

ESG in practice

The relevance of the “G” pillar

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Sobre mim:



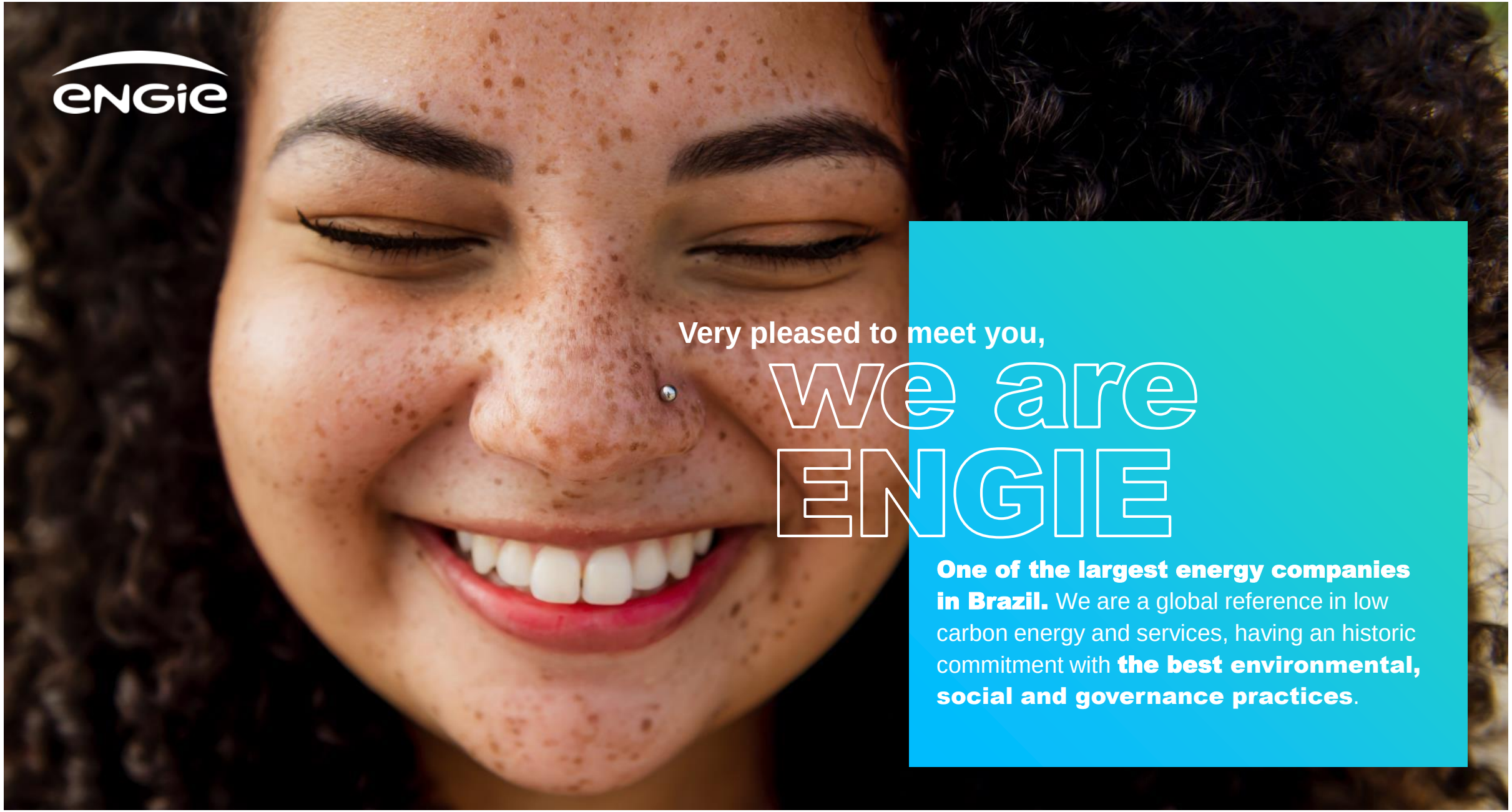
Eduardo Sattamini
Chief Executive and Investor Relations Officer of ENGIE Brasil Energia

Eduardo Sattamini graduated in Economics from the Pontifícia Universidade Católica do Rio de Janeiro, where he also concluded a Master's degree in Business Administration with specialization in Finances. He obtained a Masters in Management from the University of London where he completed the London Business School's Sloan Fellowship Master Program.

