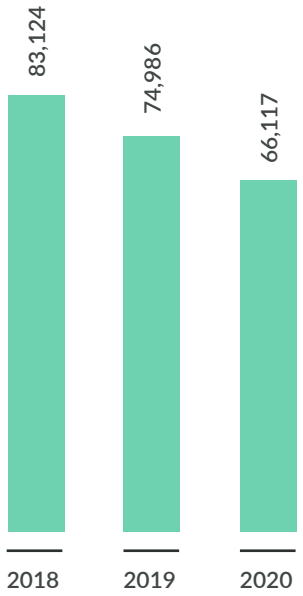
Number of occupational accidents at ENGIE Geração Solar Distribuída

	2019	2020
Own employees		
Hours of risk exposure	215,037	174,088
Number of occupational and commuting accidents without leave	1	0
Days missed – occupational accidents with leave	65	0
Number of fatal accidents	0	0
Contractor employees		
Hours of risk exposure	126,073	97,396
Number of occupational and commuting accidents without leave	4	0
Number of fatal accidents	0	0

TRAINING AND DEVELOPMENT

[GRI 404-1]

Training Hours



Average training and development hours by gender

	2019	2020
Male	52.9	47.1
Female	31.8	26.4

Average training and development hours by category

	2019	2020
Managers	44.6	29.0
Analysts, engineers and specialists	40.6	35.7
Operators, technicians	56.7	52.3



COMMITMENT TO OUTSIDE INITIATIVES

[GRI 102-12; 102-13]

One way for ENGIE Brasil Energia to contribute to the development of the industry and of the communities in which it is present is to have employees and managers take part in associations devoted to public interest and social well-being.

The company is a member and the main supporter of the "National SDG Movement – We Can Santa Catarina". It is also a member of the Ethos Institute's "Corporate Compact for Integrity and against Corruption" and of Women's Empowerment Principles (WEP), a UN Women initiative.

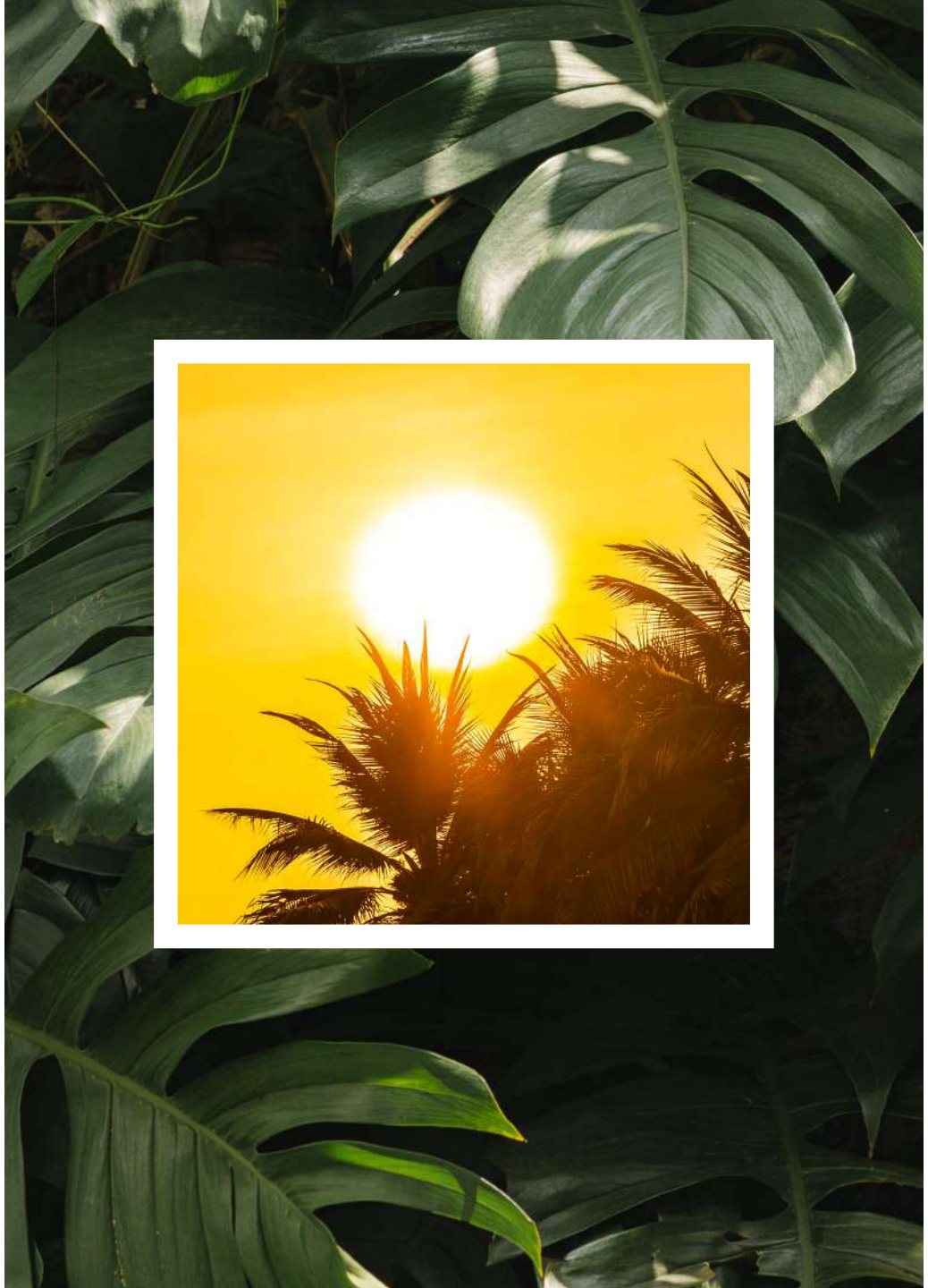
Other initiatives where the Company takes part are as follows:

