



**2023
Annual
Sustainability
Report**

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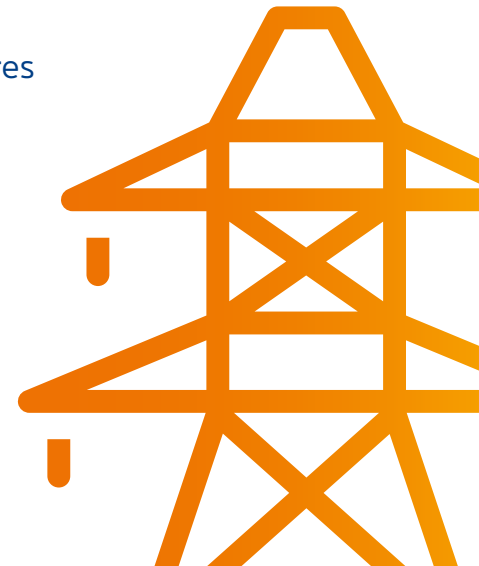
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Rui Chammas
Chief Executive Officer

Message from the CEO

At ISA CTEEP, we work every day to create connections that inspire—and the greatest connection we have is with life! With a team of more than 1,600 employees, we operate in 18 states, operating a transmission network through which about 30% of all electricity transmitted in Brazil and 95% in the state of São Paulo travel.

Safety is a non-negotiable value in everything we plan and carry out in the Brazilian electricity sector. In the development of new projects and in the operation of our transmission lines and substations, the prevention of accidents, care for people and risk mitigation are determining factors to guide any decision-making. This is a conviction of our leaders, employees and business partners, which will continue to be reinforced and strengthened in 2024 and in the coming years.

Another certainty we share is that electrical energy drives life. Our assets are essential to supply cities and the countryside with a fundamental input to enhance development, work, education and well-being. Our Company, therefore, has the responsibility to structure and maintain a prosperous and long-lasting business model, capable of meeting the needs of today's society and future generations.

With the aim of generating sustainable value and promoting positive social and environmental impacts in the long term, we are accelerating ISA CTEEP's growth strategy. Between 2013 and 2023, our portfolio of concessions tendered increased from 15 to 35, and the total number of kilometers of transmission lines we manage more than doubled. The assets won in transmission auctions already account for more than half of the annual operating revenue, which totaled R\$ 2.9 billion in the last year¹.

1. It does not consider the receipts of the Basic Network of the Existing System (RBSE – Rede Básica do Sistema Existente).

The other relevant part of our Company's revenue is linked to the renewed contract 059/2001, which includes transmission lines and substations in the state of São Paulo. On this front, our commitment is to the reliability and robustness of this very important network for the National Interconnected System (SIN – Sistema Interligado Nacional), and it materializes with excellence in the execution of investments in reinforcements and improvements that modernize and update old equipment or increase capacity, in some cases.



The investment of R\$ 1.2 billion made in contract 059 in 2023 is a record in our history. It demonstrates our commitment to modernization, excellence and quality in the management of one of the most important transmission systems for Brazil 🇧🇷

From 2024 to the end of 2028, we will invest approximately R\$ 5 billion in about 250 reinforcement and improvement projects in contract 059. In 2023

alone, we allocated R\$ 1.2 billion, the largest contribution in our history on this front. Last year, we replaced a total of 1,900 pieces of equipment, such as transformers, circuit breakers, protection systems and transmission lines.

These investments, which are essential to increase the safety and reliability of the transmission sector, are a lever of organic growth for our Company, strengthening the Annual Permitted Revenue (RAP – Receita Anual Permitida) in the tariff review cycles that recognize the modernization of assets. We ended 2023 with three new concessions won in ANEEL auctions: Lot 1 (Serra Dourada Project), Lot 7 (Itatiaia Project) and Lot 9 (Água Vermelha Project). With the total investment planned by ANEEL of R\$ 5.6 billion in these projects, corresponding to about 25% of the CAPEX of the bidding process, we will build 2,160 kilometers of new transmission lines and four substations, in addition to carrying out the expansion of another existing one.

In addition to the growth of the portfolio with new concessions, we completed the full start-up of the

Itaúnas Project and began the energization of the Triângulo Mineiro Project, important investments for the population of the Southeast region. Seven other projects are in progress, with works in progress.

ISA CTEEP's financial strength is a pillar for the materialization of all planned projects and evolutions. At the end of the period, considering IFRS accounting, our Company achieved a net operating revenue of R\$ 6,215.5 million, a result 14% higher than in 2022, and a total EBITDA of R\$ 3,967.5 million, an increase of 12.8%. In regulatory accounting, total net income was R\$ 1,942.3 million, an increase of 107.3%.

In the capital markets, the quality of our asset management and sustainability vision has been increasingly recognized. ISA CTEEP's shares are part of the portfolios of important indices of B3, the São Paulo stock exchange, with emphasis on the recent inclusion in the IBOVESPA and the maintenance, for the second consecutive year, in the Corporate Sustainability Index (ISE).

Being connected to life also means directing ISA CTEEP to be a protagonist in a world with fewer greenhouse gas emissions. The fight against climate change is a society-wide agenda and involves the transition to a renewable energy matrix. The transmission sector plays a crucial role in this journey, connecting new wind farms, photovoltaic and hydroelectric plants to large load-consuming centers, especially in the Southeast and South regions of Brazil.

With this perspective towards a sustainable future, we are a company that provides solutions for the energy transition. We act as agents of innovation to add new technologies to the electrical system, bringing more efficiency, resilience and reliability. Without transmission, there is no transition.

This is how we structured the unprecedented large-scale battery energy storage project at a substation on the coast of São Paulo, avoiding the use of diesel generators to meet the seasonality of energy demand. We also strengthened our pioneering spirit and installed the first 4.0 substation in Brazil at the Jaguariúna Substation, an existing asset located in the interior of São Paulo, which aims to support the energy transition through a fully digital asset management system.

We are pioneers in the sector in setting emission reduction targets linked to SF₆ gas, used as an electrical insulator in high-voltage equipment. Although there is no specific regulation for this topic, we have invested in monitoring systems and solutions (such as digital cameras and containment devices) to prevent and correct leaks as quickly as possible.

In another aspect, the Conexão Jaguar program contributed, in 2023, to the first certification of carbon credits in the Pantanal. Carried out in partnership with the Instituto do Homem Pantaneiro (IHP) and together with our controlling shareholder, ISA, the project is classified in the REDD+ category (Reducing Emissions from Deforestation and Forest Degradation).

We are a B2S (Business to Society) Company. This puts people at the heart of our strategy, which aims to create positive environmental impacts, contribute to social development and ensure ethical, responsible and transparent business conduct.

Thus, along with business growth and operational excellence that generate value and ensure corporate longevity, we invest in the development of our employees, in the promotion of diversity and inclusion (with the Outros Olhares program) and in the development of social programs (with Conexão Desenvolvimento). The results achieved on these fronts demonstrate our ability to plan and execute relevant projects beyond the electrical infrastructure.

In 2024, we will celebrate 25 years of ISA CTEEP. We will continue on this journey with the trust of shareholders, debenture holders, employees, regulatory bodies and society as a whole. With the certainty that we are solidifying the pillars of an increasingly long-lasting, innovative, sustainable Company that promotes an even safer work environment.

Rui Chammas
Chief Executive Officer

“
We are a company that has people at the core of its strategy, in which investment in the qualification of employees, in the promotion of diversity and in the development of social programs goes hand in hand with business growth and operational excellence
”

Safety, our non-negotiable value

Safety is a non-negotiable value for our Company. In all the projects and activities we carry out, the protection of the lives of employees and third parties is ahead of all other aspects we manage.

— Natália Beatriz Pereira Nascimento Sorreano and Renato Augusto Rinaldi Pereira, Substation and Installation technicians, at the Bom Jardim unit

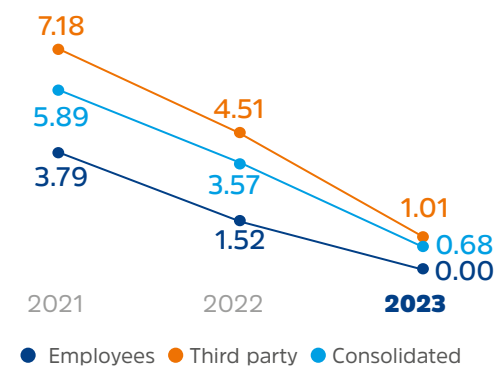




To guide our management, we have established clear guidelines in the Occupational Health and Safety Policy and a set of procedures and standards to ensure the promotion of safe working conditions in the various activities we perform. All these regulations, training and awareness-raising actions are part of our **Connected with Life** (Conectados com a Vida) program, whose tools strengthen our Company by involving all leadership and the Internal Commission for Accident Prevention (CIPA).

As the greatest risks for people are in field activities, in 2023 we reorganized the management structure, integrating the Occupational Health and Safety (OHS) Management with the Operations Department, strengthening the safety culture, especially in the relationship with third parties and service providers in construction and maintenance activities.

Frequency rate of accidents with and without lost time



Among the main activities carried out by the area are the continuous assessment and mitigation of risks, training of employees and third parties, extensive communication work, dissemination and awareness, and monitoring of preventive

and reactive indicators. Working closely with the contracted companies is essential to ensure the standardization of practices and performance benchmarks at the same level of excellence as our Company.

With a series of structured actions and a continuous evolution plan, we have improved our performance in relation to safety in operations. In 2023, the accident frequency rate increased from 3.57 (consolidated result for employees and third parties in 2022) to 0.68. There were no fatalities with employees and third parties, as well as no accidents with our employees—there were six accidents with service providers. We also do not register any cases of occupational disease involving employees or third parties.

Key safety indicators

	Employees			Third party			Consolidated		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Number of accidents with and without lost time	0	3 ²	10	6	26	28	6	29 ²	38
Number of fatal accidents	0	1	0	0	0	3	0	1	3
Accident frequency rate ¹	0.00	1.14 ²	3.79	1.01	4.51	7.18	0.68	3.45 ²	5.89
Accident severity rate ¹	0.00	2,306.22	51.48	11.29	24.10	4,189.10	7.54	740.01	905.16

1. Rates calculated with the factor of 1 million man-hours worked. They cover only 100% ISA CTEEP operations, i.e. they do not include jointly controlled companies.

2. Data resubmitted. In 2022, the fatal accident was added to the total of 3 accidents, generating double counting. The resubmission corrects the total number and frequency rate of lost-time and non-lost-time accidents.



• José Elcio Magalhães and Barbara Mesquita Silva, Substation and Installation technicians, at the São Paulo Regional Office

The effectiveness of the health and safety system is continuously evaluated through the Health and Safety Committees, which are responsible for critical performance analysis and project monitoring. Among the Committees, the Central Committee, which involves the Presidency, Board of Directors and Management, and the Committees of the Operations and Project Boards, which monitor OSH action plans specific to these areas, stand out. The Committees hold monthly meetings

to monitor preventive and reactive indicators and define strategies and processes to strengthen the culture and management practices.

To promote the theme and the sector's evolution in this area, in 2023, we chaired the Occupational Health and Safety Committee of the Brazilian Association of Electric Power Transmission Companies (ABRATE), strengthening the exchange of practices with other companies and the sharing of challenges, trends, and market innovations.

Conectados com a vida

OHS COMMITTEES

Critical Analysis Committee

Formed by the Chairmanship, Board of Directors and Management, it follows the Connected with Life program and health and safety indicators for a strategic direction.

Operations Board Committee and Project Board Committee

Formed by the Directors and Management of the respective areas, they evaluate the specific safety performance of the processes under their management and define action plans for continuous improvement.

Goals

Maintaining zero casualties

Reducing the frequency rate of recordable accidents

Obtaining ISO 45001 certification by 2024

In 2023, our Climate Survey found a 94% favorability rate in the Health and Safety factor. The indicator reflects employees' perception and assessment of how the Company conducts the issue on a daily basis

Our ambition is to be a benchmark in occupational safety and, to this end, we are continuously working on the evolution of the Health and Safety Management System, which covers 100% of our operations. By 2024, we have the goal of certifying the system to the ISO 45001 standard

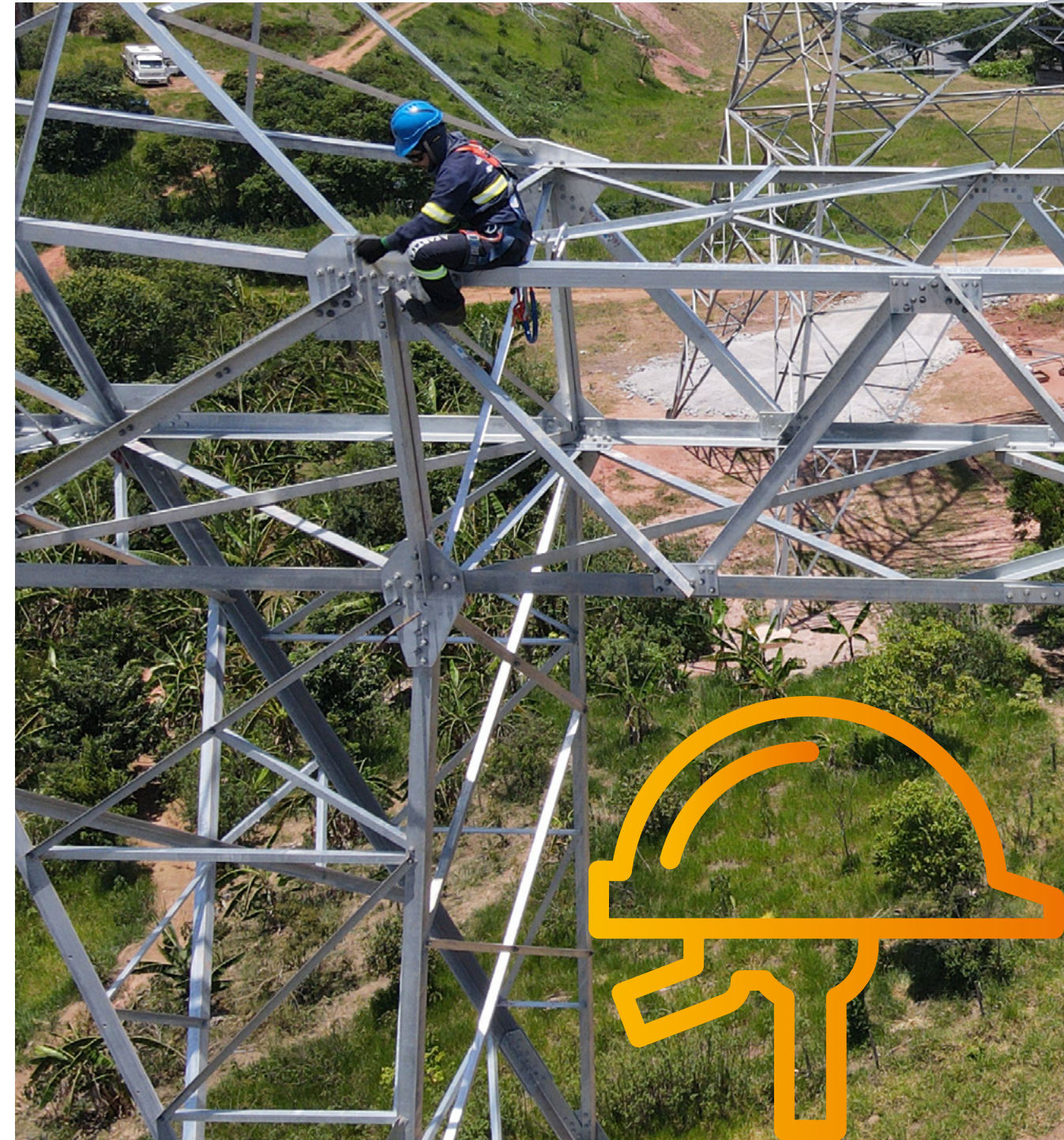
Among the developments made in the last year are the improvement in the definition and monitoring of indicators that measure efforts in the prevention of accidents and in the strengthening of the safety culture. One of the main elements is the realization and monitoring of **Safety Walks**, which encourage the presence of leaders in the field and the evaluation of the application of safety practices, considering people's physical and psychological aspects.

In July 2023, we held the **Safety Parade**, a moment in which all employees and third parties completely interrupted their activities in substations, construction sites and at the corporate headquarters. The professionals

met with the leaders to discuss safety, opportunities for improvement, strengthen our commitments to life, and learn about updates to the ISA CTEEP Golden Rules.

The **8 Golden Rules** are a set of non-negotiable guidelines, principles and regulations that must be followed by all employees and third parties in all projects and activities. In 2023, the process of raising awareness about them continued through training for the entire workforce.

The training of our employees in health and safety issues is defined according to the requirements applicable to each function or at the request of managers.





• Renato Augusto Rinaldi Pereira and Natália Beatriz Pereira Nascimento Sorreano, Substation and Installation technicians at the Bom Jardim unit

For the contractors, the legal requirements, provided for in the contract, and the individual and collective protective equipment are also requested, and the mandatory training for third parties is defined according to the activities to be performed. Suppliers are responsible for applying the training and sending supporting documentation. In addition, all professionals undergo safety integration before starting activities and are accompanied by safety inspections to verify the effectiveness of the training.

We also monitor practices for compliance with the NR-07 Regulatory Standard through the Occupational Health Medical Control Program (PCMSO). Among the initiatives adopted are the periodic medical examinations of employees, as applicable to each function, and the monitoring of the occupational health examinations of third parties.

The focus on safety management is ongoing and will be further strengthened in 2024. In the last year, there have been six incidents with third parties allocated to the construction works of new assets, involving

81% reduction
in accident frequency rate¹

99% reduction
in accident severity rate¹

1. Change in consolidated rates (employees and third parties) compared to 2022.

injuries to hands and fingers. As a discussion, we highlight the topic in our Daily and Weekly Safety Dialogues, reinforcing the importance of carrying out the Preliminary Risk Analysis (PRA) properly before starting any activity.

The training of workers to perform the PRA is essential, as this checklist ensures the verification of the appropriate conditions for the conduct of the work, being recorded via the application. In the face of unsafe situations, workers must exercise the right of refusal, interrupting the activity, in addition to communicating to those responsible for the areas through the Safety Report functionality in the application itself. With the traceability and agility of the system, managers take steps to correct the situation as soon as possible.

The investigation of accidents follows a specific procedure, registered in the system. A multidisciplinary committee is formed and conducts the analyses in order to identify the causes of the event, sharing the results of these evaluations with all those involved for the implementation of improvements that prevent the recurrence of incidents.



ISA CTEEP

profile

Business model

At ISA CTEEP, we work to energize Brazil. With the purpose of creating connections that inspire, we are present in 18 states and work to provide solutions that drive the energy transition, enabling the expansion of renewable sources and implementing new technologies that add flexibility and reliability to the transmission system.

We are the leading private company in the transmission segment, with an installed capacity of 85 thousand MVA (megavolt-amperes) of transformation. We have 35 concessions (our own and joint), totaling 23,000 kilometers of transmission lines, 32,000 kilometers of circuits and 140 substations (137 of which are owned).

OUR NUMBERS

About **30%** of Brazil's energy, and 95% of São Paulo's energy, passes through our transmission lines

23,000 km of transmission lines¹

- **20,000 km** in operation
- **3,000 km** under construction

Presence in **18 Brazilian** states

3 new projects won in 2023

35 transmission concessions¹

- **29** controlled 100%
- **6** jointly controlled

More than **1,600** employees

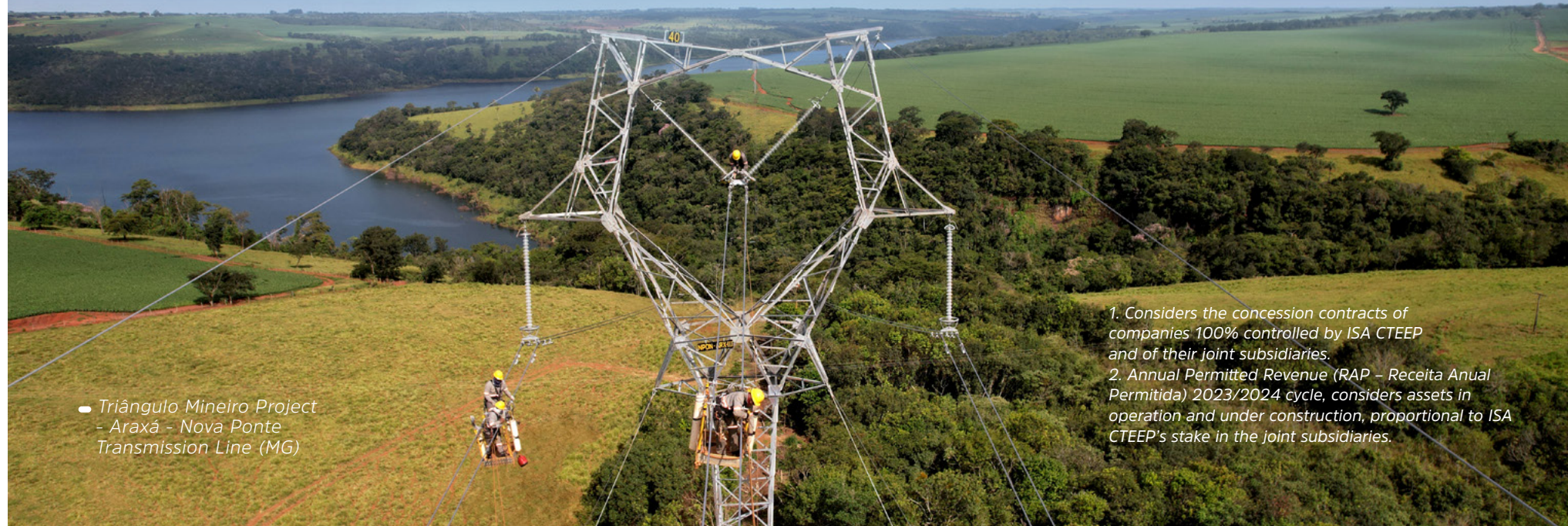
140 substations¹

- **132** in operation
- **8** under construction

85,000 MVA of transformation capacity¹

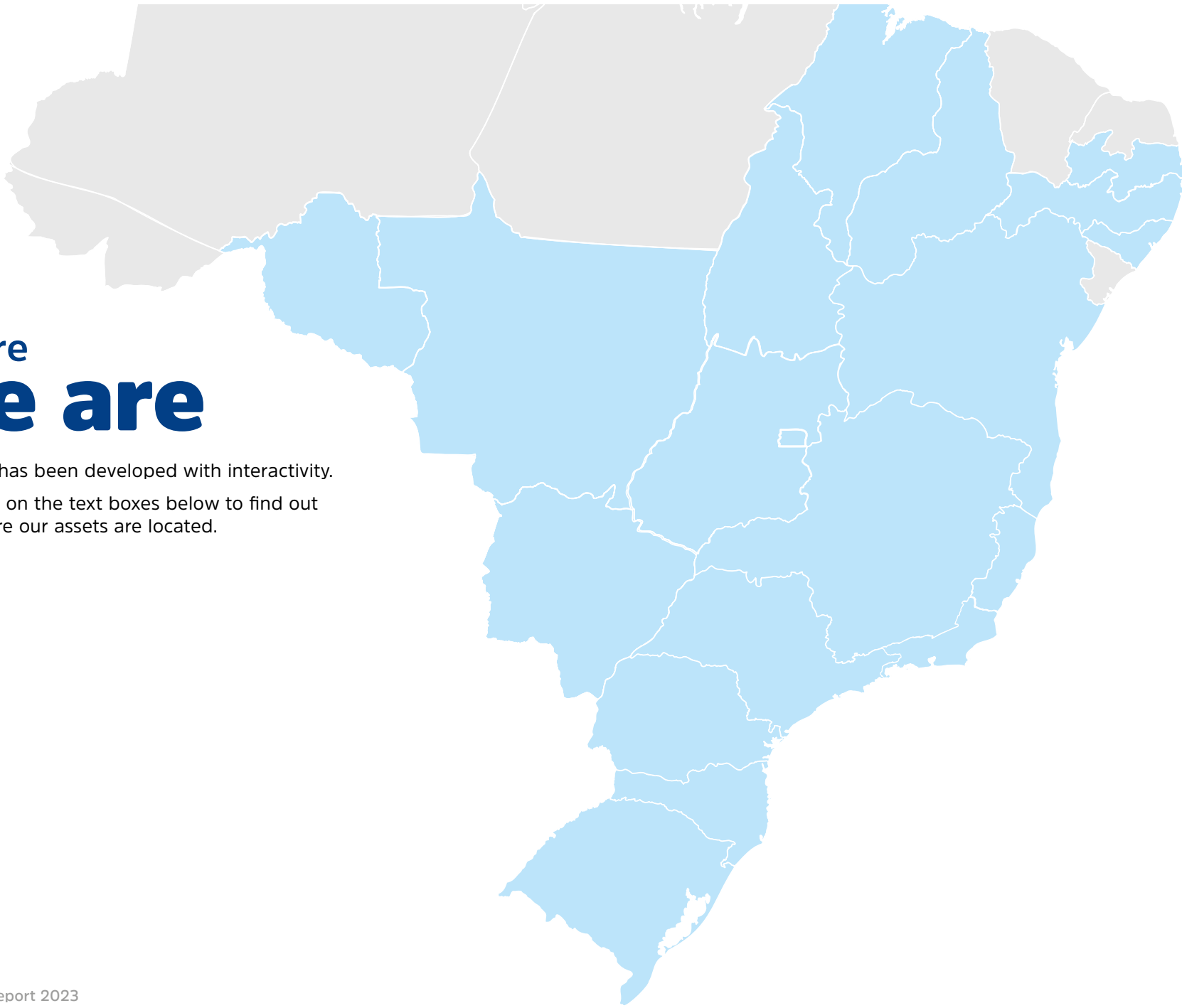
- **78,000 MVA** in operation
- **7,000 MVA** under construction

R\$ 6.2 billion in potential RAP²




• Triângulo Mineiro Project - Araxá - Nova Ponte Transmission Line (MG)

1. Considers the concession contracts of companies 100% controlled by ISA CTEEP and of their joint subsidiaries.
2. Annual Permitted Revenue (RAP - Receita Anual Permitida) 2023/2024 cycle, considers assets in operation and under construction, proportional to ISA CTEEP's stake in the joint subsidiaries.



Where **we are**

This page has been developed with interactivity.