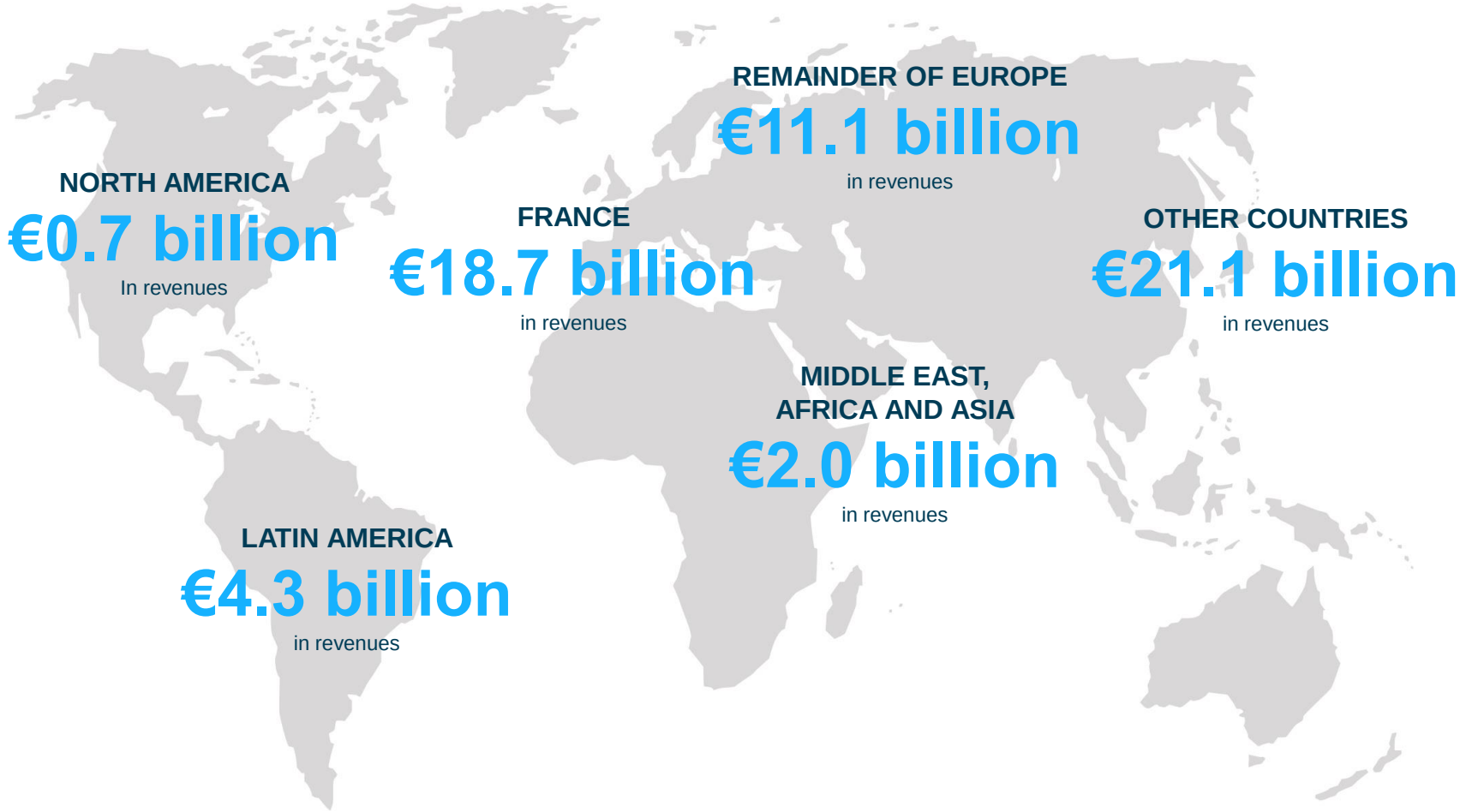
He worked in the naval sector, holding various managerial functions in shipping, shipbuilding and maritime support industries, among them Managing Director of Metalnave S.A. and Chief Financial Officer of Indústrias Verolme-Ishibras S.A.

He joined ENGIE in 2000, where he worked in the area of management, business development and finance. He held the positions of Chief Financial Officer of Energia Sustentável do Brasil, Director for LATAM at Tractebel Gás Engineering GmbH, Director for Oil and Gas of Leme Engenharia Ltda, Senior Manager for Business Development of GDF Suez International, among others. On December 21, 2009, he was elected Investor Relations Officer of ENGIE Brasil Energia. He is effective director on the Board of Directors of Itá Energética S.A., Transportadora Aliança de Gás -S.A – TAG, and Usina Hidrelétrica de Jirau.

He has held the position of Chief Executive and Investor Relations Officer of ENGIE Brasil Energia S.A. since July 2016. In the ENGIE Group, he is also Chief Operating Officer (COO) of the Renewables for South America business unit as well as Managing Director for Brazil of the Renewables and Thermal&Supply business units.


Very pleased to meet you,
we are
ENGIE
One of the largest energy companies in Brazil. We are a global reference in low carbon energy and services, having an historic commitment with the best environmental, social and governance practices.

A Group with global activity



NORTH AMERICA
€0.7 billion
In revenues

REMAINDER OF EUROPE
€11.1 billion
in revenues

FRANCE
€18.7 billion
in revenues

OTHER COUNTRIES
€21.1 billion
in revenues

MIDDLE EAST, AFRICA AND ASIA
€2.0 billion
in revenues

LATIN AMERICA
€4.3 billion
in revenues

In 2021

- **101,504** employees
- **€57.9 billion** in revenues
- **€4.3 billion invested**
- **100.3 GW** in installed electricity generation capacity

With a positive local impact

ENGIE BRASIL ENERGIA represents 11% of ENGIE's global result.