- Brazilian Association of Electric Energy Generation Companies (Abrage);
- Brazilian Wind Power Association (ABEEólica);
- Brazilian Maintenance Association (Abraman);
- Brazilian Association of Electric Energy Trading Agents (Abraceel);
- Santa Catarina State Association of Energy Producers (Apesc);
- Brazilian Association of Independent Electric Energy Producers (Apine);
- Brazilian Association of Small Hydroelectric Plants and Hydroelectric Generation Centers (ABRAPCH);
- Health Care Association (Elosaúde);
- Electric Energy Trading Chamber (CCEE);
- Electric Energy Research Center (CEPEL);
- Jacutinga River Watershed and Contiguous Watersheds Management Committee;
- Apuaê-Inhandava Rivers Watershed Management Committee;
- Passo Fundo River Watershed Management Committee

- Tubarão River Watershed and Lagoon Complex Management Committee;
- Canoas River Watershed Management Committee;
- São Lourenço River Watershed Committee;
- Lower Iguaçu River Tributaries Committee;
- Rio Grande do Sul State Energy Planning Committee (Copergs);
- Cantuquiriguaçu Territory Development Council (Condetec);
- National Hydro Resources Council (CNRH);
- Santa Catarina State Hydro Resources Council (CERH-SC);
- Paraná State Hydro Resources Council (CERH-PR);
- Santa Catarina State Environment Council;
- National Industrial Confederation (CNI) Environment and Sustainability Theme Council;
- Electric Power Research Institute (EPRI/ USA);
- Energy Research Company (EPE);
- Santa Catarina State Industrial Federation (Fiesc);
- Rio Grande do Sul State Industrial Federation and Center (Fiergs);
- Business Management Committee Foundation (Funcoge);
- Eletrosul Pension and Welfare Foundation (ELOS);
- Acende Brasil Institute;
- Tocantins River Watershed Crisis Room, coordinated by the National water Agency (ANA); and
- Supplementary Pension Society (PREVIG).

At the global level, Controlling Entity ENGIE is a signor of the Carbon Disclosure Program (CDP), the United Nations (UN) Global Compact, biodiversity protection initiative act4nature, and several initiatives focusing on climate change and the energy transition:

- Solar Impulse Foundation;
- We Mean Business;
- Business Leadership Criteria on Carbon Pricing (UN Global Compact);
- Caring for Climate (UN Global Compact);
- Hydrogen Council;
- Terrawatt Initiative (founding member), which aims to exert global-level influence on the regulatory conditions for massive and competitive construction of solar generation.
- Science Based Targets (SBT).



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Impact on communities

[GRI 413-1; 413-2]

Summary – Significant negative impacts, both real and potential, on communities near ENGIE Brasil Energia's operations