 **Click** on the text boxes below to find out where our assets are located.

Business model

FINANCIAL CAPITAL

- R\$ 1.2 billion** invested in reinforcements and improvements (record)
- R\$ 15 billion** expected in investments from 2024 to 2028
- Average availability indices** of transmission lines and transformers in line with the ANEEL reference
- R\$ 2.9 billion** in net income¹

HUMAN AND INTELLECTUAL CAPITAL

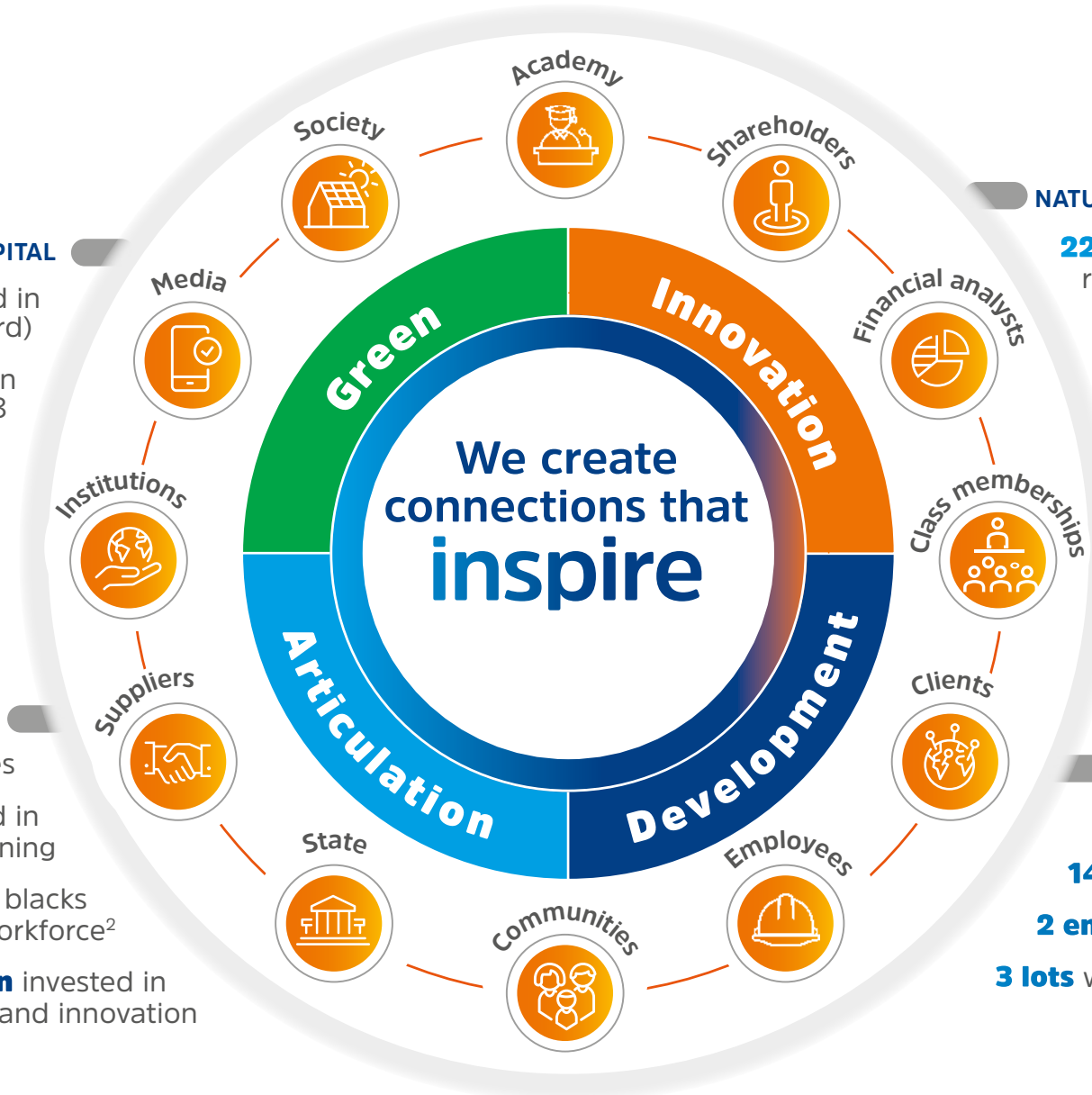
- 1,600** employees
- R\$ 1.8 million** invested in capacity building and training
- 17%** of women and **27%** of blacks in the workforce²
- R\$ 19.9 million** invested in research, development and innovation

NATURAL AND SOCIAL CAPITAL

- 22%** reduction³ in GHG emissions related to SF₆ leaks
- More than 135,000 hectares** of the Conexão Jaguar certified for the issuance of REDD+ carbon credits
- 95%** of waste destined for recycling, refining and co-processing
- 21%** reduction³ in the volume of water withdrawn
- R\$ 3.1 million** invested in social projects (own and incentivized resources)

MANUFACTURED CAPITAL

- 23,000 km** of transmission lines
- 140** substations
- 2 energized** projects
- 3 lots** won



Comprehensive risk management

1. It does not consider the receipts of the Basic Network Existing System (RBSE – Rede Básica do Sistema Existente).
 2. Increase of 2.9 and 2.1 percentage points, respectively, in the representation of women and blacks compared to 2022.
 3. Compared to 2022.

Strategy 2030

The transmission sector plays a crucial role in the energy transition. It is the expansion of transmission that makes it possible to connect renewable source generation complexes (wind, solar and hydroelectric) to large load consuming centers. The interconnections between the assets also enhance the best use of the various generating sources that exist in Brazil and complement each other seasonally to form one of the most renewable electricity matrices in the world.

In this way, investments in transmission provide greater flexibility and resilience to the National Interconnected System (SIN – Sistema Interligado Nacional) and ensure security and reliability in the supply of electricity to the Brazilian population.

Our strategy is geared towards generating **sustainable value**. We work with the commitment to create value that transcends the economic sphere, positively impacting the **social and environmental spheres**. We act based on innovation to seize the opportunities and face the challenges that arise in an increasingly dynamic, decentralized, decarbonized and digital context, driving the energy transition and ensuring **corporate longevity**.

Purpose

Connections that inspire

Mission

Operate, maintain and expand electric power transmission systems with excellence in service rendering based on developing human capital and innovative capacity, in order to create value for our shareholders and other stakeholders, and contributing to a sustainable business development.

Pillars

V Green

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

Vision

With over 55 years of history, ISA continues to be driven by a renewed strategy based on Sustainable Value.

I Innovation

- Take advantage of business opportunities arising from technological evolution and industry trends

Drivers



D Development

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

A Articulation

- Establish partnerships to achieve strategic objectives



• IEMG: Triângulo Mineiro Project - Nova Ponte II Substation (MG)

Business growth

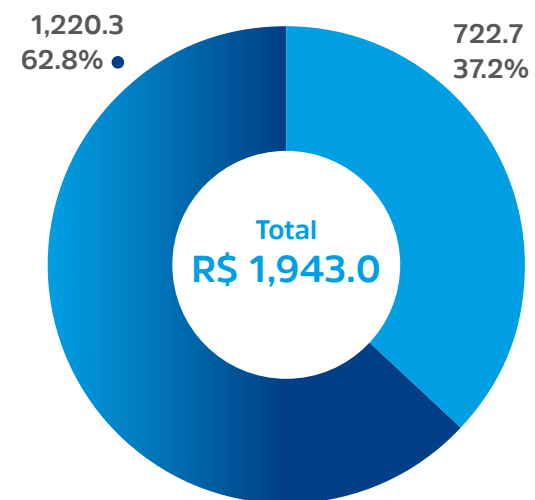
Guided by the 2030 Strategy, we seek to grow and diversify our asset portfolio through three areas:

- **Greenfield projects:** new concessions for the construction, operation and maintenance of transmission assets won in regulated auctions promoted by ANEEL.
- **Reinforcements and improvements:** investments in installation, replacement or refurbishment of equipment in the existing transmission assets, mainly within the scope of concession contract 059/2001, which generate the right to increase the Annual Permitted Revenue (RAP – Receita Anual Permitida).
- **Brownfield projects:** mergers and acquisitions of existing transmission assets in the market.

In 2023, we expanded our portfolio with three new lots won in Auction 01/2023 – Itatiaia, Água Vermelha and Serra Dourada Projects. These assets will add about R\$ 510 million of RAP and have an expected ANEEL CAPEX of R\$ 5.6 billion.

We will invest approximately R\$ 15 billion, by 2028, in new projects already won in auctions and in projects to reinforce and improve the Brazilian transmission system

Investments made in 2023
(R\$ million)



- Greenfield projects
- Reinforcements and improvements – Contract 059



With these new concessions, we have a total of 19 lots won in transmission auctions in the last four years, of which 11 are already in operation. Two of them were energized in 2023: IE Itaúnas and the Triângulo Mineiro Project (IEMG). Learn more on page 38.

Another front of growth is the reinforcement and improvement projects in Contract 059/2001, a concession in which RAP grows organically based on the investments we have made. The modernization and replacement of equipment, as well as projects to increase transmission capacity, are essential to ensure reliability and safety in a vital system for the Brazilian electricity system.

In 2023, for the first time, we surpassed the mark of R\$ 1 billion invested in the modernization of the assets belonging to Contract 059, mostly located in the state of São Paulo, and energized 65 reinforcement and improvement projects. From 2024 to the end of 2028, we will make a total of R\$ 5 billion in investments in reinforcements and improvements.

With this strategy, we have achieved a balanced and sustainable growth of our business. Contract 059 represents 45% of the operating revenue of the 23/24 cycle, while the operational bidding projects account for the remaining 55% – without considering the receipts of the Basic Network of the Existing System (RBSE – Rede Básica do Sistema Existente).

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Consistent and sustainable growth

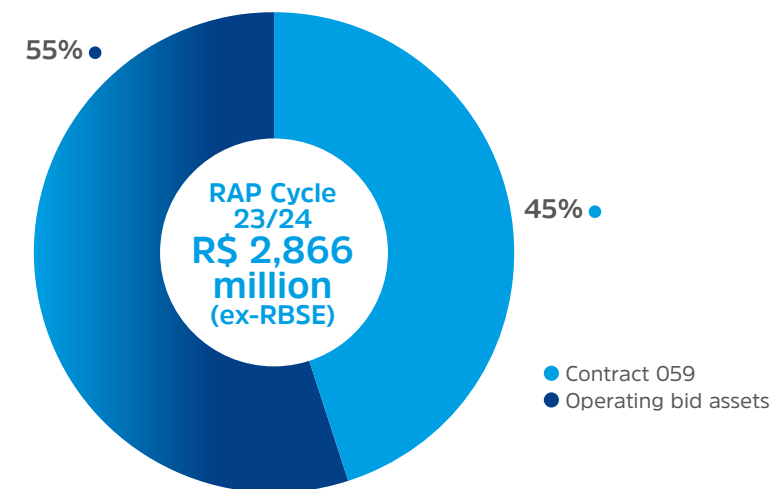
	2013	2023
Total RAP market share ¹	9%	11.6% ↑
Average maturity of concessions ²	june/2041	october/2045 ↑
Concessions	15	35 ↑
Own substations ³	107	137 ↑
Processing capacity ³	46,000 MVA	85,000 MVA ↑
Transmission lines ³	14,000 km	23,000 km ↑

1. List of ANEEL 2023/2024 modules + Auctions 02/2022 and 01/2023, base date June 2023.

2. Weighted by the RAP, it disregards RBSE.

3. Assets in operation and under construction as of December 2023.

Balance in the business portfolio



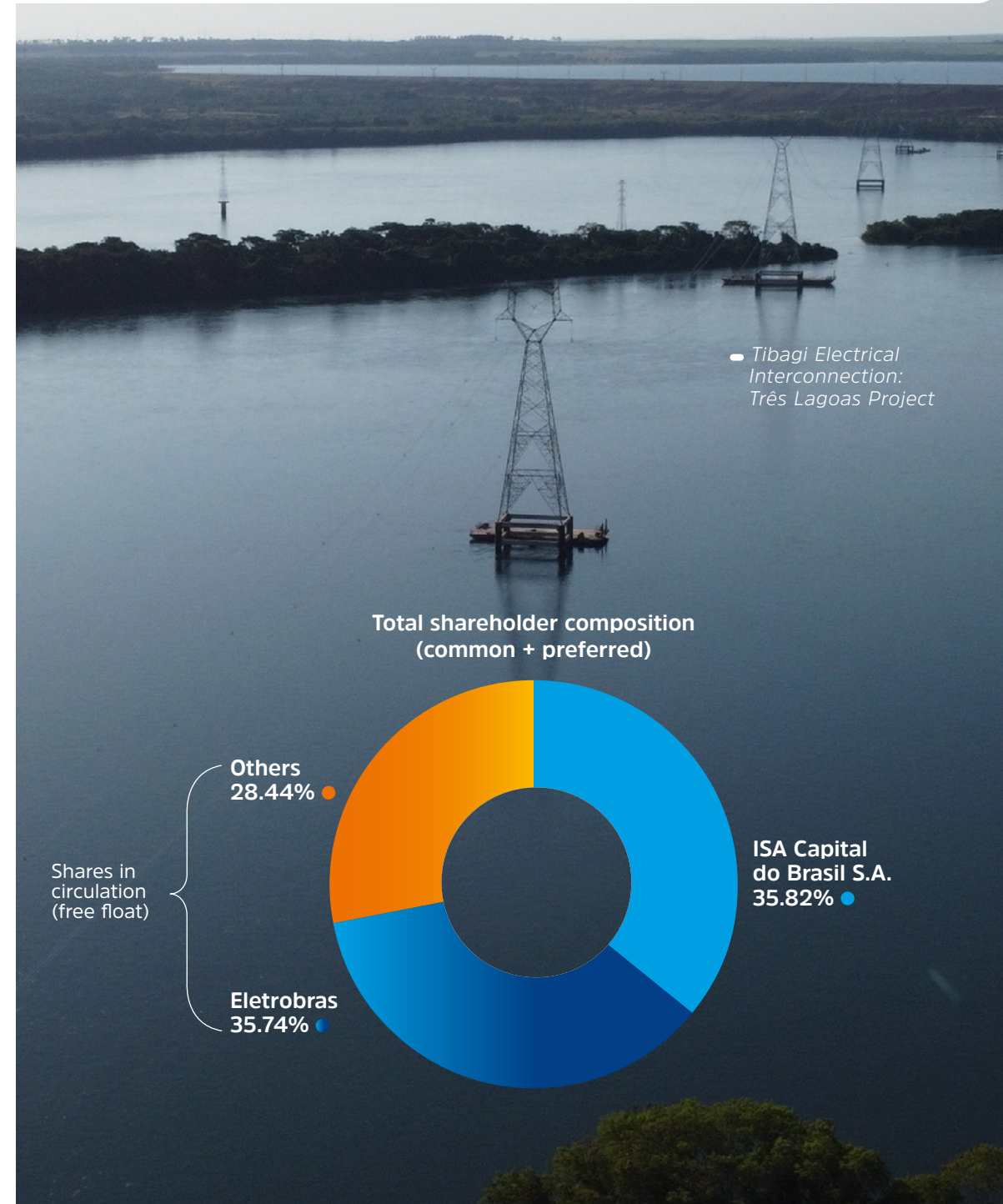
Corporate governance

To materialize our 2030 Strategy and boost corporate longevity, with the generation of value and the creation of positive social and environmental impacts, we have a solid corporate governance structure. The performance of the bodies and executives that lead the Company is guided by policies and procedures that ensure ethics, transparency and responsibility in the management of risks and opportunities in our business model.

Our governance practices are in line with the best market practices and meet the requirements of Level 1 of B3, the listing segment in which the Company's common (TRPL3) and preferred (TRPL4) shares have been listed since 2002. ISA, a multi-Latin company headquartered in Colombia, is the majority shareholder and exercises direct control through ISA Capital do Brasil S.A. (ISA Brasil). More than 64% of our total shares are in circulation (free float) on the São Paulo Stock Exchange.

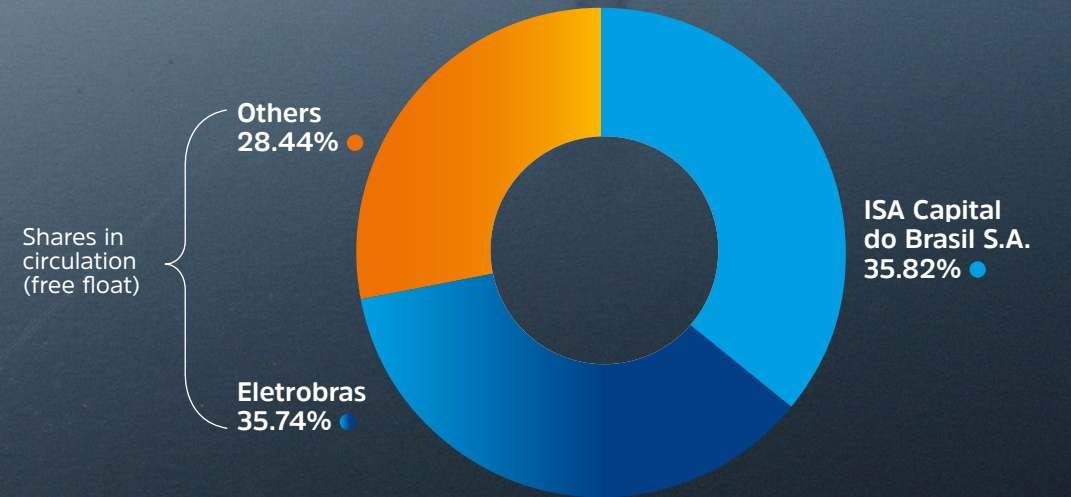
Shareholder composition of ISA CTEEP

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



Tibagi Electrical Interconnection: Três Lagoas Project

Total shareholder composition (common + preferred)



ISA Profile

Headquartered in Colombia, ISA (Interconexión Eléctrica S.A.) is the majority shareholder of our Company. With a history of more than 55 years, the multi-Latin company has experience in fundamental infrastructure sectors, such as electricity, highways and telecommunications.

The companies invested in by ISA develop their businesses and contribute to improving the quality of life of millions of people in different Latin American countries, in addition to Brazil—Colombia, Chile, Peru, Bolivia, Argentina—and Central American countries. In total, these businesses employ more than 5 thousand employees, in 53 companies.

As a publicly traded mixed company, ISA has shares listed on the Colombian stock exchange and ADRs traded on the New York Stock Exchange (USA). Its majority shareholder is Ecopetrol S.A., a mixed capital company, with participation from the Colombian government and shares listed on the stock exchanges of Colombia and the United States.

Our governance structure consists of the General Shareholders' Meeting, the Board of Directors, the Fiscal Council and the Executive Board. The work of the Board of Directors is supported by three non-statutory committees.

The General Meeting, at an annual meeting, elects the members of the Board of Directors for a two-year term, with the possibility of reelection. None of the members of the Board of Directors holds an executive position in the Company—the Bylaws prohibit the same person from occupying the functions of Chairman of the Board of Directors and Chief Executive Officer simultaneously. All members elected in 2023 have extensive experience and knowledge of the electricity sector, two of whom are independent.

Responsible for defining the strategic guidelines and monitoring the execution of the strategic plan, the Board of Directors is supported by the Audit and Risks, Organizational Talent and Corporate Governance, Sustainability, Technology and Innovation (ASGTI) committees. These committees are responsible for the in-depth evaluation of issues related to their scope

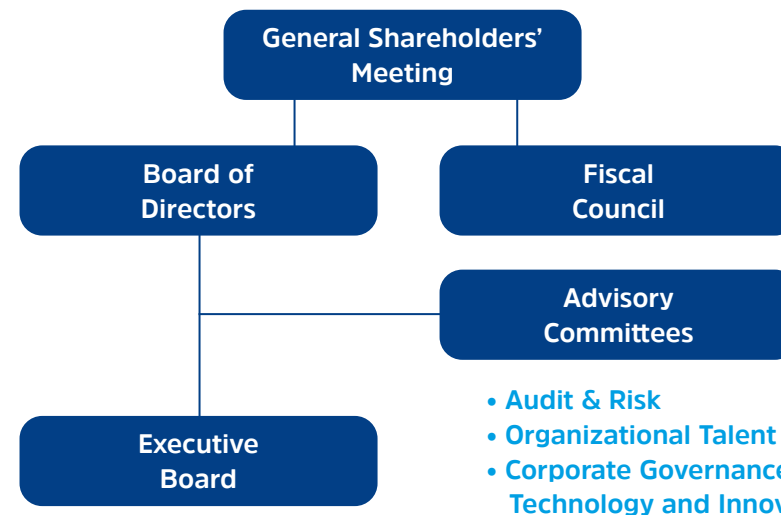
of action and issue opinions to support the Board's deliberation.

The Executive Board is the body responsible for leading the execution of the strategic plan in line with the guidelines established by the Board of Directors. Formed by the Chief Executive Officer and four executive officers, the Executive Board is supported by four other non-statutory officers and is responsible for directing and monitoring investments and

action plans for the development of the current portfolio and new businesses.

The Fiscal Council, which is permanent, is an independent body that is responsible for supervising the acts of the management, ensuring compliance with legal and statutory duties. Its five sitting members and their respective alternates are elected by the General Assembly for a term of one year and may be re-elected.

GOVERNANCE STRUCTURE



[Click here](#) and access the Internal Regulations of each instance of our governance structure.

Access our [Governance Report](#) to learn more about the structure and practices of our corporate governance model.

- [Audit & Risk](#)
- [Organizational Talent](#)
- [Corporate Governance, Sustainability, Technology and Innovation \(ASGTI\)](#)

Our policies guide the conduct of business in a responsible manner and in line with the context of sustainable development, referencing market standards and external initiatives whenever relevant. Publicly available on the [Investor Relations website](#), these normative instruments are approved by the Board of Directors and apply to the various areas of the Company. Each of them provides the parameters of conduct for the topics under its scope and determines the roles and responsibilities of the teams in the implementation of these guidelines.

Key corporate policies and codes

	Publication date
Corporate Governance Code	12/17/2010
Anti-Corruption Policy	06/01/2019
Environmental Policy	
Asset Management Policy	
Information and Knowledge Policy	
Occupational Health and Safety Policy	12/01/2020
Service Policy	
Policy for Comprehensive Risk Management	
Code of Ethics and Conduct	12/17/2021
Code of Conduct for Suppliers	01/20/2022
Diversity and Inclusion Policy	04/05/2022
Related Party Transactions Policy	
Policy for Stakeholder Engagement	07/14/2022
Disclosure Policy	08/09/2022
Trading Policy	
Policy for Contracting Independent Audit and Extra-Audit Services	06/20/2023



• Company's Board of Executive Officers (as of 12/31/2023), from left to right: Silvia Wada, executive director of Strategy and Business Development; Dayron Urrego, executive director of Projects; Carisa Cristal, executive director of Finance and Investor Relations; Rui Chamas, Chief Executive Officer; and Gabriela Desiré, executive director of Operations

Governance development

Annually, we conduct a performance evaluation process that covers the individual performance of the directors and the functioning of the body as a whole, including the frequency and relevance of the topics in meetings and the participation of the Board of Executive Officers and the Governance Secretariat. For new members of the Board of Directors, we have a structured integration program that allows the director to interact with key people in the

Company to deepen the main business challenges and strategies.

In 2023, this process identified job opportunities for the period, such as deepening the themes of energy transition, sustainability and longevity of the concessions portfolio, occupational health and safety, anti-corruption and cybersecurity.

Our governance model also provides mechanisms to avoid conflicts of interest in decision-making processes. The internal regulations of the Board of Directors and the Fiscal Council determine the procedures to avoid situations of this type, including the mechanisms for a director to abstain from voting, with registration in public minutes, available on the Investor Relations website.

All members of the Board of Directors and the Fiscal Council are remunerated for the performance of their duties. The overall amount is approved by the General Shareholders' Meeting, covering only fixed monthly compensation, compatible with the applicable legislation, market practices and the responsibility of the attributions. Directors are not eligible to receive any form of variable compensation or benefits and do not have additional payments for participation in advisory committees. In 2023, payments made

as compensation to members of the Board of Directors and the Fiscal Council totaled R\$ 1.8 million and R\$ 595 thousand, respectively.

The members of the Executive Board receive a package of fixed compensation, variable compensation and benefits in line with market practices, aiming at retaining highly qualified professionals to lead the conduct of the business. The variable tranche combines short-term and long-term incentives in order to contribute to alignment with corporate objectives and adequately reward the achievement of goals defined in accordance with the three strategic pillars of the 2030 Strategy. The goals established for the directors include aspects of social and environmental performance, with emphasis on eco-efficiency measures and the reduction of emissions caused by SF₆ gas. In 2023, the overall compensation allocated to the Executive Board was R\$ 5.4 million in fixed compensation and R\$ 3.8 million in variable compensation.

Our model encompasses mechanisms for evaluating the performance of the Board of Directors, prevention of conflicts of interest, and transparency in the compensation of governance bodies

Proportion of total annual compensation (fixed and variable) and its increase

	2023	2022	2021
Proportion of the compensation of the highest-paid individual X the average of other employees	20.16	18.41	17.26
Proportion of the annual increase in the compensation of the highest-paid individual X the average of the other employees ¹	47.67	27.80	111.35

1. The proportion of the increase in 2021 is significantly higher than in other years, as that period was the first in which the highest-paid individual was eligible to receive variable compensation. The highest-paid individual was hired in 2020, and in the first year of working at the Company, he did not receive variable compensation.



Transmission Operation Center at the Bom Jardim unit



• Employees at São Paulo Regional

Risk management

Comprehensive corporate risk management is a tool that supports the development of our governance processes, with the continuous assessment of external and internal factors that may negatively impact the execution of the 2030 Strategy. To conduct this management, we have an administrative structure and a system in line with the best standards, including the ISO 31000 standard and the Sarbanes-Oxley Act (SOx).

The guidelines for this management front are established in the Comprehensive Risk Management Policy. The document guides the structuring of the

Enterprise Risk Matrix, in which the mapped risk factors are classified according to four levels of criticality and 20 groupers in the economic, operational, socio-environmental and compliance categories.

The Corporate Risk Matrix is updated on a quarterly basis, a process that allows us to continuously assess and update factors that may have adverse effects on our strategic objectives or business resources. Thus, since 2022, the risks associated with climate change have been classified as having a

high impact on our business model, requiring mitigation and internal control actions.

The business areas are responsible for managing the risks mapped in the Corporate Risk Matrix, through control systems and action plans. Mitigation and control plans are developed and executed considering the entire value chain, including mechanisms for monitoring social and environmental risks in the supply chain (learn more on page 64) and in the relationship with local communities (learn more on page 84).

The risks associated with climate change are managed within our integrated governance process, with the development of contingency plans, mitigation and controls

— Aloísio Sanches and Pablo Juliano Nunes, operators of the Real Time System, at the Bom Jardim unit



The data and information on the progress of these actions are reported to the Risk Management area, which performs critical analyses, consolidates business risks and evaluates changes in risk levels, inclusion of new events or materializations in the period.