R$ **7.2**bi

EBITDA

11% ENGIE Global

1,176

Employees

8.5 GW

of installed capacity.

8.2% ENGIE Global

96%

in **clean and renewable** sources.

23% ENGIE Global

2,800 km

in transmission lines



We go beyond

energy

We reconcile economic performance with a positive impact on people and the planet.

Propósito

To act to accelerate the transition to a carbon-neutral society through renewable energy generation and the availability of transmission infrastructure.

People

To contribute to an improved quality of life for people through solutions that reduce the carbon footprint of the cities, local government and businesses.

Planet

To contribute to the environment by means of reduced energy consumption and more sustainable solutions.

Performance

To reconcile a positive impact on the planet and people with corporate performance

ESG in practice

THE DESIRE TO LEAD A TRANSFORMATION, ESG NEEDS TO BE LEGITIMATE



TONE AT THE TOP

- **Controller**
- **Board of Directors**
- **C-Level**

ESG AT ENGIE

Sustainability in Strategy:
To lead the energy transition

... in Vision:
To transform the relation of the people with ***energy for a sustainable world***

... and in Mission:
To offer ***innovative and sustainable solutions in energy***

Energy Transition: is it a reality?

THE SCIENCE IS CLEAR: CLIMATE CHANGE IS REAL AND IS ACCELERATING.

THE CONSEQUENCES OF CLIMATE RISK HAVE ALERTED THE FINANCIAL MARKET.

TO THE POINT OF BECOMING AN OBLIGATORY THEME AMONG THE LARGEST COMPANIES IN THE WORLD.

Mudança no clima eleva risco a negócios

Em meio aos riscos climáticos que devem se tornar mais frequentes e extremos, países e empresas em todo o mundo sofrerão suas consequências

Valor Econômico, 06.04.2022

Em áreas vulneráveis, morte por eventos climáticos é 15 vezes pior do que em regiões adaptadas, diz IPCC

Valor Econômico, 28.02.2022

Poor Nations Face Four Times More Climate Change Risk, S&P Warns

- Around 12% of low-income nations' output under threat by 2050
- More climate finance needed to help build resilience

Bloomberg, 27.04.2022

BlackRock's Larry Fink: climate policies are about profits, not being 'woke'

Investment fund manager says firms that do not plan for a carbon-free future risk being left behind

The Guardian

The World's Biggest Investors Get Louder About ESG

It may not be a coincidence that Wall Street giants are increasingly resolutions and telling everyone about it.

Bloomberg

Most ESG funds outperformed S&P 500 in early 2021 as studies debate why

S&P

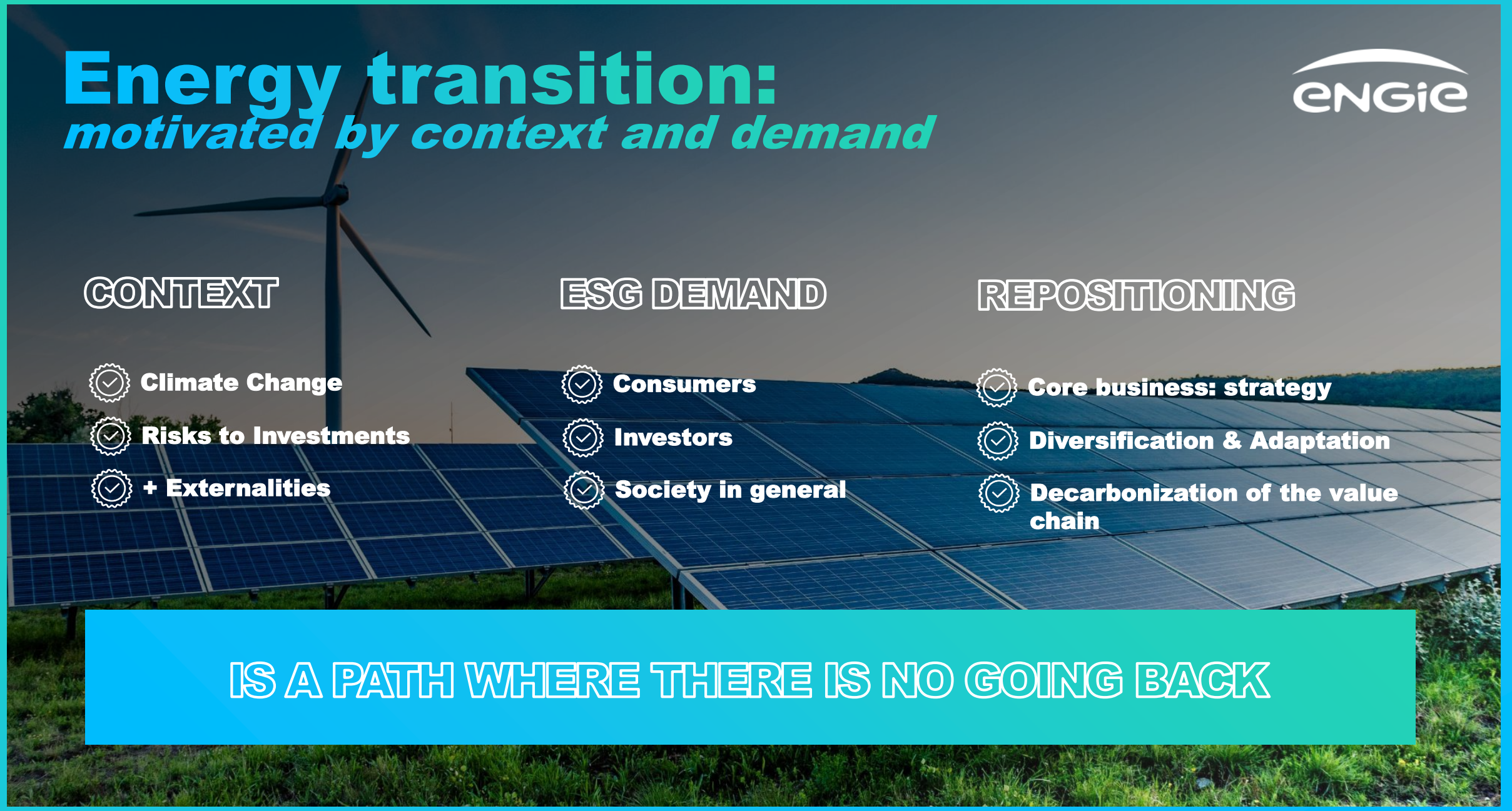
Exhibit 1: Investors are catching up on ESG—and they're ready to act