Operation type	Implementation	Operation	Decommissioning
General	Increased population flow (temporary or permanent, depending on project size and type). Community exposure to particulate emissions and noise. Interference with the surrounding community's routine. Exposure of the local population to increased heavy vehicle traffic. Morphological (natural contour and drainage), scenic and habitat alterations. Managing the local population's expectations	Increased population flow (temporary or permanent, depending on project size and type).	Temporarily increased population flow. Community exposure to particulate emissions and noise. Interference with the surrounding community's routine. Exposure of the local population to increased heavy vehicle traffic. Reduced local economic activity post-demobilization.
Hydroelectric Plants	Relocation of families and resulting changes to socio-economic dynamics, due mainly to the reservoir.	Restrictions on the use of the reservoir and its surroundings.	Not many events/studies exist thus far on the decommissioning of hydro plants
Thermal Power Plants	Relocation of families and resulting changes to socio-economic dynamics, due mainly to the reservoir.	Atmospheric emissions (mostly CO_2, as the particulate material is 99.9% contained by filters).	Deteriorating economic activity, as thermal power plants directly and indirectly employ a large number of workers, , in addition to the generation of direct and indirect revenues in the surrounding area.
Transmission	Relocation of families and resulting changes to socio-economic dynamics in the areas where substations are built. Plant suppression and land clearing, generating dust, noise and inconvenience for the population.	Use of property land with topical changes to economic dynamics (e.g.: restricted use of land near the power lines).	Not many events/studies exist thus far on the decommissioning of transmission lines.
Wind farms	Increased noise and vibration.	Noise and vibration emissions from wind turbines.	Not many events/studies exist thus far on the decommissioning of Wind Complexes.

Summary – Positive impacts on surrounding communities:

- Increased local commerce.
- Increased tax revenues.
- Contribution to land usage planning.
- Retainer of local businesses and labor.
- Increased labor qualification and training.
- Increased public-private partnerships towards socio-economic development.
- Jobs and income generation.
- Increased supply of alternative energy.
- Addition to regional socio-environmental value.
- Strengthening the National Interconnected System.



PLANET

We provide, next, complementary indicators on material environmental management topics.

Water

[GRI 303-3; 303-4]
[SASB IF-EU-140a.1]

Water withdrawn

(in ML)

	2018	2019	2020	Change 2019/2020
Surface water	490,663.9	425,982.0	457,097.8	7.3%
Ground water	12.2	12.8	14.1	10.3%
Third-party water (city supply)	2,420.5	2,138.8	2,163.4	1.1%
Total	**493,096.6**	**428,133.6**	**459,275.3**	**7.3%**

Water usage at thermal power

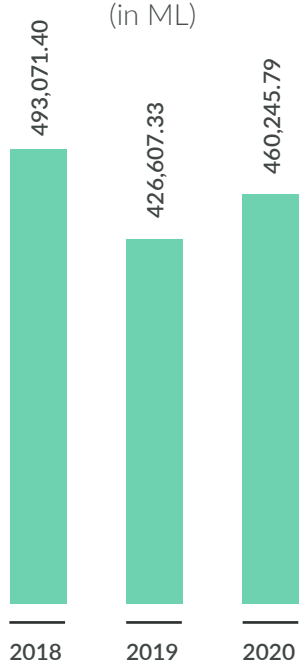
(in ML)

Procedure	2018	2019	2020	Change 2019/2020
Processing	6,000.9	5,847.87	5,670.12	-3%
Cooling	487,070.5	420,759.46	454,575.67	8%
Total	**493,071.4**	**426,607.33**	**460,245.79**	**8%**
Consumption*	4,511.1	8,459.08	9,649.80	17%

* Water consumption is not included in the total because it is part of the volume used for cooling.

Total water used at thermal plants

(in ML)



Total water disposal

(in ML)



Total water disposal

(in ML)

	2019	2020	Change 2020/2019
Surface water	416,246.3	448,718.9	7.8%
Third-party water	1,907.9	1,881.2	-1.40%
Total	**418,154.2**	**450,600.1**	**7.8%**

450,595.97 ML

Planned thermal discharges

ENERGY

[GRI 302-1; GRI G4-EU11]

Direct energy consumption – non-renewable sources

(GJ)

	2018	2019	2020	Change 2019/2020
Diesel fuel	160,411.96	209,448.19	217,656.00	3.9%
Fuel oil	124,675.09	121,905.74	21,744.00	-82.2%
Coal	44,122,138.66	48,926,974.19	58,714,992.00	20.0%
Total	**44,407,225.71**	**49,258,328.12**	**58,954,392.00**	**19.7%**

Direct energy consumption – renewable sources

(GJ)

	2018	2019	2020	Change 2020/2019
Wood biomass	2,306,668.52	2,195,229.60	1,283,031.33	-41.6%
Sugar-cane biomass	9,841,862.20	10,064,558.51	10,083,854.97	0.2%
Total	**12,148,530.72**	**12,259,788.11**	**11,366,886.30**	**-7.3%**

Grid electricity consumption

(GJ)