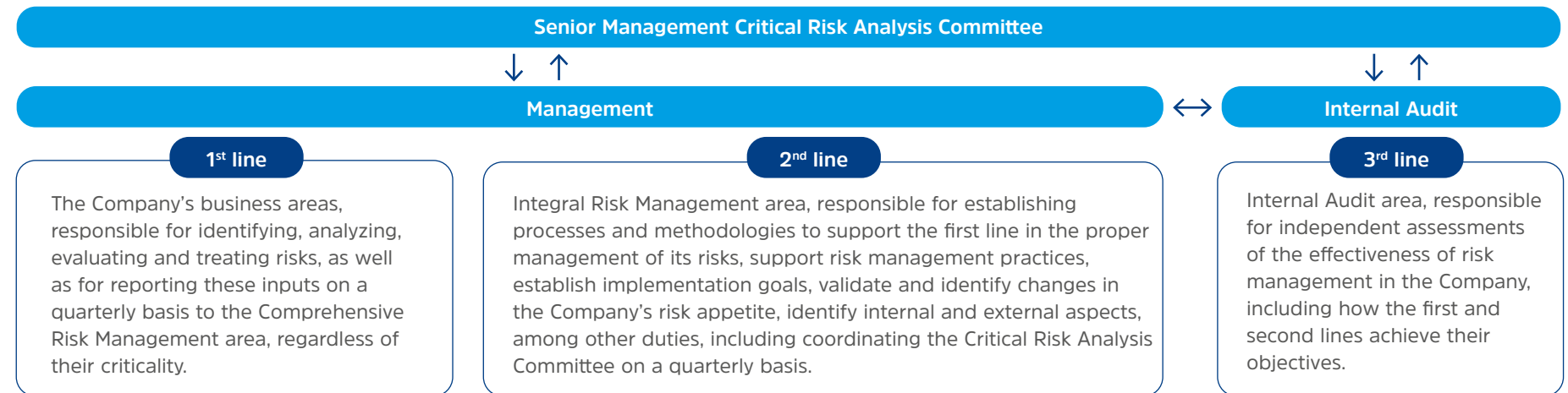
On a quarterly basis, the risk management condition is presented to the Critical Risk Analysis Committee, formed by the Company's senior management and other risk managers. At this meeting, the risks and their mitigation actions are presented and discussed. We also

have the Business Continuity Committee, a collegiate body that establishes management standards for responding to emergencies and crises. Subsequently, the events are presented to the Audit and Risk Committee and the Board of Directors.

We also have the Internal Audit area, which is responsible for providing independent and objective opinions on the effectiveness of internal controls and governance processes. The area reports to the Audit and Risk Committee and to the Board of Directors.

Our internal control system was developed based on the COSO (Committee of Sponsoring Organizations of Treadway) model and has been continuously improved. In 2023, we made progress in the use of digital technologies and the implementation of new systems, with the aim of further increasing the traceability and reliability of internal controls, aligning our parameters with the requirements of the Sarbanes-Oxley Act (SOx), a benchmark in improving controls and financial presentations.

GOVERNANCE AND RISK MANAGEMENT



Integrity and trust

Ethics, transparency and integrity are fundamental principles of our corporate governance model. Our Code of Ethics and Conduct establishes the behaviors to be followed by all employees and managers of our Company, ensuring legal compliance and alignment with our values in the conduct of business.

To disseminate the ethical culture and systematically monitor the application of the guidelines of the Code of Ethics and Conduct, we structured the Ethics and Compliance Business Program, a platform that covers training, communication, monitoring and management reporting actions. The Compliance area is responsible for the execution of the Program, with the development of annual training and engagement campaigns for leaders and employees, for evaluating its effectiveness through benchmarking with market peers and participation in external initiatives that support and strengthen the fight against corruption and

money laundering, respect for human rights, free competition and good ESG management practices in the supply chain.

In 2023, this work was strengthened with the preparation of the Compliance Bulletin, a quarterly newsletter sent to the Board of Directors with the organization of the main initiatives and developments on this management front. The Company's Board of Directors periodically monitors the evaluations and results of the Corporate Ethics and Compliance Program, with the support of the Audit and Risk Committee.

Another evolution carried out in the last year was the integration of the Risk Management area into the same department responsible for Internal Audit and Compliance. This institutional reorganization boosts synergy in the definition of projects and actions for risk mitigation, sharing of good practices, and monitoring of internal controls.



• Yasmim Sampaio Lima, operator of the Real Time System, at the Bom Jardim unit

One of the risks we manage, through the integrated risk management system, is related to fraud and corruption. This assessment and control covers 100% of our operations and monitors 16 types of events, including the interaction of our employees and third parties with public administration agents through registration and systemic monitoring of meetings and meetings with these stakeholders. No occurrences related to this topic were identified in our Company in 2023.

To strengthen our commitment to an ethical and healthy environment, encourage fair competition, and promote the fundamental principles of ethical and transparent conduct in public-private relations, in 2023 our Company voluntarily joined the Collective Action for the Integrity of the Electric Power Sector. The initiative is promoted by the United Nations (UN) Global Compact in Brazil and contributes to boosting corporate actions related to Sustainable Development Goal 16 (SDG Peace and Justice).

In addition to this adhesion, our Company became a signatory to the action “Call to Action: Anti-Corruption and the Global Development Agenda”, also promoted by the Global Compact. This initiative is directed by the private sector to governments, encouraging them to promote anti-corruption measures and implement policies to establish systems of good governance.

Ethics Line

The Ethics Line is our formal channel for employees and external audiences to send questions, request guidance or communicate concerns and complaints about non-compliance with the Company’s laws and conduct guidelines. Managed by a specialized external company, the channel allows the anonymity of protesters and ensures the confidential and secure treatment of all reports received, as well as non-retaliation against the whistleblower in good faith.

The investigation of all complaints received is conducted by the Compliance area, under the supervision of the Ethics Committee,

made up of executives from our Company. The Board of Directors, through the Audit and Risk Committee, monitors the evolution of the channel and its indicators, including the manifestations received and the results of its investigations.

In 2023, the Ethics Line received 60 complaints, of which 23 were considered valid after investigation. In all cases, the Ethics Committee recommended the application of disciplinary measures (from guidance feedback to verbal and written warnings and dismissal of employees) and improvement actions to prevent the recurrence of incidents.

Ethics Line

	2023	2022	2021
Total number of complaints received in the period	60	63	23
Reports with an ongoing investigation at the end of the period ¹	0	7	0
Complaints whose investigation was completed in the period	60	56	23
Complaints dismissed	18	20	7
Complaints whose investigation was inconclusive	3	6	0
Complaints considered valid (confirmed cases)	23	16	10
Out of scope	16	14	6

1. The seven cases ongoing in 2022 were concluded throughout 2023.



Ethics Line

The Ethics Line is widely publicized in institutional channels, internal campaigns, training and in the regulatory instruments of the Compliance Program.

WEBSITE
[Click here](#)

TELEPHONE
0800 777 0775,
 from Monday through
 Friday, 9 am to 5 pm

E-MAIL
linhaetica@isactEEP.com.br

APPLICATION
ISA GROUP Ethics Line

CORPORATE INTRANET

Compliance training

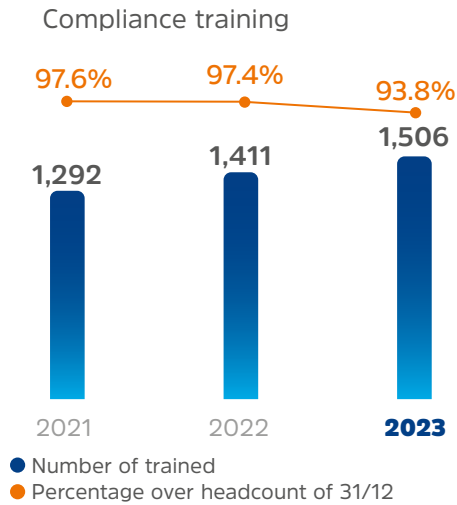
The Corporate Ethics and Compliance Program includes a series of qualifications and training so that our employees are prepared to act in accordance with our principles and values. This qualification is carried out on two fronts.

The first of these is an online training, in the distance learning format, lasting one hour, which addresses the guidelines of the Code of Ethics and Conduct and the general aspects of the Program. Training is mandatory for all employees, including leadership, and its importance is reinforced for business areas with greater exposure to compliance risks.

The second front involves face-to-face events and meetings for presentations and discussions on the application of the Code of Ethics and Conduct in the activities of each area. In 2023, more than 1.1 thousand employees were involved in awareness-raising actions, which reinforced themes of non-discrimination, combating moral and sexual harassment and expectations of ethical conduct. We

also continued the Coffee with Compliance, which was attended by 187 employees during the year.

In 2023, we held specific training for members of the Board of Directors and leaders, in dedicated sessions with external experts. The training of the governance bodies addressed issues of corporate integrity, anti-corruption, and criminal liability for harmful acts against the public administration.



+ 1,500
employees
trained in compliance

187
participants
of Coffee with Compliance

Compliance training

	2023		2022		2021	
	Number of employees trained	Percentage of 12/31 staff ¹	Number of employees trained	Percentage of 12/31 staff ¹	Number of employees trained	Percentage of 12/31 staff ¹
By functional level						
Executive board	8	88.9%	9	100.0%	9	100.0%
Management	31	100.0%	29	96.7%	31	100.0%
Coordination	78	96.3%	72	96.0%	76	100.0%
Experts	45	102.3%	33	94.2%	32	100.0%
Administrative	302	104.5%	248	96.1%	234	91.8%
Operational	1,042	90.5%	1,020	97.9%	910	96.5%
By region						
North	5	100.0%	4	80.0%	3	75.0%
Northeast	11	100.0%	11	100.0%	10	100.0%
Midwest	56	96.6%	44	97.8%	53	100.0%
Southeast	1,385	93.4%	1,307	97.3%	1,222	97.6%
South	49	100.0%	45	102.3%	4	100.0%
Total	1,506	93.8%	1,411	97.4%	1,292	97.6%

¹ The percentage of trainees can exceed 100% because the number of trainees includes people who were terminated before the end of the period. Managerially, we monitor the percentage of people trained in compliance, excluding employees on leave from the headcount. In this managerial follow-up premise, the percentage of trained in 2023 was 99.3%.

Cyber risks

Digitalization, a lever to increase efficiency in asset management and operations, implies new types of risks to our Company's business model. To respond to this challenge, cybersecurity is an increasingly relevant topic for the evolution of corporate strategy.

With a focus on promoting digital security, we invest in the acquisition and implementation of equipment and tools to protect digital environments. We also strengthen the cybersecurity culture among all employees, through ongoing training and communication campaigns.

In 2023, for the second year in a row, the effectiveness of our cybersecurity model was tested in the Cyber Guardian 5.0 exercise. The initiative simulates hacker attacks on the country's main infrastructures, such as transmission networks. Organized by the Brazilian Army's Cyber Defense Command, Cyber Guardian is the largest cyber defense event in the Southern Hemisphere.

● *Jonathas José dos Santos, Real Time System engineer, at the Bom Jardim unit*



• Tibagi Electrical Interconnection:
Três Lagoas Project

ESG Commitments

Guided by the strategic pillar of creating positive social and environmental impacts, we have structured a management model that connects our investments and activities to the sustainable development agenda. The corporate positioning and deliberations consider the contributions of our business model to the 17 Sustainable Development Goals (SDGs), proposed by the UN within the framework of the 2030 Agenda.

To act synergistically, we have been signatories to the Global Compact since 2011, participating in the initiatives and movements led by the UN initiative's Brazil Network. We have defined the SDGs that have a priority correlation with our activities and operations (learn more on page 31) and we will continue to move forward on this front, in 2024, to establish clear indicators of progress and targets that contribute to the achievement of the global goals defined for each SDG.

Internally, the management of the topic is shared with all business areas, and the evolution of our operating strategy is monitored by the Sustainability area, with the monitoring of the ASGTI Committee and the Board of Directors. The work involves the management of critical indicators for the business, related to the themes of the Materiality Matrix, and the regular performance report to senior management and external audiences.

The continuous improvement of sustainability management is one of the priorities for our management. Therefore, in 2023, we evolved in the integration of ESG goals in the composition of variable compensation also for operational employees, with the inclusion of a specific goal related to SF6 gas losses, aligning business development with our short, medium and long-term objectives.

The management of sustainability aspects is transversal to all business areas and is systematically reported to the Board of Directors through the ASGTI Committee





— Riacho Grande Project (São Bernardo do Campo, SP)

For the second consecutive year, we were included in B3's Corporate Sustainability Index and Carbon Efficient Index

The work of the ASGTI Committee is essential to continuously qualify the deliberations and understanding of the members of the Board of Directors on issues related to the sustainable development agenda. In this context, one of the prominent themes discussed in the Committee and the Council throughout 2023 was the energy transition and its impacts on business. Topics on occupational health and safety management were also included, with greater emphasis, on the agenda of the governance bodies.

The quality of our management of environmental, social and corporate governance (ESG) aspects has been attested to by recognized external initiatives. For the second consecutive year, our Company was selected to be included in the Corporate Sustainability Index (ISE B3) and the Carbon Efficient Index (ICO2 B3) portfolio.

We are also part of the FTSE4Good, one of the most important international sustainability indices, of the London Stock Exchange. Composed of publicly traded companies committed to ESG criteria, the index analyzes more than 300 indicators.

On a voluntary basis, we annually disclose information on the management of risks and opportunities associated with climate change. We answered the questionnaires of the CDP platform, an initiative that gathers information on climate change management from companies and governments around the world. Our governance model for the topic received a B grade in the most recent evaluation.

Also on this front, we have adopted the guidelines of the Brazilian GHG Protocol Program to measure greenhouse gas (GHG) emissions and prepare our GHG inventory annually. The document is available to all interested parties in the Public Emissions Registry. In addition, ISA and its companies, including ISA CTEEP, have been certified as carbon neutral by the Colombian Institute of Technical Standards and Certification (ICONTEC), in Scopes 1 and 2 (operation and maintenance of assets, excluding technical losses from transmission), a document that is valid for three years.

HIGHLIGHTS ON THE ESG AGENDA



Signatories since **2011**
Adhesion to the Electricity Sector Integrity Collective Action
Call to Action: Anti-Corruption and the Global Development Agenda

Participation in the Electrical-Energy Working Group
Action for Human Rights Platform

ISEB3

2nd consecutive year in the portfolio

ICO2B3

2nd consecutive year in the portfolio



GHG emissions inventory recognized with the **Gold Seal**

CONEXÃO JAGUAR | isa

Technical and financial support in the development of the **first REDD+ project** (Reduction of Emissions from Deforestation and Forest Degradation) in the Pantanal, managed by the Homem Pantaneiro Institute (IHP), which guarantees the conservation of more than 135 thousand hectares in the Serra do Amolar region



Carbon neutral certification from the Colombian Institute of Technical Standards and Certification (Icontec)

Scopes 1 and 2 (operation and maintenance of assets, excluding technical losses)



FTSE4Good

2nd consecutive year in the index measured by the Financial Times Stock Exchange (FTSE) Russell, a division of the London Stock Exchange



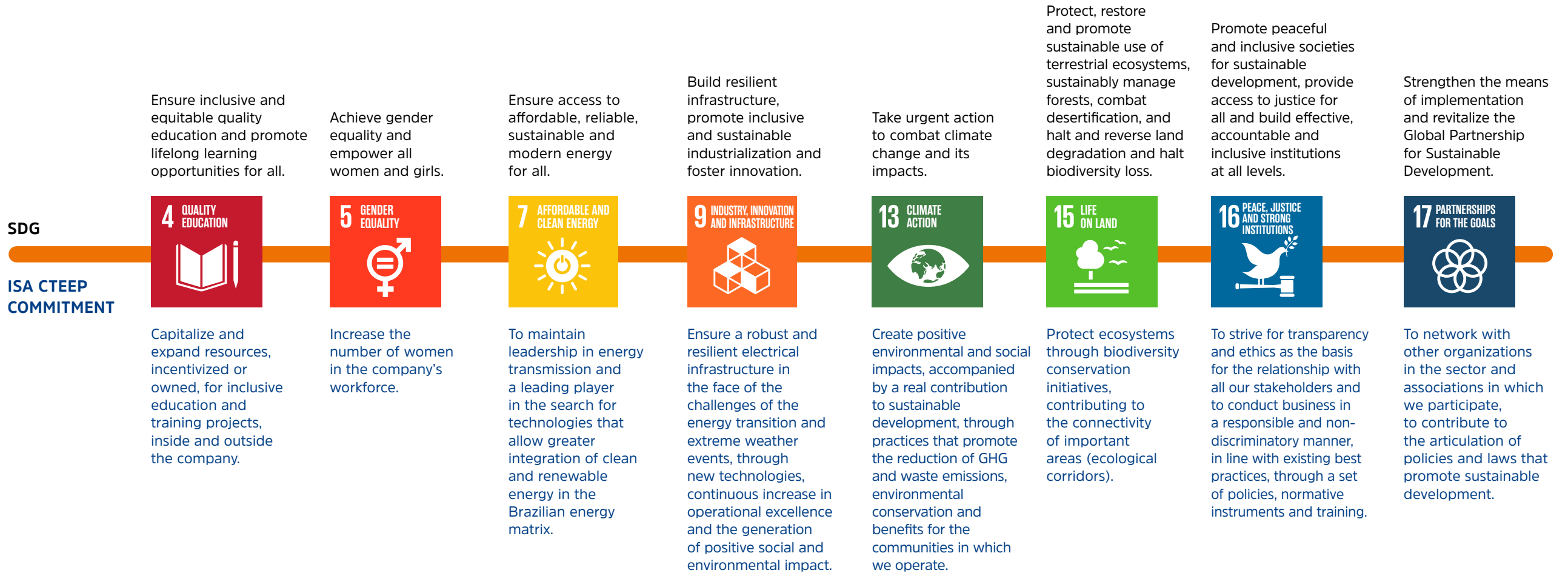
Grade B on the Climate Change questionnaire



We were the **first company in the transmission sector**, in Brazil, to issue Greenbonds (green debentures) to raise financial resources

R\$ 1.9 billion raised in green debentures (14th issue) in 2023

Sustainable Development Goals



2023 Highlights

FINANCIAL PERFORMANCE¹
(FINANCIAL CAPITAL)

R\$ 6.2 billion
in net revenue

R\$ 4.0 billion in EBITDA

R\$ 2.9 billion in net income

R\$ 1.9 billion
raised in green debentures

1. IFRS compliant.

SAFETY AND HEALTH
(HUMAN CAPITAL)

Zero accidents
with employees

81% reduction in
accident frequency rate

R\$ 1.8 million
invested in training

OPERATION, MAINTENANCE AND PROJECTS (MANUFACTURED CAPITAL)

2 energized
greenfield projects

3 new
projects
won in auctions

R\$ 1.9 billion
invested (total CAPEX)

Record investments
in reinforcements
and improvements

R\$ 1.2 billion

ISO 55001
Certification
(asset management)



2023 Highlights

**DIVERSITY, EQUITY AND INCLUSION
(HUMAN CAPITAL)**

24% of women
in leadership positions¹

10% of blacks
in leadership positions¹

29% growth in the
number of people with
disabilities employed

1. Considers the entire board of officers
(executive and others), managers and
coordinators.

**INNOVATION AND DIGITALISATION
(INTELLECTUAL CAPITAL)**

R\$ 19.9 million
invested in RDI

Brazil's first
4.0 Substation
in operation

100% of aerial
inspections on
transmission lines
performed by drones

**ENVIRONMENT AND SOCIETY
(NATURAL AND SOCIAL CAPITAL)**

231,000 carbon
credits with support from
the Conexão Jaguar

22% reduction in SF₆
emissions

27 substations
certified in ISO 14001

R\$ 3.1 million
invested in social initiatives
(own and incentivized)

• Tibagi Electrical
Interconnection:
Três Lagoas Project



**Climate
change**

Without transmission, there is no energy transition

Brazil ended 2023 with a record increase in its electricity generation capacity. Over the course of the year, the start-up of new generating plants added 10.3 GW to the country's installed capacity of almost 200 GW. The highest growth had been in 2016, with 9.5 GW, according to data from ANEEL.

Wind farms accounted for 47.65% of this expansion, adding 4.9 GW to the national electricity matrix, followed by solar photovoltaic plants (4.1 GW). The states of Bahia, Rio Grande do Norte and Minas Gerais had a growth of more than 2 GW with the entry into operation of new generating assets.

The growing investment in renewable generation in regions with the highest incidence of wind and light is strategic for Brazil to advance its capacity to

provide clean energy in a global context of accelerating energy transition. To the same extent, it is essential to create the infrastructure capable of connecting these assets with the cargo consumption centers, far from the North and Northeast regions, allowing the largest metropolises in the South-Southeast to be supplied safely and reliably, with low environmental impact and less carbon emissions.

The country has been moving in this direction, which opens up opportunities for the growth of our business in the transmission sector. In 2023, ANEEL held two auctions, in which 100% of the 14 lots offered were won (three of them were won by ISA CTEEP). Together, all the auctioned projects will add 10,600 kilometers of lines and 10,200 MVA of transformation capacity to the national electricity system.

For us, at ISA CTEEP, transmission goes beyond the construction of electrical energy transport infrastructure. We act as a provider of solutions for the energy transition, seeking innovations and the development of projects that contribute to the lowest possible use of fossil fuels.

10,600 kilometers
of transmission lines in projects auctioned by ANEEL in 2023

10,200 MVA of additional
transformation capacity with the new projects auctioned in the year



Outlook

Reducing dependence on fossil fuels is vital so that the planet's average temperature does not rise above 1.5 °C. Above this level, scientifically based climate scenario studies predict severe changes in climate patterns, with negative impacts on practically all ecosystems and production chains.

The use of natural resources to generate renewable energy is an opportunity for Brazil's electricity sector in the context of the energy transition. In the long term, the national transmission sector has the opportunity to facilitate regional integration in South America, promoting the export of clean energy in a sustainable way to other countries in the region.

Diligence and selectivity of projects

The expansion of the transmission sector is planned and directed by the government, based on studies and analyses on the growth of the demand for energy in the country and the installation of new generation sources. The concession of greenfield projects, in the form of auctions, promotes competitiveness and stimulates the search for efficiency in the construction and operation of assets.

To structure our participation in the competitions, we follow a methodological and diligent process that evaluates different variables and allows the prioritization of the choice of projects with the greatest potential for simultaneous contribution to the energy transition and corporate longevity.



Executive Board of the Company at ISA CTEEP Day 2023. From left to right: Dayron Urrego (Project Director); Silvia Wada (Director of Strategy and Business Development); Carisa Cristal (Chief Financial and Investor Relations Officer); Rui Chammas (Chief Executive Officer); Claudio Domingorena (Director of Regulatory Management); and Bruno Santos Abreu de Laurentys (Investor Relations Manager)

STRUCTURING OF PARTICIPATION IN TRANSMISSION AUCTIONS



With this integrated and selectivity vision, we won three new lots in the transmission auction 001/2023. There are more than 1,000 kilometers of lines that will be built to enable the connection of renewable electricity generation with Brazilian metropolises. The concession contracts are valid for 30 years and the completion period of the works varies from 36 to 66 months.

Lot 1

Serra Dourada Project

(Concession Agreement 006/2023)

- RAP of **R\$ 283.8 million**
- Location: Bahia and Minas Gerais
- ANEEL CAPEX: **R\$ 3,157 million**
- It enables the flow of renewable generation projects in the western region of Bahia and Minas Gerais, with emphasis on wind and solar plants

Lot 7

Itatiaia Project

(Concession Agreement 012/2023)

- RAP of **R\$ 218.9 million**
- Location: Rio de Janeiro and Minas Gerais
- ANEEL CAPEX: **R\$ 2,342 million**
- Flow of renewable energy by directly transporting solar generation energy to the Metropolitan Region of Rio de Janeiro, relieving burdens in the area of the existing Governador Valadares Substation 6

Lot 9

Água Vermelha Project

(Concession Agreement 014/2023)

- RAP of **R\$ 7.5 million**
- Location: Minas Gerais
- ANEEL CAPEX: **R\$ 94.2 million**
- It enables the connection of new photovoltaic generation projects in the northwest of São Paulo and in the Triângulo Mineiro region, in addition to promoting the flow of surplus biomass generation

• IEMG: Triângulo Mineiro Project (MG), energized in 2023

Energizing new projects

In 2023, we energized new projects that contribute to the acceleration of the energy transition in Brazil.

IE Itaúnas, a subsidiary 100% controlled by ISA CTEEP, started operating in March 2023. Located in the municipalities of Itaúnas and Viana, in Espírito Santo, the project consists of a 79-kilometer transmission line (345 kV), connecting the Viana 2 Substation to the João Neiva 2 Substation.

The João Neiva 2 Substation was built with GIS and SVC (Static Var Compensator) technologies, a pioneering initiative in the country. The combination of these two technologies contributed to the optimization of the space used.

Among the benefits of IE Itaúnas are greater voltage stability and operational safety, reduction of electrical losses and reliability of supply to the central region of the state, by increasing transmission capacity. With this, the project will contribute to the local socioeconomic and technological development, through the attraction of new investments, and will allow the increase of the load resulting from the expansion of activities in the region.

The **Triângulo Mineiro Project**, a concession contract belonging to IEMG (100% ISA CTEEP), was energized

in August. The project boosts the energy transition in Minas Gerais, a leading state in the production of solar energy. The project includes 158 kilometers of transmission lines, three new substations and the expansion of an existing one. With this, there are four substations configured under the concept of digital substation, an innovation that we have developed to add more value and positive environmental impacts to the transmission infrastructure.

The investment made in the Triângulo Mineiro Project, until December 2023, was R\$ 498 million. The funds were fully raised through the issuance of green infrastructure debentures issued by ISA CTEEP.



• IEMG: Araxá Substation of the Triângulo Mineiro Project (MG)

Benefits of digital substations

- **Sustainability**

Designed with fiber optic cables, while conventional ones are made of copper—it reduces the use of cables and structures by 50% and, consequently, the generation of waste for the environment.

- **System robustness**

Expands the scope of collecting information and parameters, in addition to data processing (50% faster than in a conventional substation), through technologies such as fiber optics and big data, which contribute to making the operation more reliable throughout of the substation's entire life cycle.

- **Safety**

Optical fiber offers more security in the maintenance process, since technicians do not need to intervene directly and constantly in the circuits, as the work is done from the control room.