Attitudes toward ESG risks and opportunities, % of respondents



Source: PwC 2021 Global Investor Survey

Energy transition:
motivated by context and demand



CONTEXT

- Climate Change
- Risks to Investments
- + Externalities

ESG DEMAND

- Consumers
- Investors
- Society in general

REPOSITIONING

- Core business: strategy
- Diversification & Adaptation
- Decarbonization of the value chain

IS A PATH WHERE THERE IS NO GOING BACK

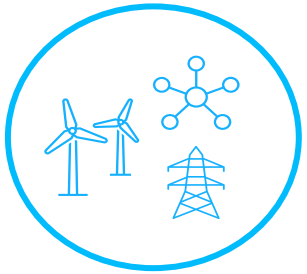
Repositioning of ENGIE

DRIVERS:



Decarbonization
of the Generation matrix:

Ambition:
- 100% renewable by 2027
Where we are:
- 95.8% renewable in 2022



Diversification
of the portfolio:

- Entry into the sectors of:
Energy Transmission
Gas Transportation
Green Hydrogen



Digitalization
& Decentralization:

- Expansion of the portfolio
- Green (& Digital) Products
- Greater proximity to the **client**
- Preparation for the **future**

ENGIE's Journey of Repositioning

DOESN'T HAPPEN OVERNIGHT:

2015

Strategy for exiting coal

2016

Exit from Coal (1): decommissioning of the Charqueada (RS) thermoelectric plant

2017

Debut in the segment of transmission lines with the Gralha Azul (1.146 km) concession

2019

Sale of the William Arjona TPP (MS)

Acquisition of TAG

Acquisition of the concession of the Novo Estado transmission line (1,831 km)

2021

More than 1.2 GW of **installed wind capacity**

Exit from Coal (2): sale of Jorge Lacerda (SC) thermoelectric complex

2022

3.5 GW of renewables in the **projects pipeline**

Exit from Coal (3): progress in the sale of the Pampa Sul thermoelectric plant (RS)