2018	2019	2020	Change 2020/2019
306,108.00	604,526.74	270,804.17	-55.2%

Average efficiency – Thermal power plants

Thermal Plant/Unit		2020 (%)	2019 (%)	Change (p.p.)	Aneel Benchmark (RN 801)	2020 Specific consumption (Coal tons/ MWh)	2019 Specific consumption (Coal tons/ MWh)
Jorge Lacerda Complex – CTJL (coal)	UTLA 1	26.1	24.9	1,2	30%	0.72	0.76
	UTLA 2	29.9	29.6	0,3	30%	0.64	0.65
	UTLB	28.7	28.3	0,4	35 %	0.67	0.69
	UTLC	33.9	33.5	0,4	35%	0.56	0.58
	Total CTJL	30.8	30.3	0,5	-	0.62	0.63
Pampa Sul (coal)		34.4	36.3	-1.9	N.A.	1.00	0.93
Ibitiúva (biomass – sugar-cane bagasse)		25.5	25.9	-0.4	N.A.	N.A.	N.A.
Ferrari (biomass – sugar-cane bagasse)		19.0	18.7	0.3	N.A.	N.A.	N.A.
Lages (biomass – wood)		21.7	23.2	-1.5	N.A.	N.A.	N.A.



WASTE

[GRI 306-3; 306-4; 306-5]
[SASB IF-EU-150a.2]

WASTE NOT ALLOCATED FINAL DISPOSAL

Hazardous waste

(t)

Disposal	2018	2019	2020
Re-use	34.78	34.54	59.93
Recycling	82.12	40.51	180.74
Co-processing	150.32	280.88	127.68
Total	**267.22**	**355.93**	**368.35**

Non-hazardous waste

(t)

Disposal	2018	2019	2020
Re-use	1.25	14.4	5,850.47
Recycling	813,440.62	843,551.91	1,139,623.17
Composting	257.01	284.21	131,783.80
Degraded areas recovery	632,368.55	1,219,643.41	817,593.00
Co-processing	12.00	41.36	95.26
Total	**1,446,079.43**	**2,063,535.29**	**2,094,945.69**

WASTE ALLOCATED TO FINAL DISPOSAL

Hazardous waste

(t)

Disposal	2018	2019	2020
Incineration (mass burning)	0.03	0.01	0.34
Landfill	108.96	163.86	149.11
Local storage	48.94	30.95	56.03
Total	**157.93**	**194.82**	**205.48**

Non-hazardous waste

(t)

Disposal	2018	2019	2020
Landfill	576.79	614.24	431,483.14
Local storage	18.30	119.41	8.06
Total	**595.09**	**733.65**	**431,491.20**

TOTAL WEIGHT OF GENERATED WASTE

(t)

Hazardous	517.8
Ashes (non- hazardous)	2,477,991.1
Non- hazardous (others)	48,437.7
Total	**2,526,946.63**

ATMOSPHERIC EMISSIONS

[GRI 305-6; 305-7]
[SASB IF-EU-110a.1; IF-EU-110a.2; IF-EU-120a.1.]

NO_x, SO_x and other significant atmospheric emissions (t)*

	2018	2019	2020	Change 2019/2020	Percentage emissions in densely populated areas
NO_x	14,208.20	11,766.04	15,834.81	34.6%	89.7%
SO_x	114,706.24	119,984.76	112,551.33	-6.2%	90.2%
Persistent organic pollutants (POP)	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured
Volatile organic compounds (VOC)	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured
Hazardous atmospheric pollutants	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured
(HAP)	2,894.02	2,820.39	2,978.21	5.6%	59.4%
Particulate material (PM)	Not Measured	Not Measured	Not Measured	Not Measured	Not Measured
Lead (Pb)	-	0.10	0.16	60.0%	41.6%

* Sampled data.



Intensity of NO_x, SO_x and other atmospheric emissions by total net generation (Kg/MWh)*

	2018	2019	2020	Change 2019/2020
NO_x	0.37	0.27	0.47	72.6%
SO_x	3.0	2.80	3.31	18.3%
Poluentes orgânicos persistentes (POP)	Not Measured	Not Measured	Not Measured	Not Measured
Compostos orgânicos voláteis (COV)	Not Measured	Not Measured	Not Measured	Not Measured
Poluentes atmosféricos perigosos (HAP, na sigla em inglês)	Not Measured	Not Measured	Not Measured	Not Measured
Material particulado (MP)	0.76	0.07	0.09	32.8%
Chumbo (Pb)	Not Measured	Not Measured	Not Measured	Not Measured
Mercurio (Hg)	-	0.00	0.00	-

* Sampled data.

Emission of Ozone Depleting Substances (ODS) – tCO_2e

ODS	Operational Control	Equity Stake	Operational Control	Equity Stake	Operational Control	Equity Stake
	2018		2019		2020	
HCFC (R-22)	279.84	296.51	324.27	382.56	194.37	216.20

Intensity of NO_x, SO_x and other atmospheric emissions from all combustion plants (Kg/MWh)

	2018	2019	2020
NO_x	3.85	2.31	2.79
SO_x	31.05	23.59	19.86
Particulate material (PM)	0.78	0.55	0.53



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