In addition to the greenfield projects, the investments we have made in reinforcements and improvements drive the modernization of the assets in the transmission system of Contract 059/2001 and the sustainability of the construction models

In 2023, as part of the **Tijuco Preto Project**, we renewed 9.6 kilometers of transmission lines between the municipalities of Santo André and Cubatão, in São Paulo. Located in the Serra do Mar State Park, in the midst of areas of native vegetation and sinuous relief, the project required a great capacity for innovation to avoid negative environmental impacts. Over the course of 11 months, we used large helicopter air transport (AIRBUS H225) to carry out the civil works, assemble and lay the cables, in order to avoid vegetation suppression and ensure the safety of employees.

We also have an on-site team of biologists and veterinarians to guide the teams in relation to the care of the fauna and flora and the importance of the

conservation units. We carry out the selective collection of recyclable waste and the use of less invasive techniques, such as aerial drone access to structures, prioritizing the conservation of existing vegetation and reducing intervention in waterways, such as streams and rivers. With the completion of the work, environmental compensation is still planned in line with the Environmental Company of the State of São Paulo (Cetesb).



• Tijuco Preto Project, in the Baixada Santista (SP)



Click here
and watch
the video of
the Tijuco Preto
Project

Emissions

mitigation and management

Climate change has direct impacts on the operations of the energy sector. The externalities we have mapped are both in the bias of creating opportunities, with the greater demand for renewable energy and investments in the expansion of transmission systems, and in the aspect of risk management, especially the intensification of extreme weather events that can cause damage to the infrastructure we manage.

To respond to these factors safely and efficiently, in 2023 we began the construction of our Climate Adaptation and Resilience Plan, seeking to prepare the Company for different future climate scenarios and align strategic planning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Learn more about the topic on page 44.

With this initiative, we also want to evolve the practices we have already adopted to reduce our impacts related to climate change. On the mitigation front, we seek to reduce our greenhouse gas (GHG) emissions in a structured




and efficient manner, mainly by preventing and reducing leaks of SF₆ (sulfur hexafluoride) gas.

Used as an insulator in substation equipment and with a high GWP (Global Warming Potential) index, SF₆ is one of the main sources of emissions in the power transmission sector. For this reason, we have annual targets for reducing emissions caused by gas leaks, which are also part of the criteria for variable compensation for the Chief Executive Officer, other leaders and employees in operational positions.

0.0008
tCO₂e/MWh

of transmitted energy was our carbon intensity in 2023



Transmission tower in Regional São Paulo

We have also included targets to reduce fuel consumption in the fleet of light and heavy vehicles, the Company's second largest source of emissions, and we have made a commitment to electrify our entire fleet of light vehicles. In addition, with the Conexão Jaguar program, we seek to expand our contribution to the fight against climate change by partnering with civil society organizations to promote the conservation of natural areas that provide ecosystem services relevant to biodiversity and store carbon.

The control of our GHG emissions is carried out through the annual inventory that we voluntarily disclose, following the guidelines and premises of the Brazilian GHG Protocol Program. The document, verified by an external and independent company, is available for consultation in the [Public Registry of Emissions](#) and is classified with the Gold Seal.

In the inventory, we account for direct (Scope 1) and indirect emissions generated by energy consumption (Scope 2) and, partially, by activities in our value chain (Scope 3). From 2024 onwards, we aim to continue measuring Scope 3 emissions, through pilots in conjunction with our contractors, in order to expand the scope of climate change mitigation measures in strategic activities carried out by our suppliers, such as works on new projects.

GRI 3-3



Carbon neutral – offsetting emissions

In 2023, maintaining our commitment to contributing to the fight against climate change, we will offset and neutralize 100% of our Scope 1 and 2 GHG emissions, excluding transmission losses.

We acquired and retired 16,500 credits through the Envira Amazônia Project, certified by Verra (Verified Carbon Standard – VCS and Climate Community and Biodiversity Standards – CCB), in an area located in Acre. We also purchased 36,039 I-RECs (International REC Standard) certificates that prove the origin of energy purchased on the free market from a renewable source.

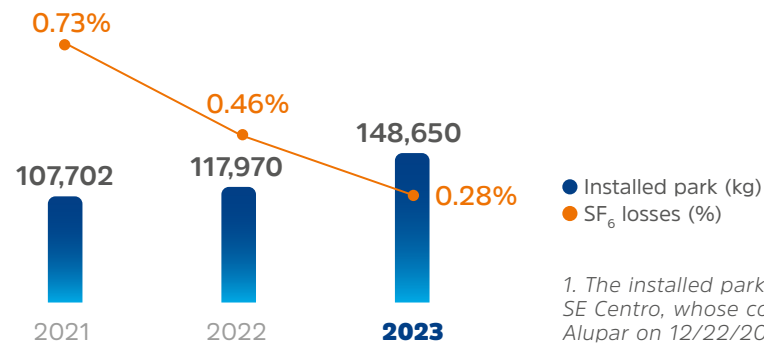
In 2023, we continued our efforts to reduce SF₆-related emissions. With the intensification of preventive actions and the use of digital technologies, monitoring cameras and innovation projects, we have sought to reduce the occurrence of leaks and have greater agility in remediation actions. Our teams have developed a leak containment device, with special clamps and screws, that speeds up the maintenance of damaged pipes. The innovative solution, the result of the intrapreneurship of our employees, is being patented.

Efforts to reduce SF₆ leaks and an 11% decrease in fuel consumption, mainly diesel in emergency generators, contributed to the improved performance in Scope 1. In 2023, the Company's gross direct emissions totaled 11,212 tCO₂e, a reduction of 22% compared to 2022.



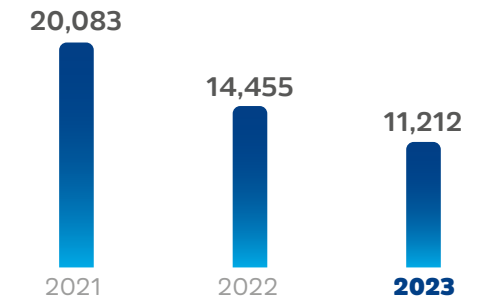
In 2023, emissions related to SF₆ gas leaks decreased by 22% compared to the previous year

Installed park¹ X SF₆ losses



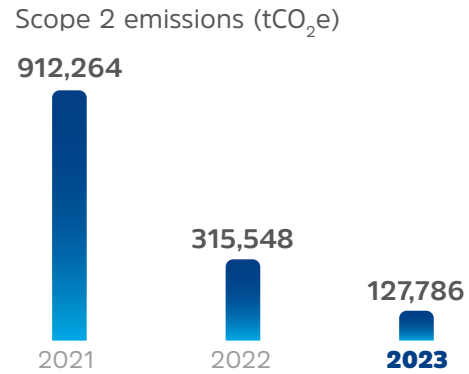
1. The installed park does not include the SE Centro, whose concession became Alupar on 12/22/2023.

Gross Scope 1 emissions (tCO₂e)



In Scope 2, we recorded a 60% reduction compared to the previous year, totaling 127,786 tCO₂e. Technical losses in transmission account for 99% of emissions in this scope and their decrease of 56% year-on-year was one of the main factors for performance in 2023. This variation is explained by the reformulation of the methodology for calculating losses, which now considers the flow of energy that travels through each transmission line and each transformer belonging to the basic grid. By 2022, we estimated losses to be 4% of the entire volume of energy transmitted on our network. Another change in the period was the inclusion of the energy consumption of the auxiliary service, in addition to the energy purchased, in the calculation of this scope. Scope 2 was also positively impacted by the update of the average emission factor of the National Interconnected System (SIN – Sistema Interligado Nacional) due to the greater share of renewable sources in the Brazilian electricity matrix: from 0.0426 tCO₂e/MWh in 2022 to 0.0385 tCO₂e/MWh in 2023.

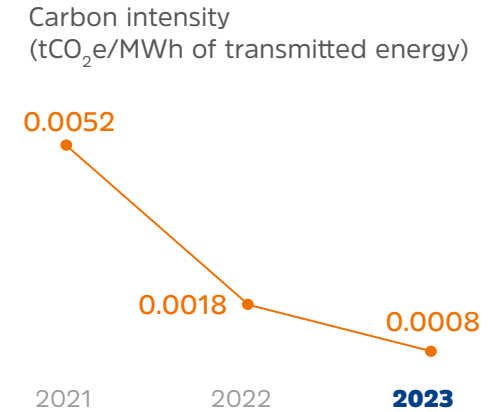
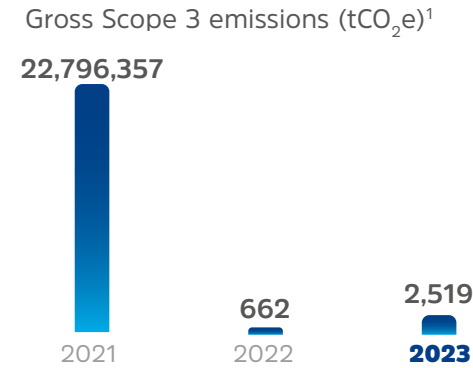
The emissions intensity, which considers Scopes 1 and 2 per transmitted energy, was 0.0008 tCO₂e/MWh in the year, 55% lower than that recorded in 2022 due to the



combined effect of the decrease in total emissions and the increase in the volume of energy transmitted in our grid.

Scope 3 emissions totaled 2,519 tCO₂e in 2023, an increase of 280% year-on-year, mainly due to the inclusion of emissions related to employee commuting, which accounted for 55% of the total accounted for in this scope.

In order to facilitate access to the information in our inventory, we are preparing a communicative version for the year 2023, which will be made available in the first half of 2024 on our institutional website.



GHG Inventory (tCO₂e)

Scope 1

	2023	2022	2021
Gross emissions	11,211.78	14,454.7	20,083.3
Biogenic emissions	1,210.41	1,221.2	1,179.9
Biogenic removals	591.32	55.5	803.9

Scope 2

Localization approach	127,785.84	315,548.0	912,264.2
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Scope 3

Gross emissions ¹	2,519.09	662.2	22,796,356.6
Biogenic emissions	5.01	8.0	0.0
Biogenic removals	0.0	0.0	0.0

¹ The reduction from 2021 to 2022 is due to a change in methodology, which now does not account for the energy transmitted by transmission lines. Since the Company is remunerated by the availability of the assets and has no control over the amount of energy transmitted (decision of the National Electric System Operator – ONS), no action by ISA CTEEP is possible to reduce these emissions.

Adapting to climate change

We are convinced that our contribution to the acceleration of the energy transition goes beyond the construction and operation of transmission projects that strengthen the presence of renewable sources in the electricity matrix. In the face of climate change, we must innovate to ensure the resilience of the infrastructure we manage and propose new technologies to ensure the best use of non-controllable sources, such as wind and solar.

To this end, we started the development of our Climate Adaptation and Resilience Plan in 2023. Based on this initiative, we seek to incorporate the risks and opportunities related to climate change into our strategy, through the structuring of science-based scenarios for physical and transition risks and opportunities – in the horizons of 2030, 2040 and 2050. Thus, we will be able to support the updating of governance, strategy, and management and communication processes aligned with business and market objectives.

In 2023, we began developing our Climate Adaptation and Resilience Plan, which will follow premises aligned with the TCFD

Another benefit of the Plan is the ability to effectively identify the potential financial impact of climate risks, adopting assumptions aligned with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), an international working group on climate-related financial disclosures. With this, we will reinforce our commitment to the climate agenda, structuring commitments and planning for adaptation and decarbonization of business.

An important step in this direction is the integration of climate change risks and opportunities into our comprehensive risk management model, which began in 2023. In this way, we will promote the engagement of all business areas in the assessment of potential impacts and in the development of action plans.

To respond to physical risks related to the occurrence of extreme weather events, we have protocols and contingency systems in place that ensure operational safety and response to emergency events. In addition, we direct our environmental management to promote efficiency in operations, seeking solutions and innovations focused on reducing greenhouse gas emissions resulting from our activities (learn more on page 40).

Preparing for and acting on extreme weather events



The occurrence of extreme weather events, such as intense rains and windstorms, can cause damage to energy transmission infrastructure. To face this scenario, we developed and executed contingency plans to ensure robust energy supply reliability.

The **Summer Operation Plan**, carried out in the Baixada Santista, North Coast and South Coast regions of the state of São Paulo, is an example of this action. The initiative received an investment of R\$60 million and included a series of preventive and mitigating measures.

Between January and October 2023, we carried out more than 120 tests and simulations to evaluate the ability to respond to a possible occurrence. A helicopter was available in the municipality of Cubatão (SP) to speed up the movement of teams to areas that are difficult to access in case of emergencies.

Transformers and mobile substations were also relocated to support the restoration of energy supply in the event of interruptions. In addition, we modernized and replaced various equipment – as in the Tijuco Preto Project (learn more on page 39).

Conexão Jaguar

With assets present in 18 states and different ecosystems in Brazil, the conservation of biodiversity and the fight against climate change are two of the biggest positive impacts that our business can generate. To enhance this environmental benefit, we work in an integrated and voluntary manner with the **Conexão Jaguar** program, coordinated by ISA, with the objective of contributing to the protection of jaguars in Latin America.

The ambition of the Conexão Jaguar is to act to protect forests, by providing technical and financial support for the development of conservation and restoration projects with local partners. Nine initiatives have already been supported (five in Colombia, three in Peru and one in Brazil), which have contributed to strengthening the conservation of species of fauna and flora in these regions, many of which are vulnerable or threatened with extinction.

In Brazil, through the work of ISA CTEEP, the Conexão Jaguar works to protect the jaguar, the largest feline in the Americas and which plays a fundamental ecological

role for the ecosystem balance. The action strategy is aimed at accelerating the mapping of areas relevant to biodiversity conservation, through projects that remunerate the natural carbon stock maintained in these regions.

In 2023, with technical and financial support from our Company, an area of more than 135 thousand hectares in Serra do Amolar was certified for the issuance of REDD+ (voluntary market) carbon credits. Located in the municipality of Corumbá (Mato Grosso do Sul), the region under the management of the Instituto Homem Pantaneiro (IHP) forms an important biological corridor for the jaguar and hundreds of other species of mammals, birds and reptiles.

The certification granted by Verra, an independent and non-profit organization, allows the issuance and sale of 231 thousand CO₂ credits on the international market, with the potential to avoid the emission of approximately 430 thousand tCO₂e by 2030.



Join Conexão Jaguar

Those interested in being part of Conexão Jaguar can register their forestry projects on the program's website. [Click here](#) to access.

The selected initiatives will receive technical and financial support to issue and sell carbon credits with the highest international standards (VCS + CCB and Gold Standard), in addition to technical support to understand the conservation status of medium and large vertebrate species that inhabit the project area.

To expand the Conexão Jaguar in Brazil, we have partnered with IHP to map other forest areas in the Pantanal with potential for the development of conservation projects and the generation of carbon credits.

At COP 28, in Dubai (United Arab Emirates), we signed a memorandum of understanding with the state government of São Paulo with the aim of joining efforts to identify

strategic areas and develop projects focused on biodiversity conservation and the formation of ecological corridors.

The positive impacts of the Conexão Jaguar drive our commitment to strengthening the program and its deployment in Brazil. The project was highlighted at the Amazon Summit, an international event held in Belém (PA), in the panel on binational ecological corridors and the voluntary carbon market.

CONEXÃO JAGUAR | isa

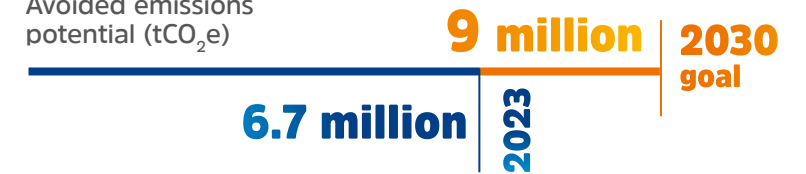
Certified projects in Latin America (5 projects in Colombia, 3 in Peru, 1 in Brazil)



Hectares of protected biological corridors in Latin America



Avoided emissions potential (tCO₂e)



Jaguar Parade

To connect the importance of preventing the extinction of the jaguar and protecting biomes that are fundamental to biodiversity, in 2023 we sponsored the fourth edition of the Jaguar Parade. The urban artistic intervention brings together works by local and national artists in an open-air exhibition and raises funds for the cause.

The city chosen to host the event was Florianópolis, capital of Santa Catarina. Of the 50 sculptures on display, 28 were signed by artists invited by our Company and exhibited in popular tourist attractions, such as the Hercílio Luz Bridge, Avenida Beira-Mar Norte and Mirante do Morro da Lagoa.

After the Jaguar Parade ended, the sculptures were auctioned off at a charity event. Half of the total fundraising (R\$ 136 thousand) was allocated to partner NGOs OnçaFari and Panthera.





Innovation
to create value



Innovation is a lever to accelerate the achievement of our strategic objectives and a differentiating element in the development of solutions for the energy transition. Our pioneering spirit is recognized for the consistent implementation of projects, at the forefront of the electricity sector, that generate efficiency, cost optimization and environmental benefits.

To manage the topic and drive the development of new solutions, our governance is structured around three pillars: Projects, Ecosystem and Culture.

Innovation governance

- **Projects**

Solution development cycles, with journeys to validate opportunities and experiment with solutions to accelerate projects with high strategic potential.

- **Ecosystem**

Open innovation platform to strengthen engagement between the Company and the innovation ecosystem.

- **Culture**

Enhancement of organizational capabilities, disseminating a culture of innovation.

Projects

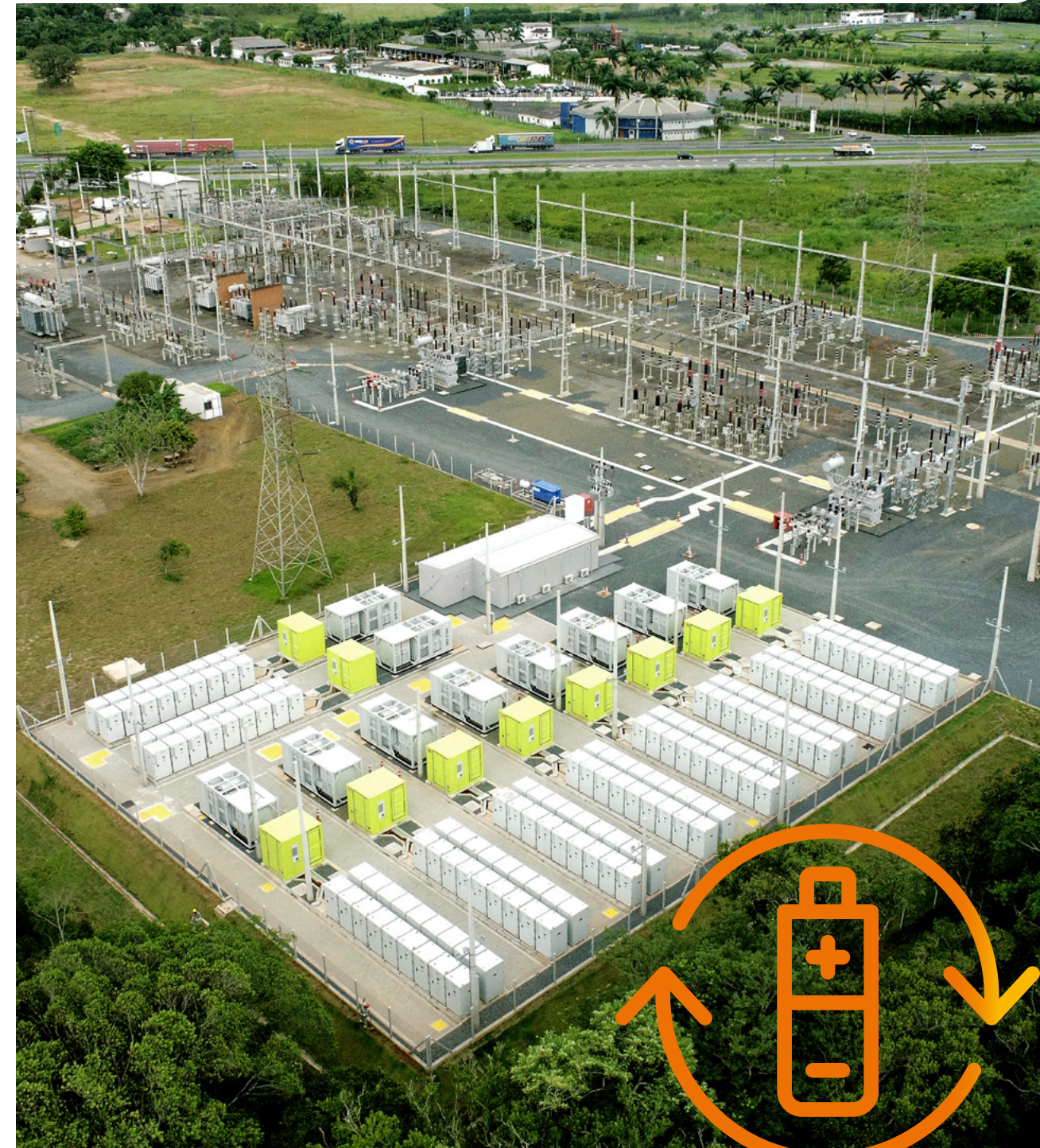
One of the main projects we have carried out in this context is the first large-scale **battery energy storage** system in Brazil. Implemented at the Registro Substation, it was officially inaugurated in 2023, with the presence of representatives of the Ministry of Mines and Energy (MME) and the National Electric Energy Agency (ANEEL), among other authorities. The system has already performed power discharges during the 2022 and 2023 year-end periods. With 180 racks of lithium batteries and 30 MW of power, the system mainly contributes to avoiding supply failures during the summer vacation period, when load demand increases significantly on the coast of São Paulo.

Authorized by ANEEL as part of the reinforcement and improvement program of Contract 059/2001, the storage of energy in batteries avoided the installation of diesel generators to supply the additional load, avoiding the emission of up to 1,000 tons of carbon. In addition, the infrastructure is modular and mobile, and can be allocated elsewhere in the system when reinforcement at the Registro Substation is no longer needed.

With the same focus on the evolution of the transmission sector, we were also pioneers in the implementation of digital and 4.0 substations in Brazil. These solutions reduce the demand for physical space and waste generation, and make the operation and maintenance of assets safer and more efficient, allowing the remote management of substation systems, as well as the implementation of analytics for predictive maintenance.

In August 2023, we started the experimental operation of the first **4.0 substation** in Brazil, installed at the Jaguariúna Substation, in the interior of the state of São Paulo. With an investment of around R\$ 11 million, the solution is based on several concepts, such as the internet of things (IoT), big data, artificial intelligence and digital twin. In addition, it adds a system for protection, control, automation, monitoring, communication and management, in real time, of fully digital and centralized assets, through a high-performance computing and communication platform with fiber optic cables.

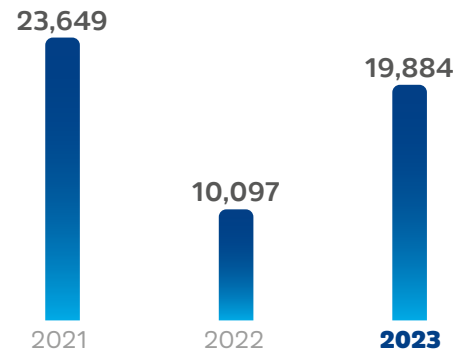
— Registro Substation (SP), where we installed the first large-scale battery energy storage system in Brazil



We also develop innovation initiatives aimed at operational efficiency, such as **ZACCX**, a system for managing the communication of interventions that simplifies and optimizes the execution of operational instructions in a secure, collaborative, and auditable way, using blockchain to ensure the immutability of data. The platform is already present in more than 100 substations, facilitating the interaction between operators and field technicians, which enables a 52% reduction in the operator's time on the phone and a 41% reduction in the time it takes to perform maneuvers.

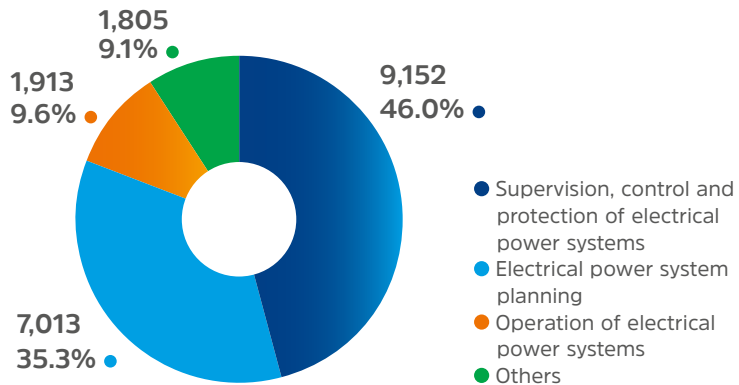
ZACCX is offered to the market for use by other companies through the technology partner In Forma, with which we signed a licensing agreement for the platform.

Investments in RDI (R\$ thousands)¹



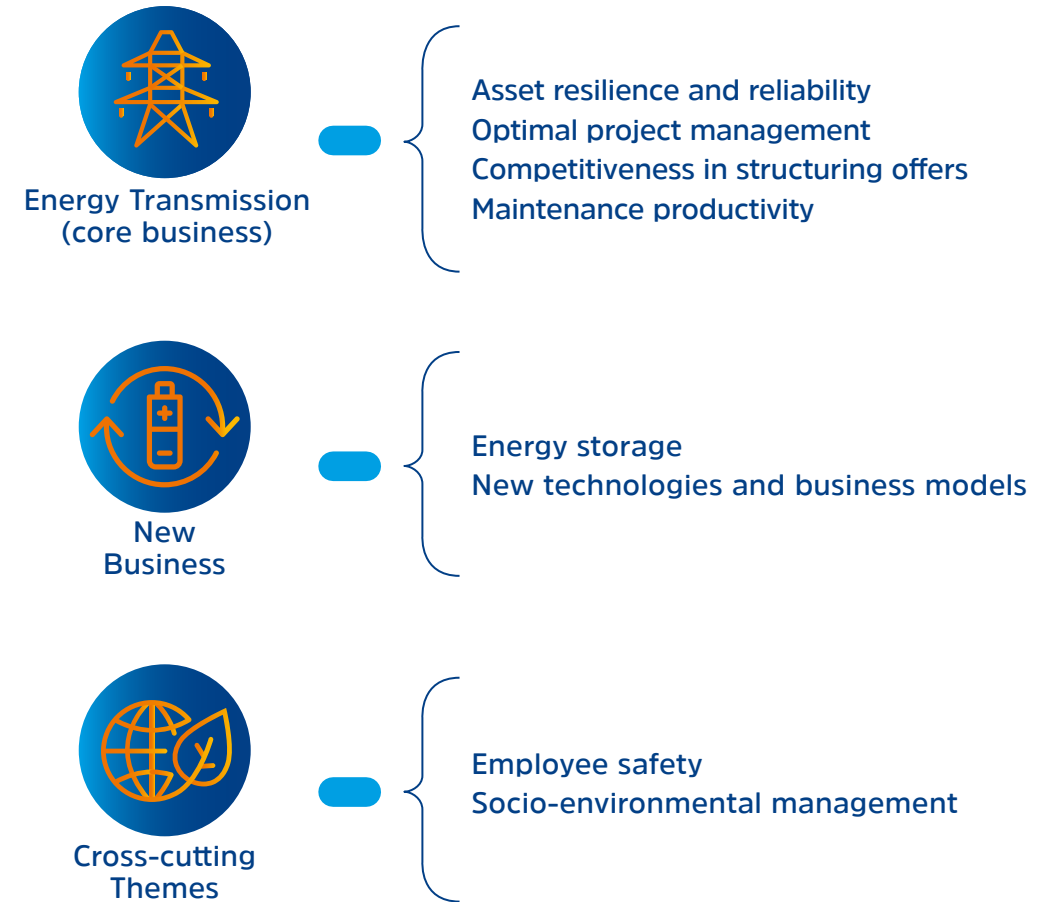
The Research, Development and Innovation Program (PDI), regulated by ANEEL, is our main vehicle for investment in innovation. In 2023, the new regulation for Research, Development and Innovation Procedures (PROPDI) and the Five-Year Strategic Innovation Plan (PEQuI) came into force, which aim to align the IDP portfolios of electric power companies and stimulate technological innovations relevant to the Brazilian electricity sector. This update brought a set of strategic themes, parameters and indicators that we incorporated into our portfolio management process to ensure the alignment of our innovation projects with ANEEL's new guidelines. Our investment in RDI almost doubled compared to the previous year, with greater investments in the development of solutions for transmission system planning and for the supervision, control and protection of assets.