Requisites for Repositioning

REQUIRE INVESTMENTS & PLANNING

2015 – 2021: R$ 20.5 Bi

PORTFOLIO DIVERSIFICATION

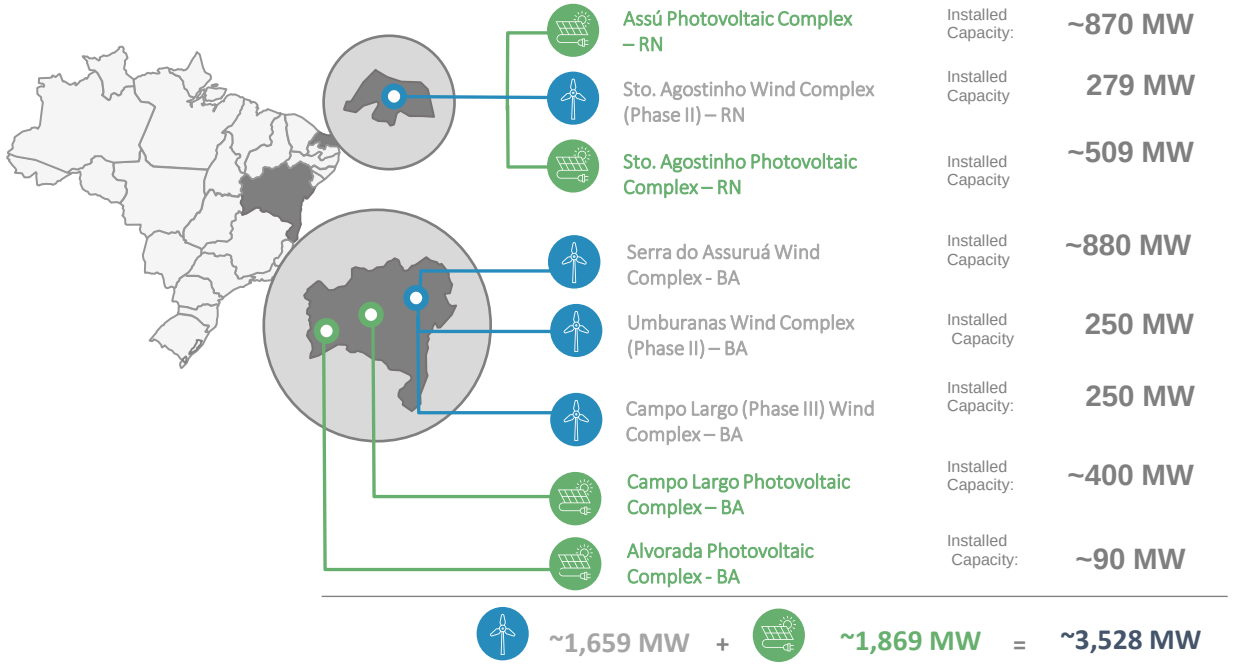
- Gralha Azul Concession (Transmission)
- Acquisition of TAG (Gas Transportation)
- Acquisition of Novo Estado (Transmission)

GROWTH IN RENEWABLES

- Implementation of Santa Mônica, Assú V, Umburanas, Campo Largo I and II
- Beginning of Santo Agostinho
- Acquisition of Paracatu and Floresta

MAINTENANCE OF ASSETS – 9GW

Projects under Development



Viability of Repositioning

REQUIRES TRUST OF THE STAKEHOLDERS

TRUST

The trust imperative

As businesses grapple with risk and uncertainty, building and maintaining trust is key.



of respondents say they're focused on developing or refining their trust strategy



say it's likely that businesses will be the most trusted entity in the next 12 months

PwC, Risks Pulse Survey, 2022

(+) INTEGRITY

Para empresários, compliance é o tema mais importante de ESG

Valor Econômico, 2022

Why sustainable governance and corporate integrity are crucial for ESG

WORLD ECONOMIC FORUM Jul 29, 2022

S&P Global

What is the "G" in ESG?

HIGHLIGHTS

The "G" in ESG refers to the governance factors of decision-making, from sovereigns' policymaking to the distribution of rights and responsibilities among different participants in corporations, including the board of directors, managers, shareholders, and stakeholders.

The purpose of the corporation, the role and makeup of boards of directors, and the compensation and oversight of top executives have emerged as core issues in companies' corporate governance structures.

(-) RISKS

Why Do Investors Consider ESG in Their Investments?