Investments in RDI in 2023 by ANEEL research line (R\$ thousand)¹



1. Considers ISA CTEEP and 100% controlled companies.

Our innovation strategy seeks to ensure business growth, increased efficiency in power transmission, and the creation of opportunities for new sources of revenue. We work in three areas of opportunity:



Ecosystem

The Open Innovation Program is the vehicle we use to seek solutions in the innovation ecosystem, mainly through challenges to startups.

In 2023, for the second consecutive year, our Company was in the **Top 10 of the 100 Open Startups Ranking** – Electric Energy and Renewables category. The ranking recognizes the companies that most practice open innovation in the country, considering 5.3 thousand organizations that have partnered with startups in the last 12 months. The award is promoted by 100 Open Startups, a leading open innovation platform in Latin America.



• Maicon Ferreira dos Santos,
Line Development engineer,
São Paulo Regional

Culture

To accelerate the adoption of innovative practices, our employees are encouraged to participate in creation processes, training and events to learn, inspire and incorporate skills and behaviors that promote the diffusion of innovation in their daily lives.

An example is the **Meeting on Maintenance of Protection, Automation and Telecommunications Equipment and Systems (EMAN)**, an event considered a hub of innovation and creativity in which the operation and maintenance employees themselves have the opportunity to present their actions and propose improvements in order to optimize processes, promote sustainability and increase safety. The **SINAPSE** program, on the other hand, selects employees with an innovative profile to work in integrated initiatives of innovation, process optimization, digital transformation and agile culture,

going through a training journey followed by practical application in multidisciplinary groups.

We also periodically hold awards that value employees whose projects stood out, throughout the year, for the innovative way in which they achieved results aligned with ISA CTEEP's strategic objectives. Among the main recognitions promoted by the Company are the **Annual Highlights in Innovation and Digital Transformation Award** and the presentation of awards at EMAN.

The scope of the dissemination of the culture of innovation is measured by the percentage of employees engaged in innovation and digital transformation initiatives, such as the Open Innovation Program, PDI, Digital Center, training, intrapreneurship, awards, etc. In 2023, we reached about 17% of the workforce engaged on these fronts.



**Sustainable
operation**

Indispensable for the operation of the National Interconnected System (SIN – Sistema Interligado Nacional), our transmission systems are managed with the highest standard of efficiency and excellence. Guided by the Asset Management Policy, operation and maintenance activities are carried out with an integrated view of the equipment life cycle and the optimization of costs, risks and performance.

To this end, we have a criticality matrix to guide the strategy of modernization and replacement of equipment in transmission lines and substations. With this tool, we weigh different indicators to assess risks and potential systemic, safety, financial, environmental and reputational impacts on the Company. Thus, we evaluate the performance of the asset (history and probability of failure) and its current condition (anomalies and tests) and plan its maintenance in the short term or its renewal in the long term, prioritizing activities.

Our asset management is benchmarking in the transmission sector, achieving efficiency indexes in line with those established as a reference by ANEEL. In 2023, we submitted our asset management processes and systems to external

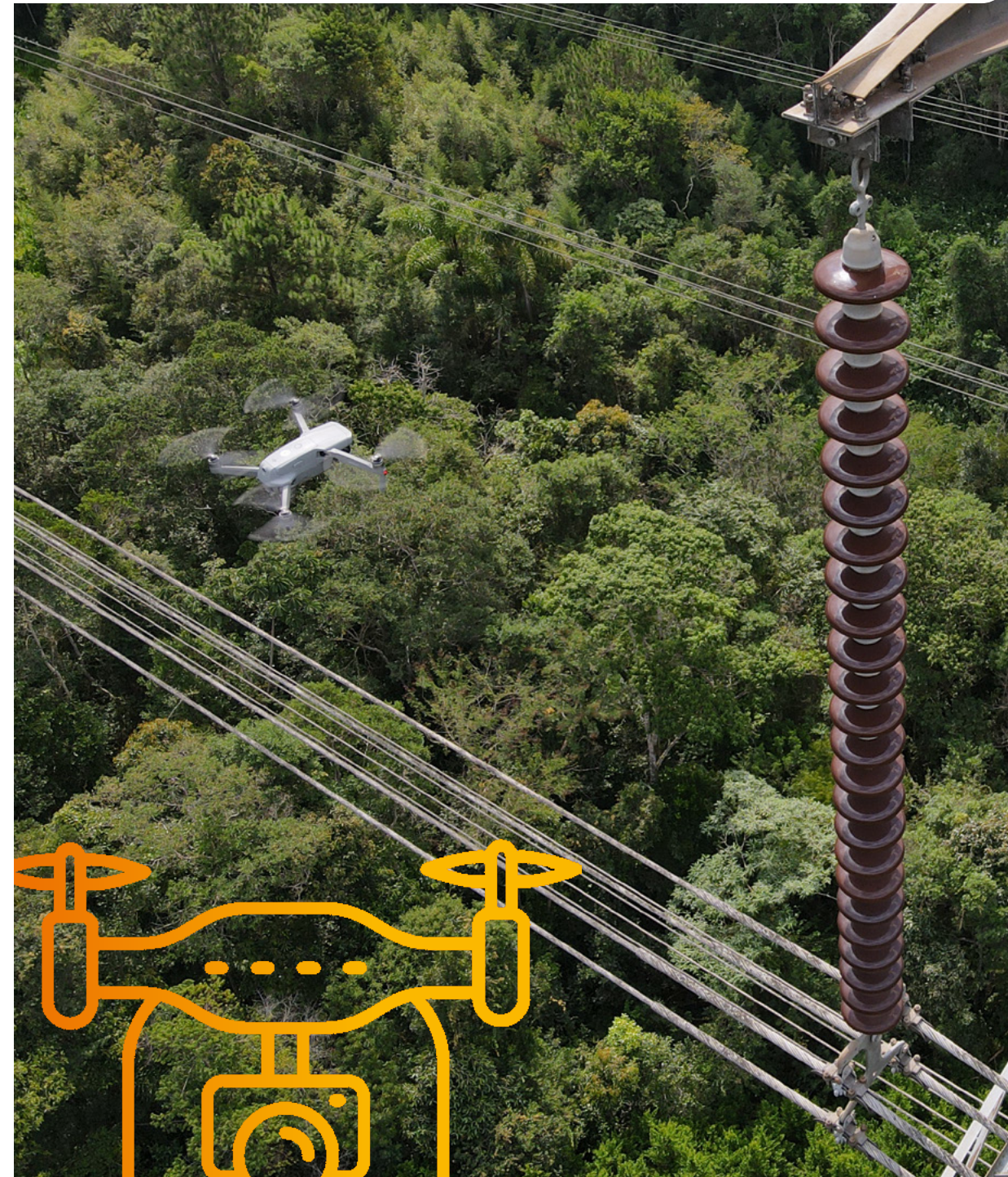
Our asset management is certified according to ISO 55001

verification and achieved, in January 2024, certification according to the ISO 55001 standard, ensuring the implementation of best practices, tools and methodologies.

In order to achieve better operational performance, we invest in the use of new technologies to increase efficiency and reduce costs. In 2023, for example, we carried out 100% of inspections on transmission line structures with the use of drones, a more agile methodology that also increases the level of safety for employees, mitigating operational risks.

At the Transmission Operation Center (COT), in Jundiaí (São Paulo), we use artificial intelligence models for data analysis and support for operators' decision-making. The use of digital platforms streamlines collaboration between teams and the sharing of strategic information.

— Inspection carried out by drone on transmission line



Reinforcements and improvements

Our asset management model is strategic for the evolution and continuity of the Asset Renewal Plan. This initiative is aimed at modernizing the concession of Contract 059/2001, covering 14,600 kilometers of transmission lines and 110 substations in the state of São Paulo.

The assets contemplated in the concession of Contract 059/2001 are fundamental for the operation of the National Interconnected System (SIN – Sistema Interligado Nacional). For this reason, the investments we make are directed to a series of projects that benefit society and ensure reliability—such as the replacement of end-of-life equipment and the expansion of load capacity.

The reinforcement and improvement projects are authorized by ANEEL and remunerated by the granting authority, increasing the Annual Permitted Revenue (RAP – Receita Anual Permitida) due for the concession. Unlike concession contracts acquired in auctions, the compensation of these investments occurs according to periodic tariff review (RTP) cycles.





R\$ 5 billion authorized by ANEEL for investment in reinforcements and improvements until 2028

• Tijuco Preto Project, in the Baixada Santista (SP)

For the 2023/2028 RTP cycle, we are authorized to make R\$ 5 billion in investments in reinforcement and improvement projects between the years 2024 and 2028. Last year, R\$ 1.2 billion was allocated, an increase of 48% compared to the 2022 total. We energized 65 projects and replaced 1,900 pieces of equipment.

One of the projects delivered in 2023 was the modernization of the Barra Bonita – São Carlos – Rio Claro transmission line, in which we invested R\$ 10.5 million. In the 9-kilometer stretch, we replaced the old cables with a heat-resistant model, which increases transmission capacity and enables the industrial development of the ceramics hub in the Rio Claro region, in the interior of São Paulo.

Another highlight within the scope of the Asset Renewal Plan was the energization of the Baixada Santista – Tijuco Preto C3 transmission line, between Santo André and Cubatão. The project adopted several innovations to minimize social and environmental impacts, such as the intensive use of helicopters to transport people and materials (read more on page 39).

Reinforcements

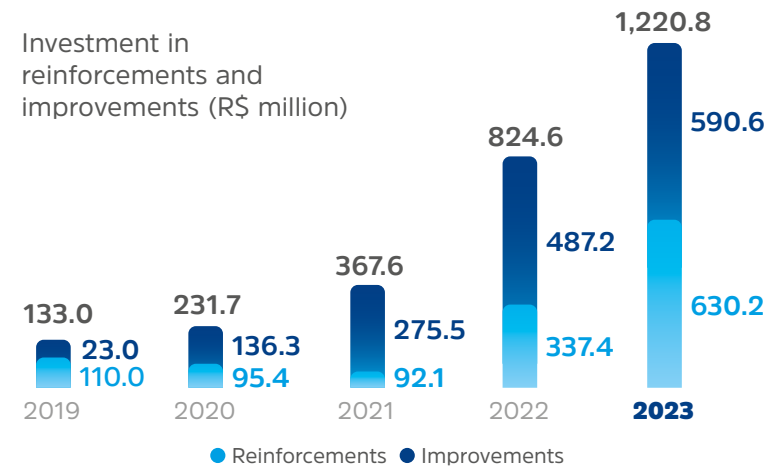
Installation, replacement and refurbishment of equipment on existing assets

Adequacy of installations to increase capacity, reliability, service life or connection of users

Improvements

Execution of works for installation, replacement or refurbishment of equipment in existing assets

Adequacy of facilities to maintain the provision of adequate services



Transmission quality

Technical losses in the transmission network occur naturally, as part of the energy dissipates during transport through transmission lines and transformation in substations. Our operational planning provides for the use of the most appropriate conductive materials for each piece of equipment, and the preventive maintenance plans contribute to the safety of the system and the maintenance of adequate load levels, meeting the regulatory parameters established by ANEEL. In 2023, transmission losses totaled 3.3 thousand GWh.

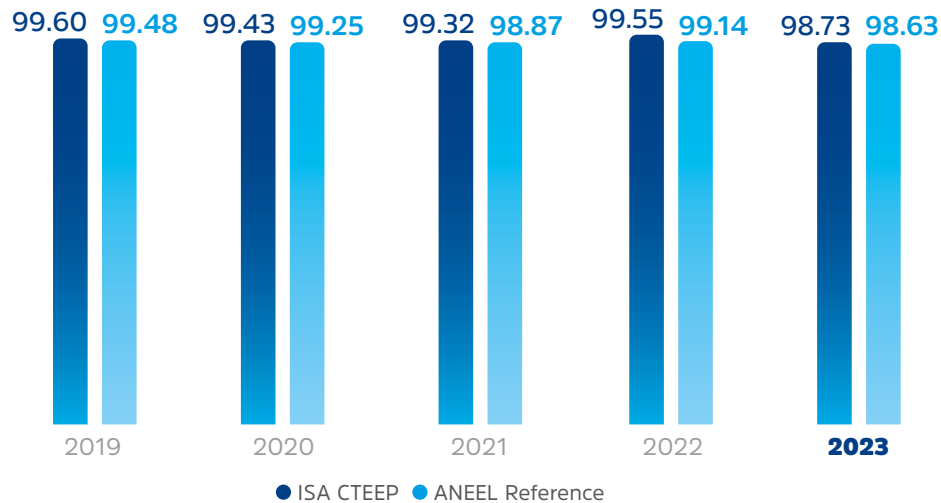
Efficiency is reflected in quality indicators that are continuously monitored. Annually, we set performance targets for the following quality indicators:

- Variable Tranche Revenue
- Unscheduled Unsupplied Energy Index (NSEI)
- Equivalent Interrupt Frequency (FREQ)
- Average availability of lines (%) – compared to ANEEL standards and indicators
- Average availability of transformers (%) – compared to ANEEL standards and indicators



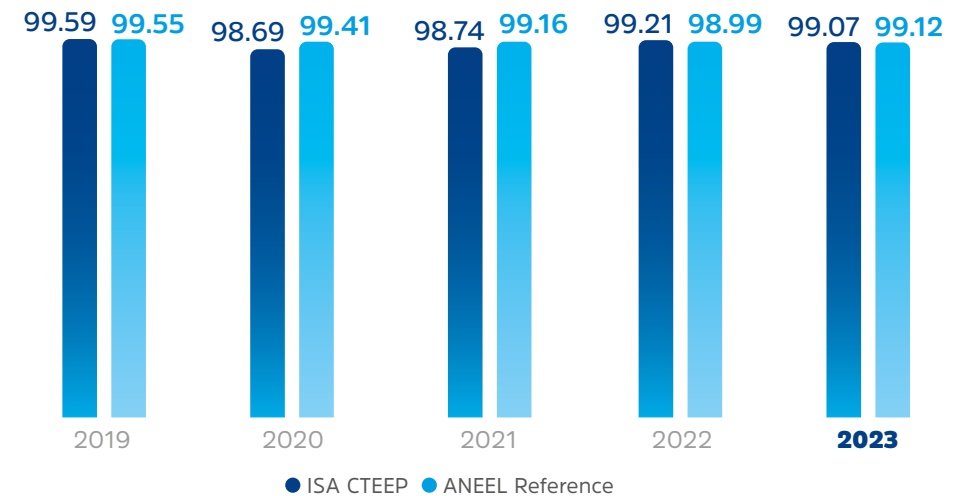
• Employees in the Tibagi Electrical Interconnection: Três Lagoas Project

Average availability of transmission lines¹



1. Only core network assets are considered. For 2022, the data was updated, considering the closure until December 2022. In the previous report, the data available was only up to October of that year. For the ANEEL reference, the average of the results of the equipment families of the entire basic network was used. For 2023, the data already reflect the cumulative figure up to December 2023.

Average availability of transformers¹



Environmental management

Our management model also includes the active management of environmental aspects and impacts associated with the construction, operation and maintenance of electricity transmission systems. One of the key environmental aspects we manage is the impacts associated with climate change, including maintaining the integrity and safety of assets in the face of extreme weather events and actions to reduce emissions, such as controlling SF₆ gas leaks (learn more on page 40).

The guidelines that guide environmental management are established by our Environmental Policy and materialized through the Environmental Management System (EMS), guided by the ISO 14001 standard and applicable to 100% of our assets. Currently, 27 company-owned substations are already ISO 14001 certified, which represents 21% of our asset farm—in 2022, this rate was 7%. Our goal is to have 50% of substations certified by 2026 and reach 100% by 2030.

The management of environmental aspects occurs in an integrated manner throughout the life cycle of the concession contract. In the planning and installation phase, potential negative impacts are mapped within the scope of environmental licensing processes, and, together with regulatory agencies, we define action plans for adequate mitigation and compensation.

— Tibagi Electrical Interconnection:
Três Lagoas Project



In the operation phase, we act in accordance with the legal commitments expressed in the form of environmental conditions in the Environmental Operating License (LO), in addition to monitoring the environmental legal requirements applicable by Brazilian legislation. These initiatives contribute to the protection of ecosystems and biodiversity in the 18 states where our assets are present. Innovative solutions, such as the use of drones for laying cables and inspecting transmission lines, contribute to minimizing the impact of our operations on the environment.

The EMS also holds the Contingency Plan for Environmental Emergencies, which defines the necessary measures in crisis situations with potential serious damage to the environment. Among the scenarios dealt with are occurrences of fires and explosions with oil leaks.

Annually, we promote training and simulations of the Plan, enabling our teams to act in emergency situations that may impact the Company's assets. Our units also have transformer oil containment systems and emergency response kits to act in a timely manner in case of accidental leaks, avoiding soil and water contamination.

Currently, 21% of our asset base has ISO 14001 Environmental Management System certification. Our goal is to increase this percentage to 50% by 2026 and 100% by 2030



**ENVIRONMENTAL
MANAGEMENT
PROGRAMS**



Construction environmental program



Forest replacement



Recovery of degraded areas



Waste management



Social communication



Environmental education



Fauna scaring away



Germplasm rescue



Prevention and control of erosion processes



Fire and fire prevention



Contingency plan for environmental emergencies



Strategic management of the environmental management system

■ IEMG: Triângulo Mineiro Project - Nova Ponte - Uberlândia

Fighting fires

Fires are one of the main factors that cause forced shutdowns of the power transmission network. Therefore, one of the main points of attention of our environmental management is the prevention and fighting of fires near our assets. In the driest months of the year, we reinforced actions in more than 170 municipalities with the highest incidences of fire outbreaks.

In 2023, we installed our first advanced base for preventing and fighting fires, in the city of Eliseu Martins (Piau), a concession area of IENNE, a subsidiary 100% controlled by ISA CTEEP, and which has one of the highest rates of fires in vegetation near transmission lines.

The base aims to act in the prevention of fire outbreaks, through training of brigades and multiplication of knowledge, awareness campaigns with teams in the field and communications with local public agencies. Moreover, it is prepared to carry out firefighting, with immediate displacement in case of fire outbreaks.

To this end, we equipped the site with two pickup trucks with a rigid tank and a high-pressure pump,

a reservoir for 400 liters of water and a 30-meter hose, as well as individual and collective protective equipment for the firefighters. To operate more efficiently, the team has a biodegradable additive that is added to the water because it has a superior capacity to reduce temperature and smoke, in addition to reducing the volume of water needed for combat by 68%.

In the state of São Paulo, where we are responsible for about 95% of the energy transmitted, we have entered into a partnership with the state government to operate in Operation SP without Fire. The initiative aims to promote actions to prevent and combat forest fires, especially in cities in the interior.

In 2023, our investments for fire prevention and firefighting totaled R\$ 27.9 million, an increase of 116% compared to the previous year. Among the main measures adopted are the mowing of vegetation and the realization of awareness campaigns. In addition, with the use of georeferenced digital platforms, we carry out continuous meteorological monitoring and seek to identify fires in the extension of the transmission lines.

Setting fires near transmission lines and substations is prohibited by law. Fires and burnings should be reported to the Fire Department (193) and our Transmission Operation Center (0800 118 713)



• Riacho Grande Project (São Bernardo do Campo, SP)



Waste

In order to enhance our positive environmental impacts, in 2023 we began an assessment of opportunities to expand the circular economy, reverse logistics, and other positive environmental solutions for the disposal of the waste we generate in maintenance and administrative activities. One of our goals is to eliminate the consumption of single-use plastic, a project that covers the corporate headquarters and the regional offices.

Through the EMS, we monitor the generation and disposal of hazardous waste in 100% of our processes. Materials that have commercial value (such as scrap metal and batteries) are corporately managed by Service Center staff and incorporated into reverse logistics chains. Administrative waste is segregated into organic and recyclable waste and mainly sent to local collection networks.

The waste generated in the maintenance activities of the assets is kept in temporary waste plants and destined for

environmentally appropriate disposal after the concentration of significant volumes. Whenever possible, we prioritize noble methods of disposal, which divert waste from final disposal and allow it to be reinserted into production chains, such as recycling, refining and co-processing.

PCB Disposal

In 2023, we advanced with the plan to eliminate equipment that uses PCB, an insulating oil used to insulate old transformers. The product has a high potential for contamination, and its controlled elimination was determined by legal requirements. Our objective is to complete the withdrawal of all units by 2025 and finalize the appropriate disposal by 2028, in accordance with regulatory parameters.




• Evrecy: Minuano Project (under construction)

This disposal operation is carried out by specialized supplier companies, which regularly present the necessary licenses for their operations, the solid waste transport manifests and the final destination certificates. These suppliers participate in our pre-contract evaluation processes and throughout the contract period (learn more on page 64).

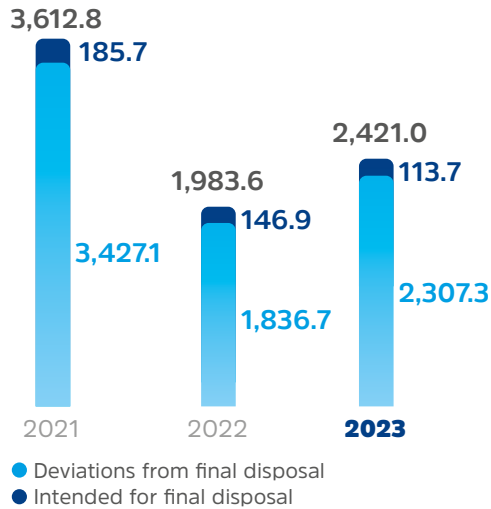
In 2023, the total volume of waste disposed of rose by 22% compared to the previous year. This growth was due to operational adjustments with the suppliers responsible for the destination, which led to greater storage in the temporary centers of the regional offices. In the last year, with the formalization of a new contract with a specialized company, the destination schedule was gradually resumed.

Zero Plastic Journey



Incorrectly discarded plastics are one of the biggest causes of pollution in rivers and oceans. In 2023, as part of our commitment to sustainability, we launched our Zero Plastic Journey. The objective is to eliminate the use of single-use plastic throughout the Company, aiming to reduce waste generation. The project was implemented gradually at the corporate headquarters and regional offices. The expectation is to eliminate the use, at headquarters, of around 60 thousand plastic cups per year, with a potential reduction in emissions of 54 kilos of CO₂ equivalent.

Waste by destination (tons)¹



1. Considers waste disposed of by waste plants and administrative offices and recoverable waste.

Disposal of waste by type and method (tons)¹

Deviations from final disposal

	Hazardous			Non-hazardous			Total		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Recycling	18.0	88.7	465.7	2,204.7	1,747.8	2,932.6	2,222.7	1,836.5	3,398.3
Refinement	65.4	0.3	0.0	0.0	0.0	0.0	65.4	0.3	0.0
Co-processing	19.0	0.0	27.5	0.2	0.0	1.3	19.2	0.0	28.8
Subtotal of waste diverted from final disposal	102.3	89.0	493.2	2,204.9	1,747.8	2,933.9	2,307.3	1,836.7	3,427.1
Intended for final disposal									
Landfill	0.3	0.2	0.1	103.5	115.5	170.3	103.7	115.7	170.4
Incineration	8.6	0.0	14.5	0.0	0.0	0.0	8.6	0.0	14.5
Other	1.4	0.0	0.3	0.0	31.2	0.5	1.4	31.2	0.8
Subtotal of waste destined for final disposal	10.3	0.2	14.9	103.5	146.7	170.8	113.7	146.9	185.7
Total of waste disposed	94.6	89.1	508.1	2,308.4	1,894.5	3,104.7	2,421.0	1,983.6	3,612.8

1. Considers waste disposed of by waste plants and administrative offices and recoverable waste.

Water

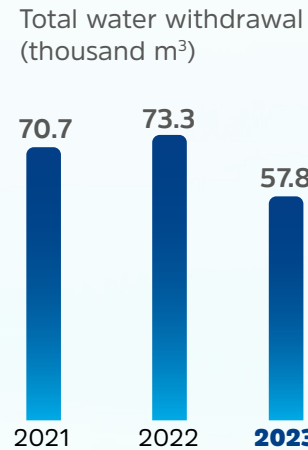
Our power transmission activities are not water-intensive, do not exert pressure on water availability or generate industrial effluents. Even so, we seek to mitigate potential negative impacts, monitoring the volumes captured and consumed in each location, following the evolution in relation to the established internal goals and acting in a timely manner in cases of significant variation.

Our administrative units and substations collect water directly from wells or are supplied by local networks. The effluents generated, in turn, are directed to the local sanitation network or stored in septic tanks and chemical toilets that

undergo periodic cleaning and maintenance.

Periodically, we review the mapping of units installed in regions with water stress to assess the level of exposure to a scenario of lack or limitation in the water supply and to plan mitigation actions. In 2023, this update identified that 7 of the 129 substations of the 100% controlled utilities are in an area with a high overall risk of water stress. None of the localities are in an extremely high-risk area. The assessment is made according to the premises of the World Resources Institute's (WRI) Aqueduct Water Risk Atlas platform.

In the last year, total water withdrawal decreased by 21% compared to 2022. This evolution is due to investments and modernization of the substations' water systems, as well as punctual maintenance to correct and prevent leaks



Water withdrawal by source (m³)¹

	Total			Water-stressed areas		
	2023	2022	2021	2023	2022	2021
Distributor	21,213.6	18,214.3	19,925.7	732.0	8,179.7	na
Well	36,459.5	54,860.2	50,606.0	700.0	34,447.8	na
Water truck	93.1	194.2	140.4	0.0	190.0	na
Rainwater	75.0	24.0	17.0	0.0	0.0	na
Total	57,841.2	73,292.7	70,689.1	1,432.0	42,817.5	na

¹ Covers only 100% controlled companies in operation. It is assumed that the entire volume collected has a concentration of total dissolved solids less than or equal to 1,000 mg/l.

■ Tibagi Electrical Interconnection: Três Lagoas Project



Commitment to the protection of biodiversity

The potential impacts of our business on biodiversity are mapped through Environmental Impact Assessments (EIA), prepared in accordance with the standards and legislation applicable to environmental licensing, and with the objective of defining measures that minimize, mitigate or compensate for negative impacts and maximize positive impacts. In general terms, the greatest impact on ecosystems occurs in the construction stages of transmission lines and substations, with risks of landscape alteration, vegetation suppression, changes in the habitat of fauna and contamination of soil and water.

To mitigate these risks, we have adopted different measures in the planning of the construction of assets and technologies that provide more efficiency and lower environmental impacts (see box). We also establish and implement different environmental programs from the beginning of the implementation of each project.

FOREST REPLENISHMENT PROGRAM

It provides for forest replacement to compensate for vegetation suppression. In general terms, the most adopted method is plantations with native

vegetation, planned to promote the enrichment of forest massifs and prioritize the creation of ecological corridors. Other methods can also be applied, such as land tenure regularization of conservation units, registration in the registration of a legal reserve of standing forest in excess of the mandatory percentage (area bank) and creation of RPPN (conservation unit).

FAUNA AND FLORA CONSERVATION PROGRAM

It brings together initiatives to minimize the loss of biodiversity, such as the scaring away, rescue and monitoring of fauna, the installation of anti-collision beacons for avifauna and the monitoring of rescued germplasm.

ENVIRONMENTAL EDUCATION PROGRAM

It aims to make workers aware of the impacts and precautions to be taken during the construction period, as well as to carry out environmental education actions for local communities, addressing issues about the preservation of the environment.

SOCIAL COMMUNICATION PROGRAM

It aims to inform the population directly and indirectly affected about the project and the progress of the works, with the aim of ensuring the safety of the population, the environment and the project (read more on page 89).

Main potential and real impacts on biodiversity

	Characterization of the nature of impacts	Measures to prevent or mitigate impacts
Change of the natural landscape by inserting industrial elements, such as towers, lines and substations	Irreversible and of medium intensity	Definition of line layout and location of substations, avoiding areas of interest to the population and the environment, such as conservation units, tourist regions and areas occupied by traditional communities
Suppression of vegetation and fragmentation of terrestrial habitats, with potential impact on the diversity of fauna and flora	Irreversible and of high intensity in the places where the assets are installed. Temporary (works) and of medium intensity in access areas for the implementation of assets	Definition of route, optimization of access and logistics of the support structure, adoption of technologies that minimize vegetation suppression (heightening of towers, drones, directional felling techniques etc.)
Loss of fauna due to accidents with chainsaws and other equipment	Irreversible and of high intensity if it occurs (potential impact)	Programs for scaring away, rescuing and monitoring fauna, monitoring veterinarians and biologists on plant suppression fronts and partnerships with institutions to accommodate injured animals
Contamination of soil and water due to the occurrence of fuel and oil leaks, particularly when installing underground lines	Reversible and of low intensity if it occurs (potential impact)	Guidelines and procedures for adequate environmental management by contractors, monitoring of intercepted water resources, environmental education actions and recurring audits of suppliers in the field

In 2023, as compensation for environmental impacts related to the Triângulo Mineiro Project, we created a Private Natural Heritage Reserve (RPPN), with a total area of 39.45 hectares, in the state of Minas Gerais, to protect biodiversity. The Company also maintains a land bank of 46.43 hectares, consisting of two properties and located in the state of São Paulo. This area aims to meet the demands for forest replacement associated with the method of registering legal reserves in excess of the mandatory percentage. Together, the projects total 85.88 hectares under protection.

Aside from that, we manage 68.6 hectares of forest restoration areas, where we carry out compensatory plantations for the implementation and operation of our projects. In 2023, 17.55 new hectares were planted and another 51.07 previously restored hectares were maintained. Our management process also involves monitoring the development of biodiversity in preservation areas close to the assets.

Areas restored in 2023 by subsidiary¹

	Location	Size (hectares)	Type of area	Activity developed in the period
IE Aguapeí	Lameirão Farm (SP)	4.95	Third-party area	Maintenance
IE Itaúnas	Nossa Senhora da Saúde Sanctuary (ES)	0.12	Third-party area	Maintenance
	João Neiva 2 Substation (ES)	4.00	Own area	Maintenance
IEMG	ECO Cerrado RPPN (MG)	6.08	Third-party area	Maintenance
	Serra da Canastra National Park (MG)	17.55	Third-party area	Reforestation planting
	Severino Farm (MG)	16.85	Own area	Maintenance
ISA CTEEP – Contract 059	Mico-Leão-Preto ESEC (SP)	1.30	Third-party area	Maintenance
	Santa Branca/Monteiro Lobato HPP (SP)	17.60	Third-party area	Maintenance
	Rio Turvo State Park (SP)	0.17	Third-party area	Maintenance

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

Number of species identified in fauna and flora monitoring by threat level¹

	2023		2022	
	IUCN Classification	Classification of national lists	IUCN Classification	Classification of national lists
Critically endangered	0	0	0	0
Threatened	4	4	3	2
Vulnerable	2	10	2	15
Near threatened	8	12	9	8
Least concern	565	553	437	426
Operations in which there was monitoring in the period	IE Itaúnas IEMG ISA CTEEP		IE Riacho Grande IE Tibagi IEMG	

1. There was no fauna and flora monitoring study in 2021.

Supplier relationships

Our suppliers are key allies in achieving our long-term value strategy, contributing to corporate longevity, shareholder returns and the creation of positive social and environmental impacts. In our supply chain, we have partnered with more than 1,000 companies, which provide services or materials and equipment for the construction, operation and maintenance of our assets every year.

In order to carry out a close, agile and transparent management with these stakeholders, we have developed a governance model that directs specific action plans according to the level of criticality of suppliers to our business model. This management is guided by the Strategic Supply Matrix, in which we have 83 procurement categories

prioritized in quadrants—restrictive, critical, routine and relevant.

Based on the Matrix, we classify our suppliers into two categories: strategic or tactical. This classification considers the financial volume traded in the last three years, the level of criticality for our business, and the prioritization of the supply category.

The Strategic Supply Matrix is what directs the practices for selecting and evaluating suppliers. Our greatest effort is in the monitoring of strategic suppliers, a group that includes cable and equipment manufacturers and service providers for the execution of works. These categories accounted for 80% of the hires made in 2023.



Raphael Alves de Campos, Substation and Installation technician, and Iuri Maurício Borges Cabezas, Maintenance and Equipment technician, at the São Paulo Regional Office

1,177 suppliers with a contract in force in 2023

99.4% of them located in Brazil (local)

R\$ 7.4 billion in value of contracts and purchase orders

Suppliers with a contract in force by region

	2023	2022	2021
North	9	5	6
Northeast	26	120	18
Midwest	30	30	18
Southeast	998	852	581
South	107	92	64
Abroad	7	16	12
Total	1,177	1,115	699

General procurement indicators

	Total			With local suppliers		
	2023	2022	2021	2023	2022	2021
Number of suppliers with a contract in force	1,177	1,115	699	1,170	1,099	687
Value in contracts and purchase orders (R\$ million)	7,437.6	5,570.2	2,390.70	7,434.3	5,556.6	2,351.97



Assessment and monitoring

All our suppliers go through a pre-qualification procedure. This process encompasses the verification of clearance certificates of fiscal, tax, and labor debts, the non-occurrence of restrictions by regulatory agencies (IBAMA, Ministry of the Environment, Ministry of Labor, etc.), and the absence of international alert lists, such as the SARLAFT/SIPLA system (a global platform for verifying involvement in drug trafficking, money laundering, and terrorism). In 2023, 586 new partners were approved and homologated.

In the negotiation and contracting phase, we deepen the technical and financial evaluation of suppliers. At this stage, we request additional documentation on environmental aspects in cases where the nature of the provision of services or the supply of materials involves some environmental risk.

After the contract is concluded, the suppliers start to participate in the **Performance Evaluation**. The program covers strategic suppliers and includes companies that provide services for sensitive activities in health, safety and environmental issues (waste disposal, functional transport, line maintenance, weeding services etc.).

• Employees in the control room of the São Paulo Regional Office



• Employees Amanda Scott and Ligianne Dâmaso

According to the Performance Evaluation methodology, suppliers are evaluated on criteria of service, quality, deadline, documentation, occupational health and safety (OSH) and environment. Annually and at the end of the contract, companies receive a grade. Scores below 80% lead to the request for an improvement plan, approved and monitored by the contract manager.

In addition to the Performance Evaluation, part of the strategic suppliers is monitored through **Sustainability Audits**. This action enables a more in-depth assessment of the level of management maturity of suppliers in the environmental, social and corporate governance pillars.

In 2023, we monitored 353 partners in our social and environmental assessment processes – 342 participated in the Performance Evaluation program and 11 in the Sustainability Audits. Of this total, 302 companies (85.6%) achieved satisfactory performance. Another 51 (14.4% of the total) performed below expectations, in which case we worked together with the contractors to prepare improvement plans. Neither situation led to contract termination.

MAIN SUPPLIER ASSESSMENT AND MONITORING INITIATIVES



Tactical

- Document analysis in pre-qualification
- Performance evaluation and document monitoring during the contract period
- Events and engagement actions



Strategic

- Document analysis in pre-qualification
- Performance evaluation and document monitoring during the contract period
- Events and engagement actions
- Prior, execution and sustainability audits
- Development and strengthening programs
- Visibility into the second level of the supply chain

Auctions and sourcing strategy

The transparent and trusting relationship we have established with our suppliers has enabled an evolution that adds competitive advantages to our business model. To support our growth through the acquisition of new projects in transmission auctions, we have previously structured the network of partners who will build the lines and substations – considering the specificities and schedules of each project.

Agreements signed prior to participation in the auctions ensure the availability of qualified partners for the new lots we win

The agreements signed in this pre-contracting include the clause that the fulfillment of the commercial and technical conditions established is conditional on the success of the offer for the new asset. Confidence in our ability to execute allowed us to efficiently allocate resources and present structured proposals for the new projects won in 2023.

We have also made progress in the planning of investments for reinforcement and improvement projects aimed at the modernization of our installed park. In the 2023/2028 cycle, we will invest a total of approximately R\$ 5 billion to modernize and increase the capacity of the transmission system, especially in the state of São Paulo, as part of Contract 059/2001, which will require a large volume of purchases and contracting of services.

In order to mobilize our partners for this high volume of initiatives, we reviewed our sourcing strategy, making early purchases and expanding our inventory capacity. Approximately 75% of the inputs needed for the projects planned for 2024 are already contracted, involving suppliers of equipment, protection system, works, projects, among other products and services.



Suppliers meeting

To create positive impacts throughout our value chain, we constantly promote the engagement of our suppliers around the strategic vision, corporate values and sustainability culture that we practice. One of the main channels for this verticalization of good practices is the **Suppliers Meeting**, which in 2023 brought together 89 partners. At the event, we addressed strategic topics for our business, such as safety management, innovations and ESG, market opportunities, ethics and compliance.

At the Suppliers Meeting and in the daily interaction with partners, we reinforce that the guarantee of fundamental labor rights is a non-negotiable premise for our Company. This principle is explicit in both our Code of Ethics and Conduct and the Code of Conduct for Suppliers.

We do not tolerate any form of degrading work, the use of child labor, or any disrespect for human rights. If any such deviation by our partners is identified, our policies and contractual clauses allow for the immediate termination of the agreement and the taking of appropriate legal and legal action.

Monitoring measures are reinforced in contracts involving the provision of services, through Third-Party Management. Conducted by a specialized company, this approach ensures compliance with all the requirements



• Dayron Urrego, Project Director, at the 2023 Supplier Meeting

set out in the contract, especially labor and health and safety requirements, before the start of activities and in all months of the duration of the contract.

Respect for and promotion of human rights, especially those related to decent work issues (eradication of child, forced or slave-like labor), are also reinforced in our Corporate Governance Code. In addition, the Diversity and Inclusion Policy highlights the fight against all forms of discrimination and the maintenance of a work environment with broad respect for differences.

Human rights in the electricity sector



In 2023, as a signatory of the UN Global Compact, our Company joined the Electrical-Energy Working Group (GTEE), part of the Human Rights Action platform promoted by the Global Compact Brazil Network.

The objective of the initiative is to advance the operationalization of mechanisms to promote respect for human rights by the national energy sector, within the national situation. To this end, the GTEE, made up of 30 companies, considers the country's situation and the context of the activities and operations of the companies involved.

In its first year of operation, GTEE developed a practical guide and a toolkit for due diligence on human rights in the energy sector and a technical note on the bill to create the National Human Rights Framework (PL 572/2022).

Regulatory management

In the power transmission segment, we are fully regulated by guidelines, standards and parameters established by the granting authority, ANEEL, and monitored by government agencies and autarchies. In this context, as a sector leader, we work collaboratively to contribute to the sustainable evolution of the electricity sector, through interaction with public agents and sector entities, following and practicing ethical and transparency principles.

Through structured management, we follow the main discussions and trends in the regulatory field and make contributions based on the experience and technical knowledge we have. Our goal is to contribute to the regulation driving the materialization of investments in line with the expectations and demands of civil society and the preservation of quality operating and maintenance conditions. In addition, the involvement and protagonism in class entities and external commitments occurs in a synergistic way with the engagement with public policies, aiming at convergence and synergy in the dialogue with other agents.

One of the main fronts on which we worked was the specific regulation on the subject of energy storage in batteries. As pioneers in the installation of the first system of this type on a large scale, we have participated in the evaluation of how this solution can be encouraged to improve the environmental performance of the Brazilian electricity sector. This agenda will continue in 2024, and the expectation is that future reserve capacity auctions will effectively prioritize clean energy sources, with technological neutrality and open to battery storage.

Our engagement in industry and regulatory discussions drives the adoption of good practices and the promotion of the sustainability agenda more broadly, involving civil society, government and other companies in the sector



• IEMG: Triângulo Mineiro Project



- Brazil's first large-scale battery energy storage system at the Registro Substation (SP)



on tariff regulation, asset compensation, transmission quality, and regulatory basis for extension or rebidding of concession contracts in the final phase of validity.

Among the entities to which we are affiliated, the Brazilian Association of Electric Power Transmission Companies (ABRATE) is one of the main ones to direct this proactive participation. We are at the forefront of the coordination of ABRATE's Environmental and Expansion Committees, contributing to the sustainable growth of the transmission sector. With this focus, we also participate in the Electric Power Transmission Committee of the Brazilian Association of Infrastructure and Basic Industries (ABDIB). We also follow the constitution of the Brazilian Association of Energy Storage Solutions (ABSAE), to which we joined in December 2023.

We also participate in the sectorial planning study groups of the Energy Research Company (EPE), which discuss alternatives to meet the demand for electricity and the flow of generation through the transmission system. In this way, we contributed to the construction of the Ten-Year Energy Plan (PDE), published annually with the objective of offering horizons for auctions and reinforcements that guide investments in the sector.

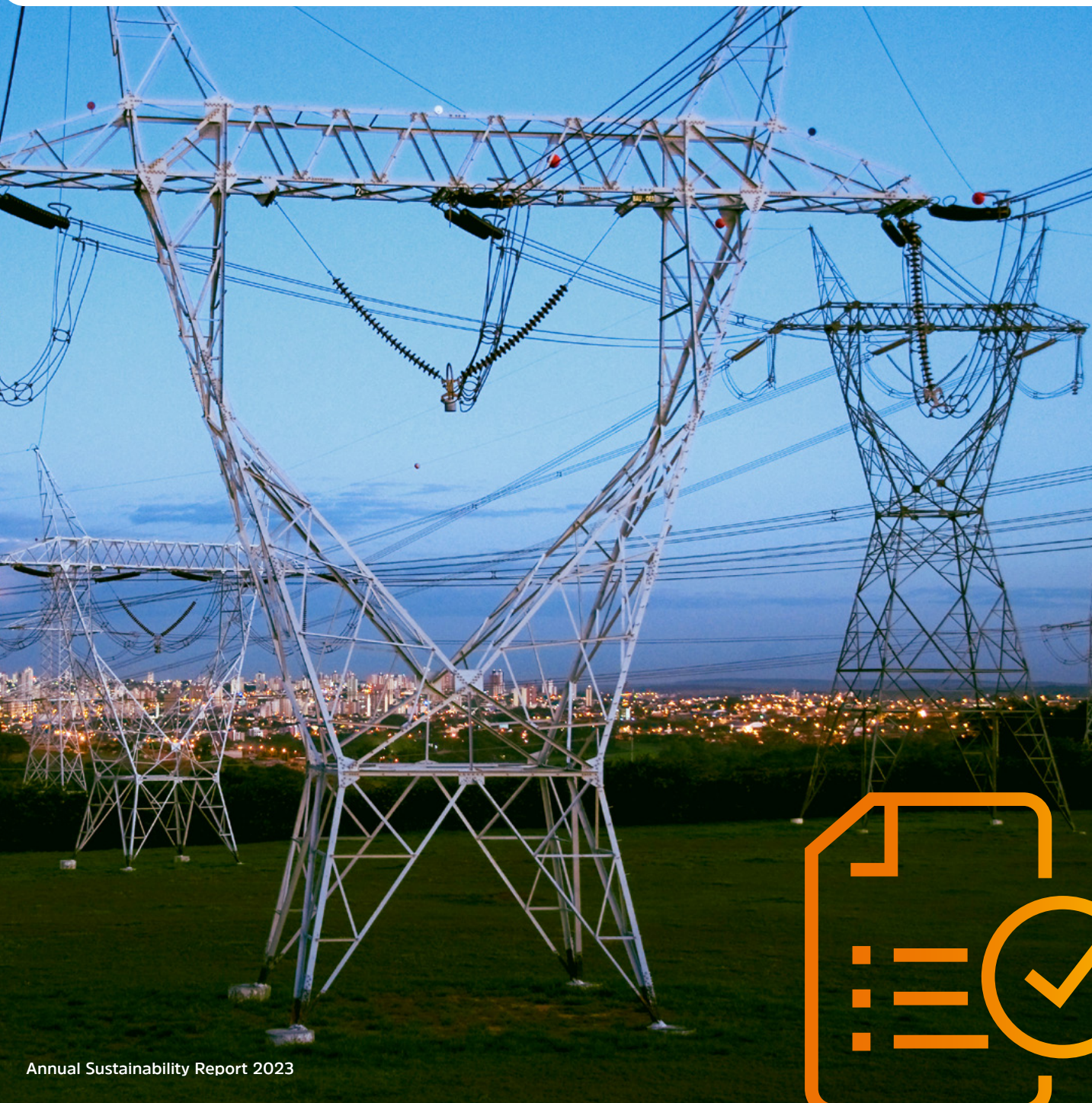
Our participation in industry associations, including the participation of the Company's executives on the boards and boards of directors of these entities, aims to boost the quality of this interaction with regulatory agents. The regulation of energy storage systems was one of the main topics conducted at the sectorial level. We also participate in dialogues

We participated in EPE studies to discuss alternatives for the evolution of transmission infrastructure in order to meet energy demand, such as battery storage systems

In 2023, our participation in the main events in the sector deserves to be highlighted. We support the XXVII National Seminar on the Production and Transmission of Electric Energy (SNPTEE), the National Meeting of Agents of the Electric Sector (Enase) and the Brazilian Forum of Energy Leaders, in addition to being present at international events, such as the Technical Panel at the Amazon Dialogues (Amazon Summit) and the United Nations Climate Conference (COP 28, UN), held in Dubai

Associations and class entities	Amounts paid (R\$)		
	2023	2022	2021
Brazilian Association of Electric Power Companies (ABCE) <i>Highlight for our performance in the Vice-Presidency of the Board of Directors and in the Fiscal Council</i>	32,076.00	32,076.00	32,076.00
Brazilian Association of Infrastructure and Basic Industries (ABDIB) <i>Highlight for our participation in the Advisory Board and in the Electric Power Transmission Committee</i>	124,820.00	131,400.00	102,000.00
Brazilian Association of Business Communication (ABERJE)	2,088.00	11,880.00	10,332.00
Brazilian Association of Risk Management (ABGR)	3,120.00	3,100.00	2,700.00
Brazilian Association of Publicly-Held Companies (Abrasca) <i>Highlight for our presence in the Liquidity, Finance and Taxation Committees, and Institutional and Government Relations Committees</i>	28,600.00	26,000.00	24,000.00
Brazilian Association of Electric Power Transmission Companies (ABRATE) <i>Highlight for our performance in the position of Director and for the coordination of the Environmental and Expansion Committees</i>	518,456.12	205,318.44	337,827.24
Brazilian Association of Energy Storage Solutions (ABSAAE)	0.00	na	na
Brazil-Colombia Sociocultural and Business Exchange Association (AISCE) ¹	20,000.00	110,000.00	50,000.00
Brazilian Committee of the Regional Electrical Integration Commission (Bracier) <i>Highlight for our participation in the Board of Directors</i>	0.00	56,024.77	53,821.20
Energy Research Center (Cepel)	100,000.02	100,000.00	99,999.67
Brazilian National Committee for the Production and Transmission of Electric Energy (Cigre)	8,400.00	5,580.00	5,580.00
Brazilian Institute of Corporate Governance (IBGC)	46,999.00	42,726.00	37,656.00
Ethos Institute	62,000.00	51,000.00	0.00
Brazilian Association of Accountants of the Electric Power Sector (Abraconee)	12,600.00	12,600.00	1,800.00
ABRATE Institute	1,200.00	2,565.48	0.00
Brazilian Association of Photovoltaic Solar Energy (ABSolar)	7,520.00	4,270.00	0.00
Brazilian Association of Shared Services (ABSC)	3,420.00	2,388.00	0.00
Institute of Engineering Management (IEG)	0.00	35,615.00	0.00
UTC Latin America (UTCAL) <i>Highlight for our presence on the Board of Directors</i>	36,891.83	34,159.00	0.00
Brazil Sphere	160,000.00	0.00	0.00
Brazilian Wind Energy Association (ABEEólica) <i>Highlight for our participation in the Carbon Market Working Group</i>	34,998.70	0.00	0.00
UN Global Compact ¹	35,925.00	18,975.00	25,310.00
Energy Industry Union in the State of São Paulo (Sindienergia)	0.00	0.00	23,760.00

1. Data from 2022 resubmitted. The values had not been computed in 2022, due to a change in methodology to reflect global alliances in sectorial representation.



TARIFF RECOMPOSITION (RBSE)

We are actively involved in discussions about the payment of the financial component and reprofiling of the payment of the Basic Network of the Existing System (RBSE – Rede Básica do Sistema Existente). Our position aims to demonstrate that administratively exhausted decisions should not be changed, that the current calculations are correct and that such decisions ensure legal and regulatory certainty for the transmission sector.

ADDENDUM TO CONTRACT 059

On November 29, 2023, our Company became aware of an unfavorable decision by the Federal Court of Accounts (TCU), in granting the appeal filed by ANEEL, modifying its previous decision to invalidate the rebidding of the ISA CTEEP Center Substation, object of lot 6 of auction 02/2022, held on December 16, 2022. The decision guaranteed the right to economic and financial rebalancing through fair compensation to the Company.

PREPARATION FOR THE PERIODIC TARIFF REVIEW

In 2023, we advanced in the sectorial discussion to define the methodologies for the tariff review that takes place every five years and defines the parameters of compensation to the companies holding the transmission concessions. Our teams sought to contribute to the maintenance of the legal and regulatory stability of the sector, with active participation in the process of defining the methodologies for tariff review: (i) Annual Permitted Revenue (RAP – Receita Anual Permitida) from Operation and Maintenance of companies; (ii) valuation of investments. In 2024, the periodic tariff review of the transmission sector will take place.



Always-connected
**leaders
and teams**

The success of our 2030 Strategy is directly connected to the formation and development of highly qualified teams for the development of new projects and businesses in the power transmission sector. For this reason, we practice a human capital management approach that encourages alignment with our values and principles, continuous learning and a culture of valuing professional talent.

With a focus on these objectives, we have implemented a training program that strengthens the technical and behavioral skills of our more than 1,600 employees. In 2023, for example, we completed the training of 80 professionals as drone operators, which ensured that 100% of transmission line inspections were carried out using this type of equipment, with efficiency gains and greater safety.

In 2023, we invested a total of R\$ 1.76 million in training and qualifications, reaching more than 72 thousand hours of training—an average number of 45 hours per employee. Compared to the previous year, there was a reduction in these indicators, but the actions were adequate to ensure the development and qualification of our teams. Annually, we carry out a survey of training needs together with the managers of the business areas, ensuring that the development strategies are aligned with the organizational goals and market expectations.

R\$ 1.76 million
invested in training
and qualification

**+ than 72,000
hours** of team qualification

**Average hours of training
per employee¹**

	2023	2022	2021
By gender			
Men	48.05	77.53	39.47
Women	30.61	28.76	13.19
By functional level			
Executive board	27.01	21.56	8.67
Management	30.36	17.58	12.64
Coordination	53.01	39.52	23.16
Experts	16.55	20.04	17.95
Administrative	87.13	15.76	9.16
Operational	35.55	89.59	43.89
Total average hours of training			
Consolidated	45.04	70.26	35.70

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

— Raphael Alves de Campos, Substation and Installation technician, and Iuri Mauricio Borges Cabezas, Maintenance and Equipment technician, at the São Paulo Regional Office





One of the main objectives set for the year 2024 is the structuring of an integrated platform for training and development of leaders, in the concept of a corporate university. Our ambition is to enhance, with the use of digital tools, the development of leaders and potential successors, supporting the business growth strategy and qualification of teams.