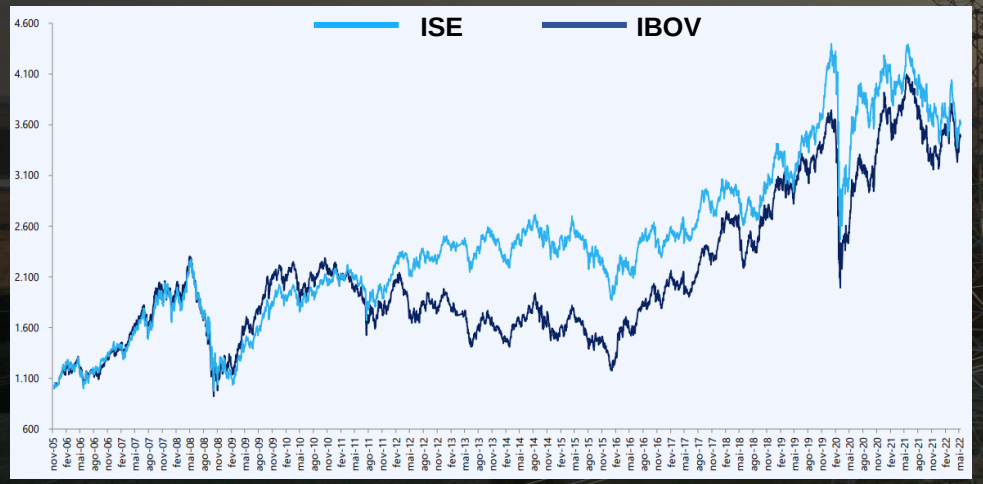
gartner.com

Source: Gartner
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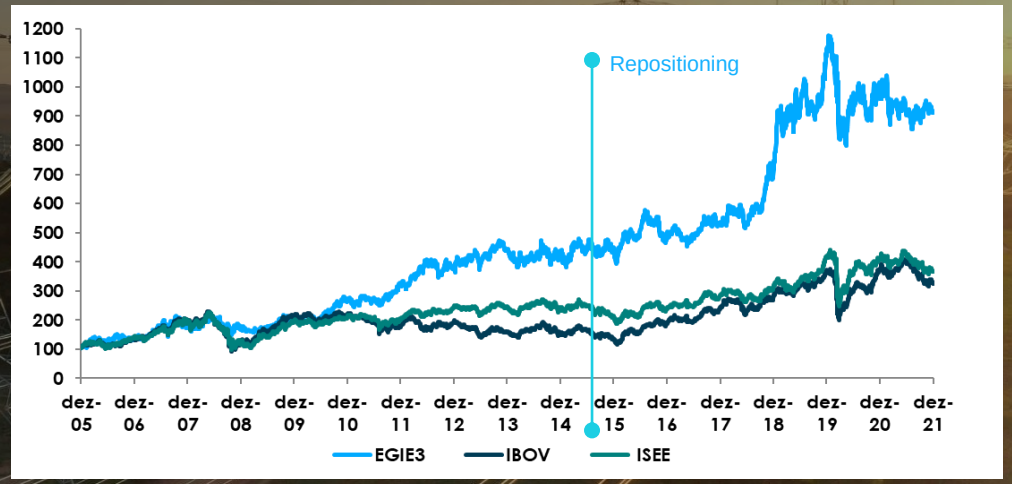
Gartner

Creation of Value

ISE x IBOV



EGIE3 x IBOV x ISEE



RECOGNITION OF THE COMPANY'S VALUE OF THE STRATEGY AND CAPACITY OF EXECUTION



Let's talk about

PILLAR G of ESG

1. **Evolution at ENGIE Brasil Energia**
2. **Essential Aspects:**
   - *Organizational Structure*
   - *Integrated Management*
   - *Management of Corporate Risks*
   - *Management of Ethics and Compliance*
3. **In Short**
4. **Let's talk!**

EBE's evolution in Governance:

1998 to 2002

1998
- Acquisition of Gerasul

1999
- Introduction of the Code of Ethics

2002
- Establishment of the Ethics Committee
- Creation of the Internal Ethics Channel

2003 to 2004

2003
- Establishment of the **Risks Management** Forum

2004
- **ISO 9001, 14001 and 45001** certification

2005 to 2006

2005
- Signed up to B3's Novo Mercado
- Becomes a component of B3's ISE
- Creation of an IR area

2006
- Members on the **Board of Directors** increased from 7 to 9, being 2 independent and 1 elected by the employees
- Internal Controls as per Sarbanes-Oxley

2007 to 2012

2007
- Creation of the **Sustainability Forum**

2008
- Adhesion to the Pact for Integrity and Against Corruption

2010
- Strengthening of **Transactions with Related Parties Policy**

2013 to 2015

2012:
Offering and Receiving Courtesies Policy

2013
- Adoption of the **Permanent Fiscal Council**

2014
- Anti-Bribery and Corruption Policy

2015
- Prevention of Conflicts of Interest Policy

2016 to 2019

2016
- Ethics Award
- Sustainable Management Policy

2017:
- Due Diligence Policy

2018:
- Report on Brazilian Code of Governance

2019:
- GDPL Governance
- External Ethical Channel

2020 to 2022

2020
- Audit reports to BD
- Statutory Audit Committee

2021
Risk Management and Compliance area reports to CEO
- ISO 37001 certification

2022
- Ethics Committee now reports to the BD
- BD with 4 independent directors

FIRST STEPS

Integrity, Risks & Processes.