One of the projects we started in 2023 was the structuring of a training grid aimed at developing new technical skills for operational technicians. The goal is to ensure that our talents have a multidisciplinary view of Operation and Maintenance (O&M) challenges and activities, increasing efficiency and synergy across our assets. This initiative, developed based on the identification of opportunities with the expansion of the business to other regions of Brazil, was initially conducted in the São Paulo Regional and will be expanded to the Company's other units as of 2024.

In addition to corporate training, we offer all eligible employees a monthly allowance for external courses, covering technical, undergraduate, graduate and language training.

- *Pablo Juliano Nunes Pereira and Carlos Eduardo dos Santos Teixeira, operators of the Real Time System, at the Bom Jardim unit*

The Performance Cycle, a process of evaluating individual performance, continues our strategy of continuous development of employees and leaders. The main objective of this management process is to evaluate the achievement of goals and individual skills, as well as to identify opportunities for improvement for each employee and establish individual development plans.

Held annually, the Performance Cycle covers all our employees, at all functional levels (including the Board of Directors), and comprises four stages of development (see diagram). For an effective and fair evaluation, we adopt criteria that make some of the professionals temporarily ineligible for the process. Employees hired as of October 1 or who have been away from work for more than six months, for example, do not participate in the process. In 2023, 100% of those eligible completed the Performance Cycle.

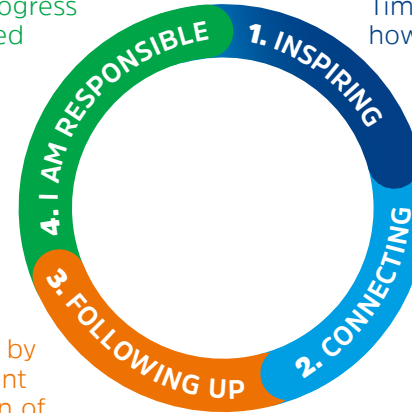
The Performance Cycle reinforces our commitment to a results-oriented culture and the achievement of goals aligned with strategic objectives. Assessments guide promotions and the mapping of professionals capable of occupying new leadership positions. In 2023, 47.6% of vacancies were filled via internal recruitment (compared to 32.0% in 2022) and around 20% of our people had opportunities to move internally to occupy new positions.

PERFORMANCE CYCLE

- Assessment of agreed goals and behavioral skills
- Calibration Committee to conform results

Monitoring progress towards agreed objectives

Closing the Performance Cycle, formed by self-assessment and evaluation of the manager



Time to understand how the Company's strategic initiatives impact professional activities

Hiring results objectives and building an individual development plan

Percentage of employees covered by the annual performance assessment¹

	2023	2022	2021
By gender			
Men	86.7%	94.8%	94.7%
Women	69.3%	89.4%	93.5%
By functional level			
Executive board	100.0%	100.0%	100.0%
Management	87.1%	100.0%	100.0%
Coordination	77.8%	98.7%	92.8%
Experts	68.2%	94.3%	95.5%
Administrative	79.2%	88.8%	94.1%
Operational	85.6%	94.8%	94.5%
Overall percentage of employees assessed			
Consolidated	83.7%	94.0%	94.5%

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

Ronaldo Keller, Substation and Installation technician, at the Bom Jardim unit



Benefits and health promotion

Through the 360° Life Program, we seek to support our employees in adopting healthier habits and encouraging quality of life, together with professional development. The objective of this initiative is to contribute to the maintenance of integral health, with actions that promote a complete look at well-being (mental, physical, financial and professional).

All our employees are entitled to the same benefits package offered in order to maintain a positive environment in our Company. Among the main benefits

are medical and dental care plans, food stamps, and food stamps. In addition, all employees are entitled to extended parental leave (up to six months for women and 20 days for men) as provided for by the Corporate Citizen program.

With a focus on financial security, we offer the ISA CTEEP PREV, a defined contribution pension plan in which the professional has the freedom to choose the percentage of his participation, according to his salary range. In basic contributions, in which the employee selects a percentage between 4% and 9% of his/her compensation, the Company makes an equivalent contribution, ensuring investment parity.

In addition to ISA CTEEP PREV, the Company announced, in 2023, the maintenance of sponsorship of the PSAP/CTEEP plan, after the update of the benefit adjustment index for the IPCA. The PSAP/CTEEP is closed to new members. Learn more about the topic on page 103.

We also provide specialized individual assistance with qualified consultants to support the resolution of financial demands. We promote collective development through financial education trails, lectures and thematic workshops, all offered free of charge.

DR 360 is an employee assistance program with free telemedicine, telepsychology, nutritional and sports coaching, a follow-up program for pregnant women, a 24-hour clinical center and a second medical opinion. These services are available to help the employee and their dependents with various types of personal issues. We also have an Organizational Psychologist, who monitors the psychosocial conditions of employees and provides support in case of emotional needs.

Every year, we conduct a survey to listen to our employees and assess the quality of the organizational climate. In the 2023 engagement, we achieved a 97% adherence to the Climate Survey and an overall favorability index of 82%.



• *Barbara Mesquita Silva, Substation and Installation technician, and Tarcisio Misael de Lima, manager of the São Paulo Regional, in the living area of the São Paulo Regional*

Outros Olhares: **diversity and inclusion**

The promotion of diversity is a lever for us to have, among our leaders and teams, the best talents and to drive innovation in the transmission sector. This vision, formalized in the Diversity and Inclusion Policy, has guided the development of several initiatives to ensure that all people have equal access to professional growth opportunities in our Company.

The initiatives are structured and systematized within the Outros Olhares Program, a participatory and collaborative management platform aimed at promoting a culture of diversity and inclusion and the professional acceleration of underrepresented groups in business organizations. The Program's governance is conducted by the Strategic Diversity Committee, made up of executives and directors, and by the four established Affinity Groups—Gender; Race and Ethnicity; Persons with Disabilities (PWDs); and LGBTI+.

• *Employees at the Bom Jardim unit. Standing, from left to right: Luciana Florêncio (secretary); Amanda Catarina Batista (Supervision and Control System analyst); Jéssica Virginio Chaves (Intervention engineer); and Caroline Costa Martins (Intervention engineer). Seated, from left to right: Érica Bueno Salles de Oliveira (Analysis engineer); Fernanda Pimenta Ribeiro (Intervention engineer); and Isabella Fortes Guimarães (Analysis engineer)*



The main benefits of the Outros Olhares Program are the acculturation of leaders to the theme of diversity and inclusion and the promotion of continuous improvement in the various processes of human capital management. From attracting talent to decisions about promotions, we have been able to strengthen objective criteria of meritocracy for the appreciation and recognition of talents, without distinction of any kind.

In the trainee, internship and apprentice programs, we offer affirmative vacancies to leverage the pillars of the Outros Olhares Program. We have also developed, in partnership with Senai, a training course for electricians exclusively for women.

With these initiatives, we have gradually increased diversity among our teams and leaders. The rate of women in leadership positions, for example, reached 24% in 2023, an increase of 3 percentage points compared to the previous year. The total number of persons with disabilities (PWDs) employed grew 29.4% year-on-year. PWDs also represent 2% of the total leadership staff in our Company.



— Natália Beatriz Pereira Nascimento Sorreano, Substation and Installation technician, at the Bom Jardim unit

Training of female electricians



In 2023, we support the graduation of students from the Electrical Installers course, promoted by the SENAI Jorge Mahfuz School, in Pirituba (SP). This initiative is part of the Emprega Mais Project, aimed at the inclusion and creation of job opportunities in the electricity market.

The course aimed to contribute to the growth of female presence in operational positions in the energy transmission sector. Therefore, we seek to integrate the promotion of diversity with meeting the demand for qualified professionals in the area.

The recruitment of candidates for the vacancies offered was carried out in communities of greater social vulnerability, with the aim of also providing a positive economic impact and expanding opportunities for access to the job market. Throughout the training period, we provide ongoing support for participants, such as mentoring and professional guidance. In addition to qualifying as installation electricians, the trainees completed courses in NR-10 (Electrical Installations and Services), SEP safety (Electrical Power System) and drone operation.

Pillars of the Outros Olhares Program

Outros olhares

Gender equity

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

Ambition:

Get at least **50%** women in all gateway programs (Trainee, Internship and Apprentice Programs)

Achieve at least **30%** representation of women in staff and leadership positions (by 2030)

Race and ethnicity

Attractiveness and retention, talent development and partnership development for social impact projects.

Ambition:

Develop an **anti-racist education program** and publicize affirmative vacancies for blacks and browns

Leverage **40%** representation of black and brown people in the workforce and 20% in leadership (by 2030)

Persons with disabilities (PWDs)

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

Ambition:

Having **5%** of the workforce made up of PWDs and at least **2%** of the workforce with disabilities

Ensuring **physical and digital accessibility** for people with disabilities

LGBTI+

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

Ambition:

Developing a **Social Welfare and Psychological Safety Program**

24.0%
of women

in leadership positions¹
(+2.9 p.p. compared to 2022)

1. Considers the entire board of officers (executive and other directors), managers and coordinators.

17.2%
of women

in the workforce
(+2.3 p.p. compared to 2022)

10.3%
of blacks

in leadership positions
(+2.4 p.p. compared to 2022)

26.8%
of blacks

in the workforce
(+2.1 p.p. compared to 2022)

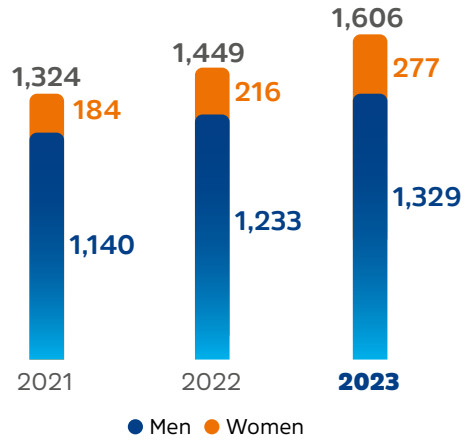
29.4%
increase

in the number of PWDs
(66 in 2023, up from 51 in 2022)

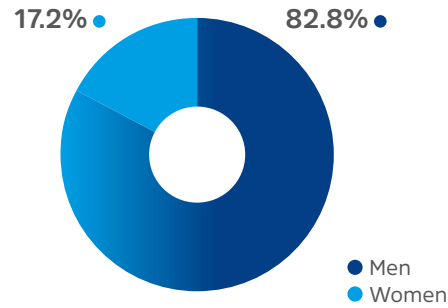


• *Luciana Florêncio, Management secretary, and Natália Beatriz Pereira Nascimento Sorreano, Substation and Installation technician, at the Bom Jardim unit*

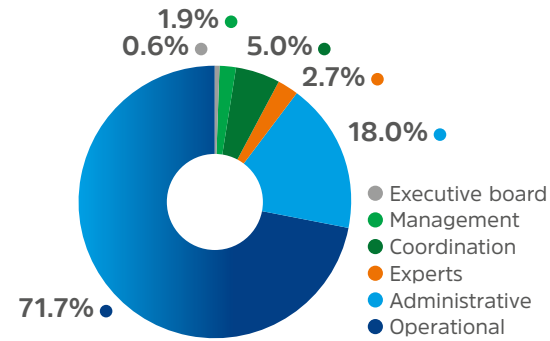
Total employees¹



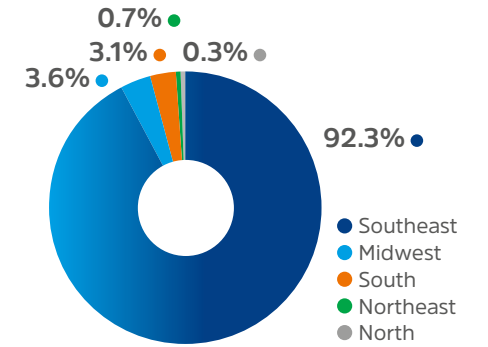
Distribution of employees by gender in 2023¹



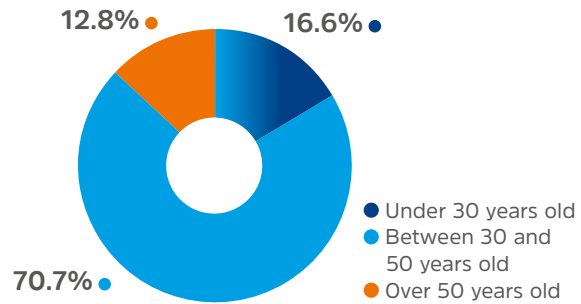
Distribution of employees by functional level in 2023¹



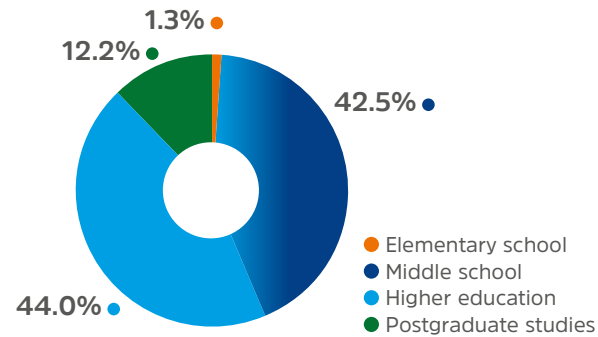
Distribution of employees by region in 2023¹



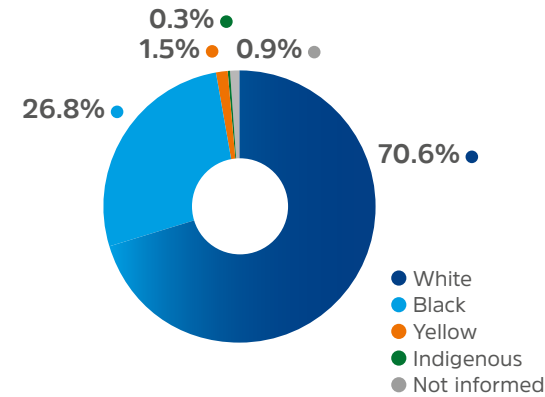
Distribution of employees by age group in 2023¹



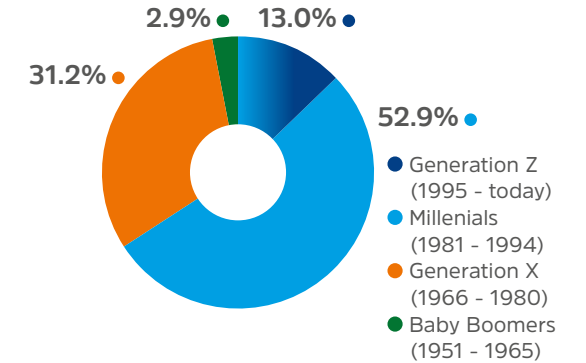
Distribution of employees by level of education in 2023¹



Ethnic-racial diversity in 2023¹



Diversity by generation 2023¹



1. It does not consider apprentices, interns, and members of the Board of Directors.



**Community
development**

Creating positive social impacts is one of the pillars of our 2030 Strategy and, therefore, we practice a proactive management model to drive the development of communities located in areas of influence of our energy transmission assets. Our investments and projects are structured through **Conexão Desenvolvimento**, a corporate program that connects our operations in Brazil to ISA's regional strategy for Latin America.

One of the main benefits of Conexão Desenvolvimento is to promote an integrated vision of all initiatives in relation to local communities. Thus, with the same efficiency and quality, we manage the programs that meet the mandatory requirements detailed in the environmental licenses of the assets and the voluntary investments we make in social projects, with our own resources and from tax incentive laws.

In 2023, our voluntary investment in the Conexão Desenvolvimento program reached R\$ 3.1 million. These resources enabled cultural, educational and sports actions, environmental awareness, volunteering and support for communities in situations of socio-environmental vulnerability

- Mariana Vallareto Nery, Corporate Communications analyst, volunteering at EMEI Joaquim Antônio da Rocha (São Paulo, SP)



CONEXÃO DESENVOLVIMENTO | isa

2030 STRATEGY

Creating positive social and environmental impacts

GOALS

Generating value for society with social programs that contribute for the development

Generating value for the Company with social programs that make operations viable

Having a portfolio of high-impact social programs that contribute to the success of the 2030 Strategy

PROGRAMS AND INVESTMENTS

Resources to meet mandatory requirements

Incentive and proprietary resources in the lines:

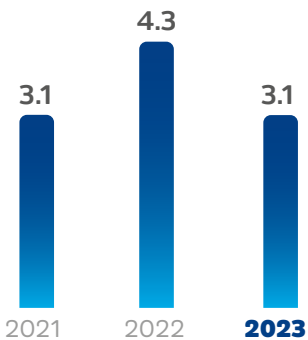
- Education and training
- Entrepreneurship and productivity
- Infrastructure and access to public services
- Environment

Breakdown of voluntary social investments in 2023

Resources	Pillar	Amounts invested (R\$)	Supported projects
Own	Education	181,615.99	Women Electricians Program USP Diversa Program
	Emergency actions	404,900.00	SOS Pantanal SOS North Coast SP SOS Rio Grande do Sul
	Culture and sport	7,000.00	Unimed Hike 2023
	Volunteer program	102,691.03	18 actions or campaigns
	Total	696,207.02	-
Incentivized	Education	455,000.00	Belo Horizonte Fund for the Elderly Training and Professional Qualification Program (IOS) Professional Training Program (AFESU)
	Coexistence with the infrastructure	200,000.00	Building Health Sustainably
	Culture and sport	1,725,000.00	Documentary Storm Hunt Jaguar Parade ¹ Pantanal Man Memorial (IHP) Eco Run Champions of Life Sport and Education Program (IGK) Active Schools Network (IEE)
	Total	2,380,000.00	-
	Consolidated total	3,076,207.02	-

1. Project with the highest volume of resources in 2023 (R\$ 800,000.00 in the period).

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



Private social investment in 2023 by line of action (R\$ thousands)

	Own	Incentivized	Total
Education	181.6	455.0	636.6
Institutional strengthening	404.9	0.0	404.9
Coexistence with the infrastructure	0.0	200.0	200.0
Support for culture and sport	7.0	1,725.0	1,732.0
Volunteering	102.7	0.0	102.7
Total	696.2	2,380.0	3,076.2

Social investments

With the use of tax incentive laws and our own resources, we support every year the realization of sports, cultural and social projects that contribute to generating positive socioeconomic impacts on local communities. The initiatives conducted in 2023 benefited almost 60 thousand people, supporting 81 social institutions.

Education is one of the main investment fronts of the Company's own resources. Last year, we started a partnership with the University of São Paulo (USP) to support the USP Diverse program, aimed at training public school graduates in situations of socioeconomic vulnerability. We donated 16 scholarships to benefit students in situations of social vulnerability, supporting the continuity of graduation in courses linked to STEM (Science, Technology, Mathematics and Engineering) careers – the program will prioritize the selection of black and brown candidates and women, seeking to achieve at least 50% representation of these audiences.

The USP Diversa program is aligned with our strategy of promoting diversity and equity and in line with the Conexão Desenvolvimento. In addition to this initiative, we directed our efforts to the

60,000
people
benefited
by social
investments
in 2023

81
institutions
supported
in the year

training program for women electricians, in partnership with the SENAI Jorge Mahfuz School (read more on page 80).

In 2023, we allocated R\$ 2.4 million, via incentive laws, to sponsor ten projects. Among these actions, we highlight the training and professional qualification projects aimed at young people in situations of social vulnerability in partnership with the Institute of Social Opportunity (IOS), with 240 young people benefited, and with the Women's Association of Social and University Studies (AFESU), with 125 girls between 10 and 17 years old supported.



• Volunteering at EMEI Joaquim Antônio da Rocha (São Paulo, SP)



Volunteer program

Our volunteer program is developed with the Company's own resources and is integrated into the management model of the Conexão Desenvolvimento program. The various actions and campaigns carried out throughout 2023 mobilized employees from the regional offices and the administrative office, in line with the objective of promoting actions that inspire us to take care of the planet, generate knowledge, and share experience.

Key initiatives of the volunteer program

Throughout 2023, most of the actions were directed to support education, but we also contributed with initiatives such as:

- Campaigns to donate financial resources to meet emergency actions arising from extreme weather events that have affected communities in which we operate.
- Social actions to serve the institutions supported by the volunteer program, such as the Warm Clothing and Blood Donation Campaign.
- Volunteer actions to carry out educational and recreational activities with children and young people and revitalize common spaces at two institutions.



Volunteering action at EMEI Joaquim Antônio da Rocha (São Paulo, SP)

2023 HIGHLIGHTS

737
people benefited from the volunteer program

2
trainings for carrying out voluntary actions

604
company hours donated to carry out actions and campaigns

351
employees worked as volunteers in actions and campaigns

18
local actions and campaigns carried out during the year

Emergency actions

In 2023, the Company allocated R\$ 404.900 and employees donated R\$ 68.300 to support communities impacted by climate events in the states of São Paulo and Rio Grande do Sul and in the Pantanal region. The funds were used to help families affected by rains and landslides on the north coast of São Paulo, in February, and in Caxias do Sul (RS), in December.

Of the amount allocated by the Company, we donated R\$ 100,000 to contribute to the reconstruction project of the Rio das Antas railroad bridge, which allows the connection with the municipality of Nova Roma do Sul (RS).

We also donated R\$ 135,000 to help fight fires in the Pantanal region in November 2023. Different local communities have been affected by severe drought and atypical heat waves, which have sparked fires on about 1 million hectares.

Social Communication Program

The Social Communication Program is an initiative aimed at the formation and maintenance of transparent channels of dialogue with the members of the communities in which we build and operate our assets. The objective of the initiatives is the collective construction of educational processes and the dissemination of knowledge, such as the proper use of the safety strip of transmission lines, as well as actions to prevent fires and guidance in case of fires. In 2023, the Social Communication Program visited 12,892 locations in 353 different municipalities, close to 74 of our Company's projects.

The Social Communication Program is one of the programs defined in the context of environmental licensing, which evaluates the main impacts associated with the implementation and operation of the projects and defines mitigation and compensation measures. Due to the nature of our business, the main social impacts are related to the restriction of land use and occupation and noise and visual pollution. In this context, we highlight the actions taken to ensure the safety of the surrounding communities and the land tenure process of regularization and financial compensation of the properties in which we install our assets.



• Biguaçu Electrical Interconnection (SC)

All substations are properly fenced and have fences in the energized areas, in addition to having surveillance and access control systems. In 2023, we did not record any accidents involving the population and our assets. In the same period, two lawsuits related to the issue were still ongoing, with no final decision.

12,892
locations
visited by the Social
Communication
Program in 2023

353
municipalities
involved

In relation to land management, we seek fair compensation for the owners of land through which our assets pass, based on technical reports in accordance with ABNT Standard 14,653 and the definition of indemnity amounts in an impartial and suitable manner. The process also covers the regularization of the areas that make up the right-of-way, contributing to the legal compliance of these business partners. In 2023, we finalized the land regularization of the Minuano Project and had three other projects in the process of land clearance. In all, 94 properties were compensated (73 in the Southeast and 21 in the South) throughout the year, and 1,029 had their processes in progress at the end of the period.

Also in the context of environmental licensing, some of our subsidiaries are subject to the elaboration of the Indigenous Component of the Basic Environmental Plans. This study

evaluates the potential for interference in traditional and indigenous communities, defining appropriate mitigation and compensation programs. As a premise of action, we value the broad engagement and active participation of indigenous communities, with a sensitive and inclusive approach that respects the knowledge and cultural heritage of the populations.

In 2023, IE Biguaçu finished the programs of its Indigenous Component of the Basic Environmental Plan, developed to mitigate impacts generated by the implementation of the project on the M'Biguaçu Indigenous Land. The actions provided the appreciation of the Guarani culture through initiatives aimed at the organization and management of the indigenous territory. No cases of violations of the rights of indigenous peoples have been recorded in our operations.

In 2023, we finalized the land regularization of the Minuano Project, with 94 properties indemnified. Another 1,029 regularization processes were underway at the end of the period

• Evrecy: Caxias Norte Substation of the Minuano Project (RS)



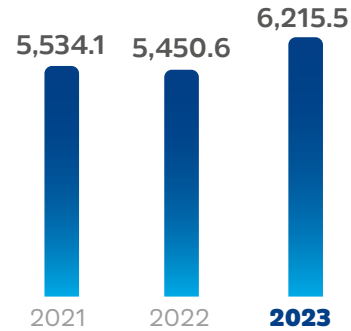
Financial performance

In 2023, our Company achieved a total net income of R\$ 2,892 million, in accordance with the IFRS international accounting standards. This result represents a growth of 24.7% compared to the previous year. The performance in the period reflects a 14.0% increase in net operating revenue in the year-on-year comparison, together with operational efficiency actions and cost management optimization.

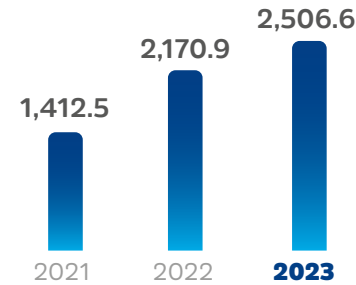
The revenue growth in the period was due to the energization of two greenfield projects (IE Itaúnas and the Triângulo Mineiro Project) and the start of operations of 65 reinforcement and improvement projects in the last 12 months. The revenue from part of these energized reinforcement and improvement projects will be enabled in the Periodic Tariff Review (RTP) scheduled to take place in 2028. Also contributing to the performance was the update of the Annual Permitted Revenue (RAP – Receita Anual Permitida) by the IPCA for the period (3.94%).

In the same period, the costs and expenses of infrastructure implementation, operation and maintenance, and services provided increased by 15.5% compared to 2022. Total consolidated EBITDA, which includes the equivalence result of the jointly controlled companies, was R\$ 3,967.5 million, an increase of 12.8%, adding R\$ 449.7 million in the comparison between 2023 and 2022.

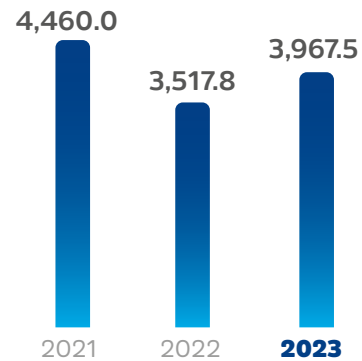
Net revenue (R\$ million)



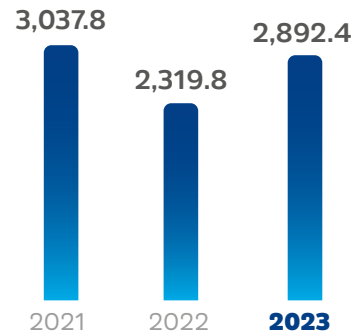
Costs of infrastructure implementation, operation and maintenance services and services provided (R\$ million)



EBITDA (R\$ million)



Net income (R\$ million)



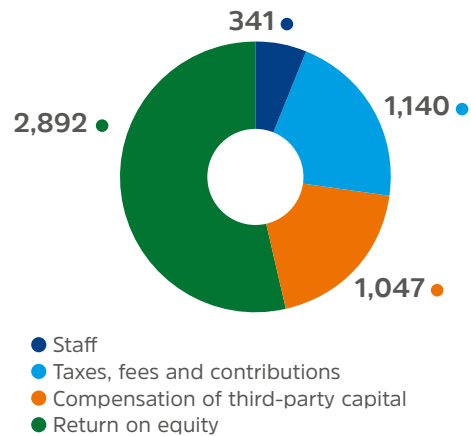
Click here
To view the results and the complete Financial Statements, prepared in accordance with the rules, procedures and guidelines issued by the Regulatory Body and in accordance with the accounting policies established in the Accounting Manual of the Electric Sector, please visit the Investor Relations website.