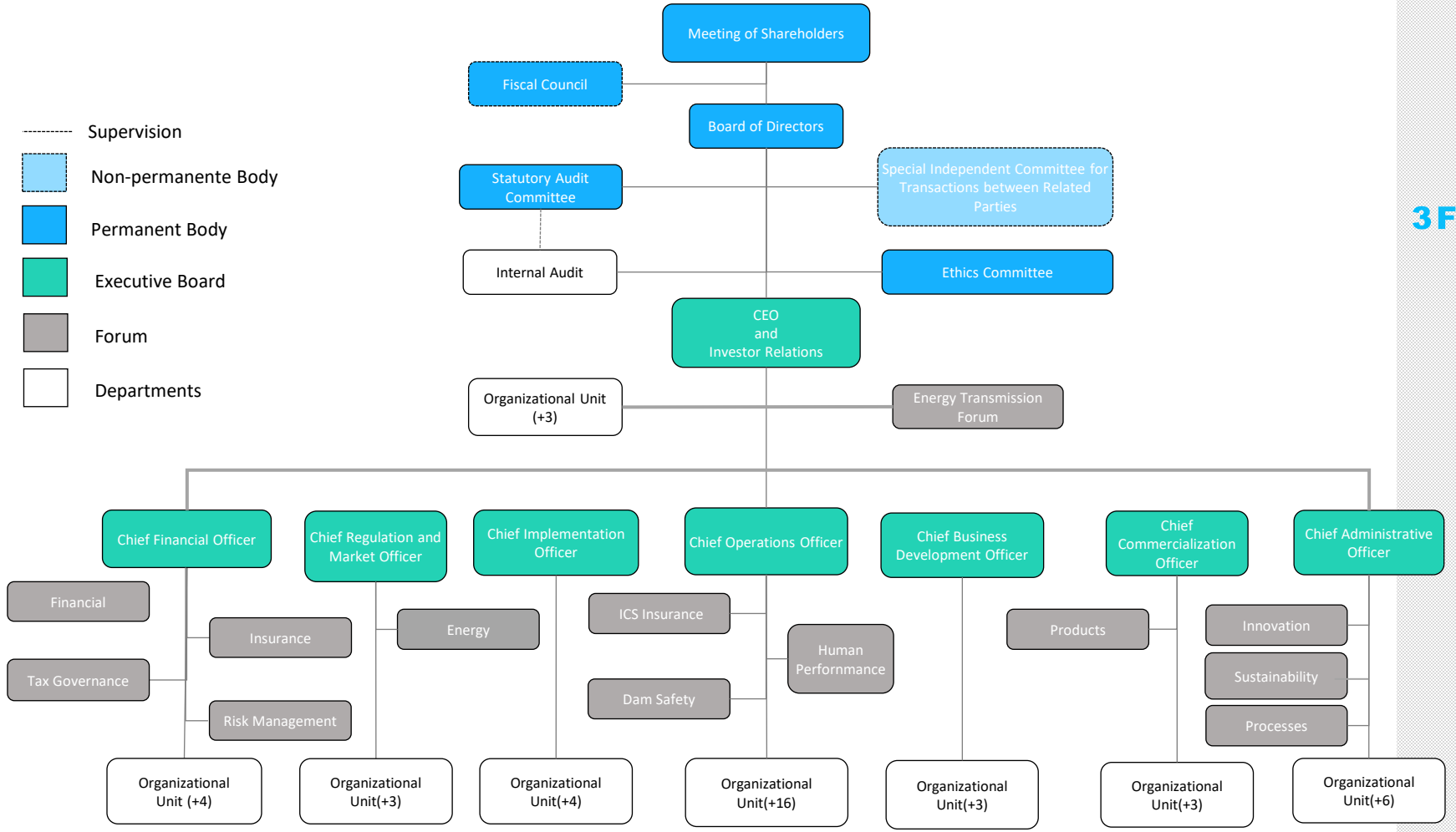
ACCELERATION

- Secondary share offering
- Increasing liquidity and dilution of the parent company
- Conversion of the Preferred into Common shares
- 100% Tag Along
- Creation of B3's ISE and inclusion of ENGIE in the portfolio

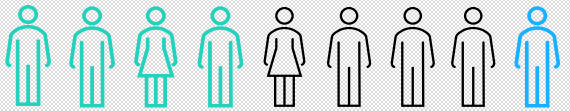
CONSOLIDATION

Stimulation of ethical behavior along the supply chain

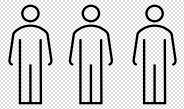
Organizational Structure:



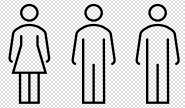
9 BOARD DIRECTORS



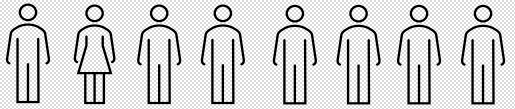
3 FISCAL COUNCILORS



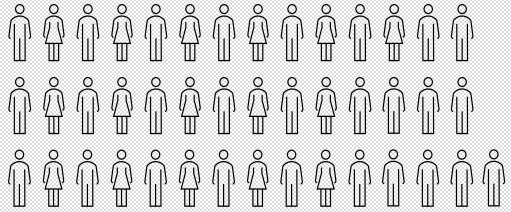
3 SAC



8 EXECUTIVE OFFICERS



43 MANAGERS



Integrated Management



BALANCED SCORECARD

PROJECTS | PROCESSES

RESULTS

- Satisfied shareholders
- Attended clients
- Efficient and efficacious processes
- Motivated and prepared people

Integrated Management System

11 Hydroelectric Plants
ISO 9001, 14001 and 45001 certified

- **Integrated Management System (SIG)** is a platform which consolidates Company performance information and indicators.
- Endeavors to guarantee the continuous efficiency and improvement of our processes of **Quality, Environment and Occupational Health and Safety.** (ISOs 9001, 14001, 45001, respectively).
- Through **regular internal** (ENGIE employees) and **external** (Bureau Veritas) audits, we certify the good functioning of our processes and maximization of our **results**.
- The standardization of documents, management of legal requirements and compliance of other **mandatory, normative or voluntarily conditions adopted comprise the SIG.**

Management of Risks

Our values and organizational culture are detailed and validated by the Board of Directors, providing guidance to the businesses and the relationship with the different audiences with which we interact.

Ethics	• Code of Ethics and Ethical Practices Guide • Anti-bribery and Corruption Policy • Prevention of Conflicts of Interest Policy • Rule for Offering and Receiving Gifts & Courtesies
Socio-environmental	• Sustainable Management Policy • Human Rights Policy • ISO 9.001 (Quality), ISO 14.001 (Environmental Policy), ISO 45.001 (Health and Safety)
Management and transparency	• Policy for Disclosure of Information and Trading of Shares • Policy for Appointments, Evaluation and Remuneration of Senior Management • Policy for Management of Risks and Opportunities • Policy for Transactions with Related Parties • Investments and Derivatives Policy
Protection of data and information technology	• Data Security Policy • Personal Data Protection and Privacy Policy

INCOME PROGRAM

Company's internal controls program with the analysis of the risks of business processes and definition of the controls for mitigating them.

- Revised annually by those responsible for the processes and periodically tested by an independent outside auditor.
- Certified by the CEO and CFO, with the oversight of the Audit Committee and validated by the Board of Directors .

MANAGEMENT OF RISKS

- **10 risk categories:** Taxation, Regulatory, Industrial Safety, Development and Implementation of Projects, Cybersecurity, Market, Commercial Counterparty, Personal Data Privacy, Operationalizing Strategy Ethics and Compliance.
- Shared between the Executive Board and the departmental managers of the Company.
- Approved annually by the Board of Directors with oversight by the Audit Committee.

Ethics & Integrity

Anti-bribery:

SISTEMA DE GESTÃO ISO37001 ANTISSUBORNO CERTIFICADO

Ethics Channel:

Divulgação intensiva do *Canal de Ética*

ZERO denúncias de corrupção

Commitment to correct conduct

www.canalintegro.com.br/engiebrasil

0800 580 2566

- Widely **disclosed**
- Guaranteed anonymity
- **Confidential** verification
- **Without retaliation**
- Unbiased investigation
- **Result** reported to the interested parties
- **Sanctions** for ethical violations



Guided by our journey:

Recognition, Indexes & Awards:

Component of the Corporate Sustainability Index (ISE) of B3 – since its inception in 2005.

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

Corporate Knights' Ranking – 2018, 2019 and 2021.

Since 2016
"A" in MSCI ESG Ratings

ALAS20

2019
4th place – Leadership in Sustainability,
6th place – Leadership in Corporate Governance and
2nd place – Leadership in IR.

2020
3rd place – Leadership in Sustainability and Corporate Governance
4th place – Leadership in IR.

Features in Institutional Investor magazine's ranking (Electric & Other Utilities — Latin America), notably in relation to first places in various categories over the last 12 years.

Winner of the Transparency Trophy of the National Association of Finance, Management and Accounting Executives (Anefac) 2022 – for the **13th time.**

In short

THE THREE PILLARS OF GOVERNANCE IN ESG:

INTEGRATED MANAGEMENT



Through listening to the stakeholders and an in-depth analysis of future drivers and tendencies: **to articulate a corporate proposal which creates value, sustains capital and orientates the strategy for action.**

MANAGEMENT OF RISKS



To identify which are its potential ESG risks, to establish the management governance, map opportunities of commitment and action: to execute, control and substantiate.

ETHICS AND INTEGRITY



To communicate in na authentic manner your Company's approach to ESG, with transparency and integrity starting from the standpoint of material aspects to the businesses based on the outlook for development.

McKinsey:
Five ways that ESG creates value

Morgan Stanley:
Sustainable Value:
How Emerging Public Companies Can Deliver on ESG Expectations


gestão de risco
REPUTAÇÃO
ESG
contrato social
TALENTOS
JORNADA
INVESTIMENTO
compliance
melhoria
DIVERSIDADE
DESEMPENHO
renovação
transição energética
compromisso
reposicionamento
CONSTRUÇÃO
qualidade
perenidade
oportunidade
tendência
futuro
longo prazo
resultado
RESPONSABILIDADE
COMPETITIVIDADE
inovação
crescimento
diversificação
stakeholders
governança
aprendizado
ENGAJAMENTO
novos negócios
cadeia de valor
GESTÃO INTEGRADA
conhecimento

Let’ talk?

PARADIGMS OF ESG:

- **IPO: benefts and risks**
  - *cost of the opening capital & challenges of the shared decision*
  - *continuous improvement in alerting to risks of the interface with investors*

- **Tradeoff of ESG:**
  who pays the investment?

- **Family companies and trust of the market:**
  where to begin?

- **What is your doubt?**


Conjunto Eólico Umburanas

Eduardo Sattamini

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ENGIE Brasil Energia

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