Statement of Value Added (SVA)

In 2023, the value added generated and distributed totaled R\$ 5.4 billion, 10.3% higher than in 2022, mainly due to the growth in revenues in the period. In the distribution of value added, the reduction in the portion allocated to the payment of taxes, contribution rates (mainly federal) and the increase in the portion of compensation of equity (mainly interest on equity and dividends) deserve to be highlighted.

Distribution of value added in 2023 (R\$ million)



Consolidated value added statement (R\$ thousands)¹

	2023	2022	2021
Revenues	7,131,661	6,300,965	6,415,173
Operating	7,012,918	6,226,885	6,390,455
Other operational	118,743	34,080	24,718
Inputs purchased from third parties	(2,397,410)	(2,038,928)	(1,271,836)
Costs of services provided	(2,156,188)	(1,865,936)	(1,083,328)
Materials, energy, third-party services, and others	(241,222)	(172,992)	(188,508)
Gross value added	4,734,251	4,262,037	5,143,337
Retentions			
Depreciation and amortization	(24,889)	(27,498)	(22,802)
Net value added produced by the entity	4,709,362	4,234,539	5,120,535
Received in transfer			
Equity income	489,318	510,888	518,548
Financial income	222,090	169,221	87,530
Total value added to be distributed	5,420,770	4,914,648	5,726,613

	2023	2022	2021
Distribution of value added			
Staff	(341,260)	(350,118)	(311,040)
Direct compensation	(222,822)	(197,340)	(179,049)
Benefits	(96,400)	(132,068)	(109,843)
FGTS	(22,038)	(20,710)	(22,148)
Taxes, fees and contributions	(1,139,933)	(1,262,044)	(1,655,039)
Federal	(1,090,392)	(1,220,638)	(1,615,078)
State	(888)	(1,071)	(1,019)
Municipal	(48,653)	(40,335)	(38,942)
Compensation of third-party capital	(1,047,215)	(982,695)	(722,726)
Rents	(7,503)	(6,357)	(6,369)
Interest rates and monetary and exchange rate variations	(1,039,712)	(976,338)	(716,357)
Return on equity	(2,892,362)	(2,319,791)	(3,037,808)
Interest on equity and dividends	(1,452,233)	(700,000)	(1,309,030)
Retained earnings	(1,388,884)	(1,562,245)	(1,728,778)
Share of non-controlling shareholders in retained earnings	(51,245)	(57,546)	0
Total value added distributed	(5,420,770)	(4,914,648)	(5,726,613)

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



About the
Report

Our Annual Sustainability Report is a communication channel for disclosing our achievements and results, the challenges we manage from an ESG perspective, and how we connect the management of the sustainability agenda to the corporate strategy and the future vision for the business. This edition reflects the progress we have made on this front in 2023, considering the period between January 1 and December 31.

The document was prepared in accordance with the GRI Standards, the guidelines for the integrated reporting structure, the International Financial Reporting Standards Foundation (IFRS Foundation) and the requirements of the Accounting Manual for the Electric Sector, also fulfilling the role of Annual Report on Social and Environmental Responsibility within the scope regulated by the National Electric Energy Agency (ANEEL).

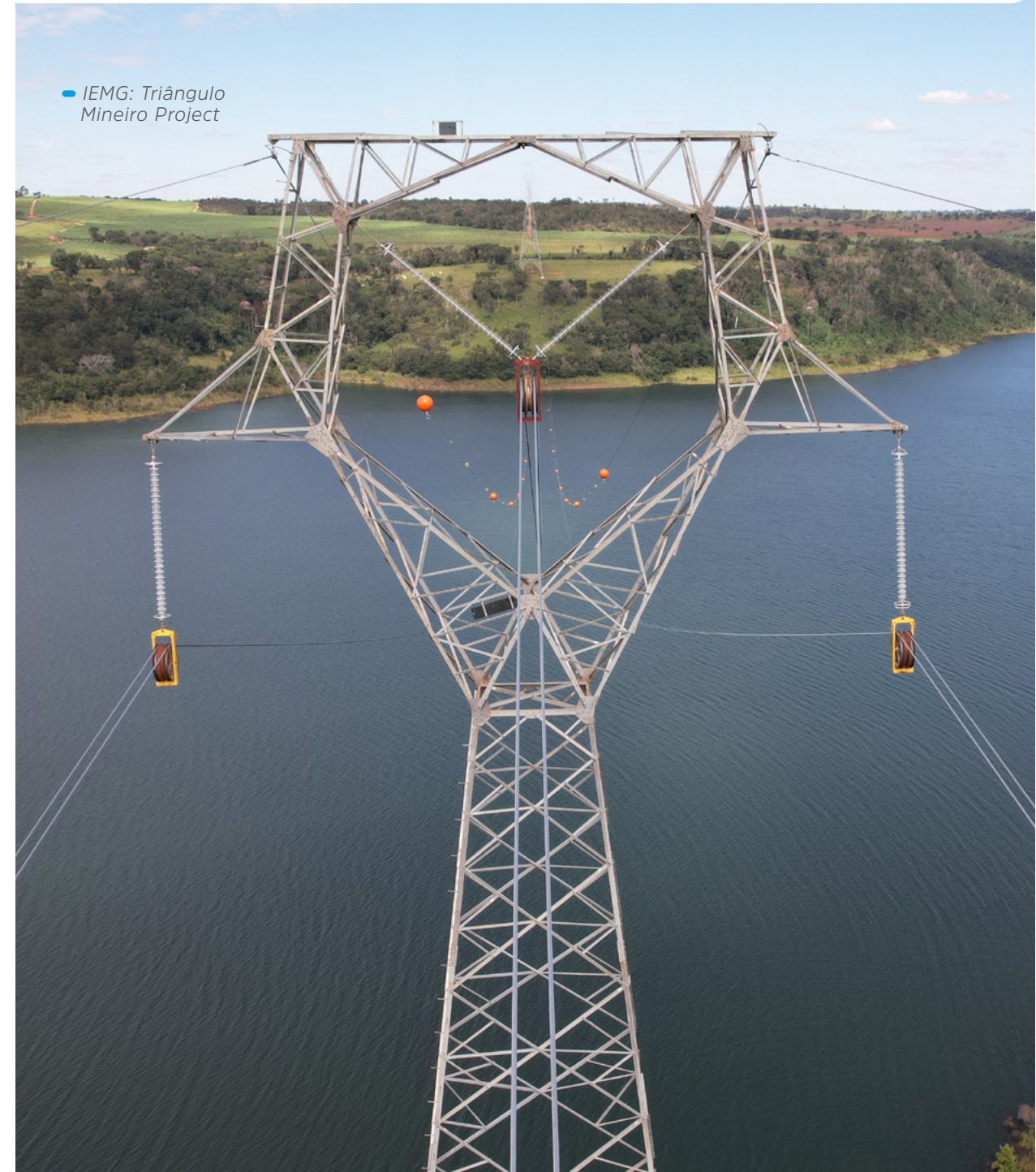
The GRI disclosures reported were prioritized according to the principles and themes identified in our Materiality Matrix (see page 97) and cover ISA CTEEP and all 100% controlled companies in operation and, when applicable, under construction (see the corporate

organizational chart on page 96). Any exceptions are identified in the respective footnotes.

The data presented were collected and consolidated by the administrative and operational areas, with the support of a management system dedicated to the monitoring of sustainability indicators. The content of the 2023 Annual Sustainability Report was approved by the Executive Board, the Fiscal Council and the Board of Directors.

The Report follows Technical Guideline 09, issued by the Accounting Pronouncements Committee (CPC), and was subject to external verification by PwC, as in previous years. The economic and financial data are presented on a consolidated basis (100% controlled companies), in alignment with our Financial Statements, presented as supplementary information for IFRS purposes, already audited by independent auditors and available in our Results Center on the Investor Relations website.

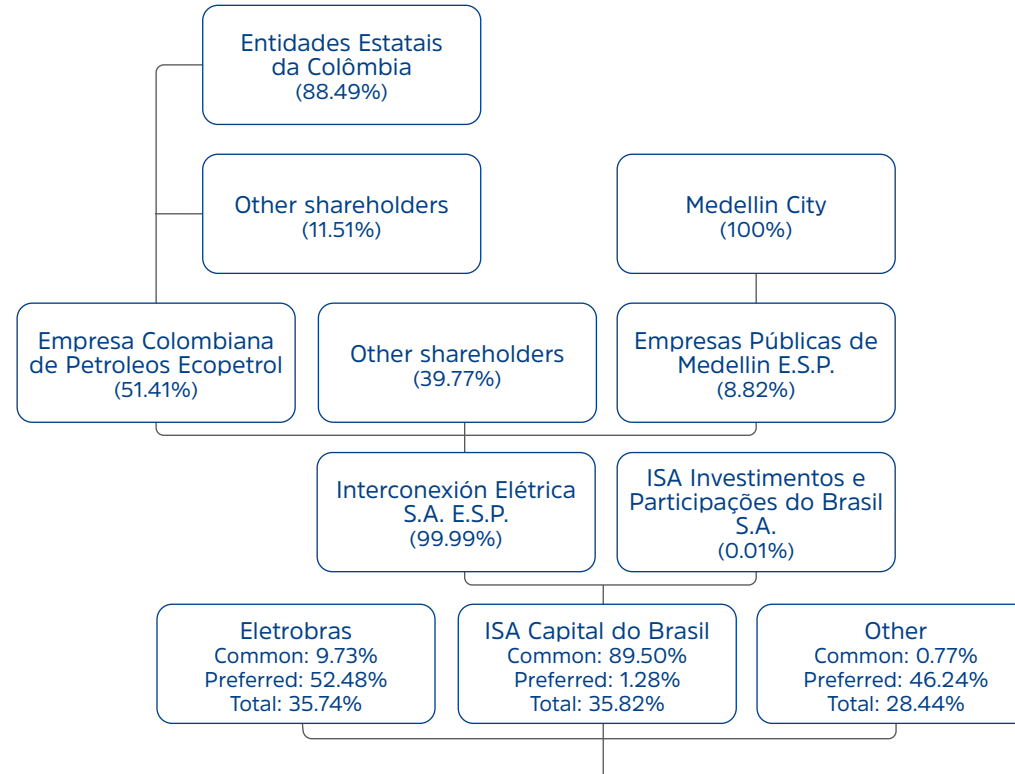
Questions, comments and suggestions about the Report can be sent by e-mail sustentabilidade@isacteep.com.br.



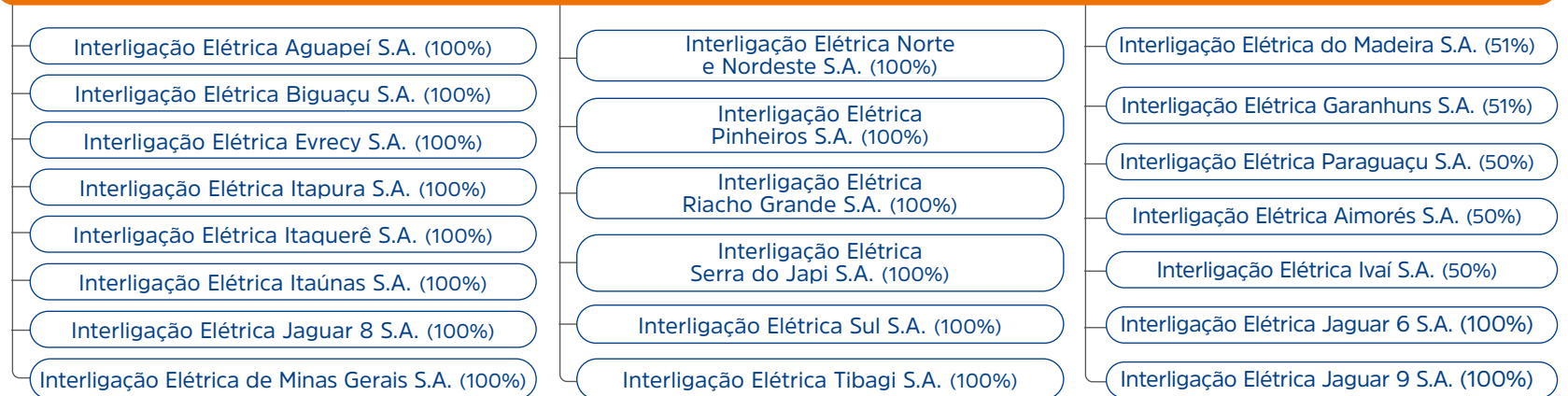
Riacho Grande Project



CORPORATE ORGANIZATIONAL CHART



CTEEP – Companhia de Transmissão de Energia Elétrica Paulista



Materiality matrix

Our material topics are defined by the integrated reputation and sustainability model of ISA and its companies, which encompasses 28 elements, organized into 9 areas. Every two years, the elements are subjected to a process of analysis and prioritization based on a direct inquiry with stakeholders, the requirements established by investors and reporting standards (frameworks) and sectorial benchmarking.

The most recent evaluation and prioritization process was conducted in 2022. In this process, ISA employees and their companies were engaged in three discussion sessions and invited to participate in an online consultation, which received 674 responses. On the other hand, representatives of external audiences were involved through in-depth interviews.

At ISA CTEEP, we conducted a total of 43 interviews, 3 with institutional shareholders and 5 with each of the other stakeholders of the model (academia, financial analysts, associations, investors, customers, the State, suppliers, non-governmental institutions and the press).

The scopes of the model make up the nine material topics of ISA CTEEP. In each of them, the elements have different levels of relevance, according to the analyses carried out in 2022.

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

ISA CTEEP Material Topics



• Tibagi Electrical Interconnection: Três Lagoas Project

Materiality of ISA CTEEP


Material Topic	Element	Relevance	SDG
Good governance and integrity The promotion of a fair and ethical business environment is essential to avoid misconduct and occurrences of disrespect for laws and regulations. At the same time, the continuous improvement of governance practices avoids negative impacts on shareholders, especially minority shareholders, and strengthens the Company's resilience and reputation. The promotion of diversity in governance bodies, in turn, is a lever for inclusive decision-making and the sustainable direction of business.	Independence from governance and/or third parties	● ● ○	16
	Ethical, upright and transparent behavior	● ● ○	16
	Diverse governance structure and composition that responds to strategy challenges	● ● ●	9 16
Transformative leadership and influence The ability to act as an articulator and leader of relevant movements for the sector in which ISA CTEEP operates contributes to the institutional reputation and to the promotion of the sustainable development agenda. The Company's commitment to leading by example generates respect and admiration from stakeholders and enables industry protagonism.	Influential and inspiring company with the ability to anticipate, adapt and transform the environment	● ○ ○	7 9
	Inspiring, adaptable, benchmarking, and transformative leaders	● ○ ○	7 9 13
	Fulfillment of commitments	● ● ●	17
Solidity and growth Assertiveness in the growth strategy and in the allocation of investments is essential to increase the supply of energy transmission infrastructure with efficiency and quality, contributing to the development of society and the country. The proper management of financial planning and the ability to deliver the expected results benefit shareholders, employees, suppliers, customers and other business partners through the generation of wealth and development.	Ability to achieve financial and business objectives, taking advantage of opportunities and ensuring their continuity	● ● ●	7 9 13
	Proper growth strategy	● ● ●	7 9
	Flexibility in risk appetite and versatility to generate new business opportunities	● ● ●	7 9
	Optimization of resources and capacities to generate synergies between group companies	● ● ○	7 9
Anticipation and innovation Investment in research, development, and innovation (RDI) drives strategies to address the sector's challenges, such as the energy transition, improve operational efficiency, and enable operations with less environmental impact. Through these resources, ISA CTEEP supports the generation of knowledge in universities and research centers, the development of applied solutions, and the innovation ecosystem as a whole. New technologies also contribute to agility and the creation of solutions that generate sustainable value for stakeholders and the Company.	Anticipating and preparing for challenges and trends	● ● ●	7 9 17
	Culture of innovation with flexibility and agility	● ● ○	7 9
Excellence in the performance of its activity The adoption of standards of excellence in operations favors the availability of assets for energy transmission, benefiting the entire society and the Brazilian electricity system. In turn, maintaining a secure digital environment minimizes exposure to cyber risks that may compromise the integrity of the Company's data and systems and operational control over assets.	Delivering on the value promise with rigor and excellence	● ● ●	7 9 13
	Benchmark in your standards and practices	● ● ○	7 9 13
	Infrastructure, information and cyber security	● ● ○	7 9

Material Topic	Element	Relevance	SDG
<p>Proactive contribution to global environmental challenges In the aspect of protecting ecosystems and biodiversity, ISA CTEEP adopts best practices to minimize vegetation suppression and promotes awareness and conservation through the corporate program Conexão Jaguar. In operations, water and energy consumption and waste generation are continuously monitored and managed through corporate goals to minimize any negative impacts, prioritizing eco-efficient technologies and the disposal of waste for noble purposes. The management of impacts, risks and opportunities associated with the context of climate change is at the heart of the corporate strategy, positioning the Company as a protagonist in this area in the energy transmission sector. Since 2019, operations have been carbon neutral (Scope 1 and 2 offsetting). In addition, ongoing efforts to reduce emissions (especially SF₆) and improve the management of risks and opportunities contribute to the mitigation and adaptation strategy.</p>	Leadership in initiatives to contribute to the protection of ecosystems and biodiversity		
	Management of environmental impacts associated with activities		
	Strategy for mitigation and adaptation to the effects of climate change		
<p>Commitment to socio-economic development We maintain ongoing programs for social impact mapping, local engagement, and project development in the communities of influence of our assets. Respect for human rights is guaranteed in interactions with communities, avoiding situations of conflict or disrespect for neighboring populations. The commitment to the development of a legacy for the regions of influence is materialized through social investments in projects aligned with the demands and vocations of each location.</p>	Contribution to the sustainable development and transformation of territories, building a positive legacy for the regions		
	Proximity and dialogue with stakeholders		
	Respect for and promotion of human rights and management of social impacts		
<p>Strategic alliances for transformation The management of our supply chain values the establishment of long-term relationships, the continuous improvement of partners and the guarantee of high levels of performance by the contracted companies. Through complementary strategies for evaluating and monitoring suppliers, the Company promotes the development of these partner companies and mitigates risks of violation of fundamental labor rights, legislation and the rights of local communities. Partnerships also drive positive impacts on the preservation of biodiversity and the development of communities, through Conexão Jaguar and Conexão Desenvolvimento programs.</p>	Long-term alliances to achieve common purposes, enhance the capacities of the parties and strengthen positive impacts		
	Third-party risk management		
	Attractive and desirable employer		
<p>Attracting, developing and caring for the best talent The ability to attract and retain talent is critical to business continuity and corporate strategy success. We invest in the best practices of people management, promoting the qualification, recognition and adequate compensation of employees, in a competitive manner and in line with the market. Occupational health and safety practices mitigate risks to the physical integrity of employees and third parties, preserving life and ensuring a safe environment for all. The promotion of diversity and inclusion contributes to respect and plurality of ideas, reflecting the diversity of Brazilian society and ensuring the inclusion of minority groups in the workplace.</p>	Ability to develop highly qualified professionals who want to stay with the company		
	Quality work practices and respect for employees		
	Occupational health and safety for direct and outsourced employees		
	Equality, diversity and inclusion management		

Connecting with our stakeholders

The dialogue and engagement of our stakeholders are processes that contribute to continuously improving the governance model and the management of material issues for the corporate sustainability agenda. Guided by the Policy for Engagement with Stakeholders, the Company’s administrative and operational areas conduct daily interactions with different stakeholders through their own and appropriate communication channels for the identification of opportunities and accountability.

The approaches combine meetings, events, and dedicated channels, among other tools, to ensure permanent openness and sharing of all relevant information. The measurement of the effectiveness of engagement occurs in a systemic way, mainly with the monitoring of corporate reputation, conducted globally by ISA and with total synergy with the materiality process.

 [Click here](#) to access the Stakeholder Engagement Policy

OBJECTIVES OF STAKEHOLDER ENGAGEMENT

- Promoting short, medium and long-term engagement based on ethics and transparency, that are constructive and that respect human rights.
- Providing communication channels that provide information and ensure spaces for dialogue.
- Strengthening engagement based on trust and legitimacy.
- Encouraging assertive engagement to create opportunities for dialogue between the company and one or more stakeholders to provide a well-informed basis for the organization’s decisions.
- Providing information in the public interest in a timely manner.
- Contributing to sustainable development and well-being.
- Integrating the relevant contributions identified by stakeholders into the Company’s strategy.

STAKEHOLDER ENGAGEMENT STRATEGIES

- Promoting permanent internal dialogue.
- Monitoring the management of environmental risks and the mapping of interested people.
- Creating a conversational agenda that encourages people and is proactive.
- Seizing and optimizing engagement opportunities.
- Contributing to positioning and building the company’s reputation.
- Ensuring proper management of crises or conflict situations with one or more stakeholders.

Stakeholder	Relationship Channels
Academy	Research, Development and Innovation Program (RDI)
Shareholders	General Shareholders’ Meeting Investor Relations Website Email ri@isacteep.com.br Annual event “ISA CTEEP Day”
Financial analysts	Investor Relations Website Email ri@isacteep.com.br Annual event “ISA CTEEP Day”
Class memberships	Periodic meetings Participation in committees and councils
Customers	“Contact Us” Channel Periodic meetings
Employees	Monthly newsletter “Flight Plan” Bi-weekly newsletter “Stay Tuned” Quarterly event “Conecta ISA CTEEP” Periodic team and board meetings Direct channel with leadership TransNet Internal communication channels
State	Participation in professional associations Sectoral events Recurring meeting agendas
Suppliers	Meeting with Suppliers Periodic meetings Supplier Portal
NGOs	Initiatives of the Conexão Desenvolvimento Program (website) Conexão Jaguar (website)
Media	Virtual Newsroom (website) Periodic meetings
Society and communities	“Contact Us” Channel “Ethics Line” Channel Social media 0800 118 713 Fire prevention

Complement to GRI disclosures

GRI 2-7 | Employees

Employees by gender, contract type, and region¹

	2023			2022			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Indefinite (permanent) term									
North	5	0	5	5	0	5	4	0	4
Northeast	11	0	11	11	0	11	11	0	11
Midwest	56	2	58	44	1	45	52	1	53
Southeast	1,209	274	1,483	1,128	212	1,340	1,069	183	1,252
South	48	1	49	43	1	44	4	0	4
Indefinite Term Subtotal	1,329	277	1,606	1,231	214	1,445	1,140	184	1,324
Fixed-term (temporary)									
Southeast	0	0	0	2	2	4	0	0	0
Consolidated total (indefinite and fixed terms)	1,329	277	1,606	1,233	216	1,449	1,140	184	1,324

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

GRI 2-8 | Workers who are not employees

The electricity sector traditionally relies on third-party suppliers for various field activities. At ISA CTEEP, our contractors with labor allocation work mainly in construction activities, occupational health and safety inspection, anticorrosive preservation and maintenance of green areas. At the end of 2023, we had almost 4,000 third parties in our operations, 59% of them in assets under construction.

Workers who are not employees¹

	2023	2022	2021
Members of the Board of Directors	8	6	9
Apprentices	1	6	9
Interns	19	36	5
Third party	3.975	2.226	2.571

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

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

We have not registered any cases or lawsuits related to unfair competition practices.

GRI 2-27 | Compliance with laws and regulations

In 2023, we received three significant environmental assessments. IEMG received and paid a fine of R\$ 258.6 thousand from the State Secretariat for the Environment and Sustainable Development (SEMAD), related to alleged irregularities in the use of artesian wells and in the suppression and forest compensation of the Triângulo Mineiro Project. ISA CTEEP was fined by the City of São Paulo for alleged contamination of groundwater in the capital of São Paulo (East Substation) and filed an appeal, since the conducts described were practiced by third parties. IE Itaúnas received a warning from the State Institute of Environment and Water Resources (IEMA) of Espírito Santo for alleged non-compliance with a license and was waiting for a copy of the records to be made available for a statement. Also in the environmental sphere, two lawsuits related to alleged non-compliance with environmental licensing conditions of IE Sul remained open, awaiting considerations from the environmental agency after presenting a defense in 2022.

In the socioeconomic sphere, no new fines for alleged non-compliance were recorded in 2023. Three lawsuits from previous years were underway to annul infraction notices imposed by the National Electric Energy Agency (ANEEL). The three cases had the enforceability of a fine suspended and are awaiting judgment on the merits.

Fines in excess of US\$ 10,000 and non-monetary sanctions that interrupt operational activity, affect the Company's access to auctions or include obligations to do whose cost exceeds US\$ 10,000 are considered significant.

GRI 2-30 | Collective bargaining agreements

Only statutory directors are not covered by collective bargaining agreements. The percentage of employees covered by these agreements was 99.7% in 2023 and 2022.

GRI 201-3 | Defined benefit plan obligations and other retirement plans

We offer our employees supplementary pension plans that contribute to preparing for retirement and complement the Company's portfolio of benefits. All plans are voluntary.

ISA CTEEP PREV is a defined contribution plan whose contribution percentages of participating employees vary from 4% to 9%, depending on the salary range, with the Company's counterpart in the same percentage chosen by the employee. ISA CTEEP previously offered managers and directors the PGBL plan, administered by Santander. With the creation and implementation of the ISA CTEEP PREV plan, new adhesions to the PGBL plan were interrupted.

The PSAP/CTEEP has three sub-plans. The BD (Defined Benefit) subplan has a fixed employee contribution percentage (3.5% of 70% of the salary), and the Company has a counterpart of equal value. This sub-plan falls under the defined benefit modality. The CV (Voluntary Contribution) subplan has an individual contribution percentage ranging from 0.5% to 30%, and the Company's counterpart can reach 2.5%, depending on the individual contribution. For employees from EPTE, the maximum percentage of ISA CTEEP contribution is 5%. The third subplan, PSAP/CTEEP BPS (Supplementary Proportional Benefit Balanced) is closed for adhesions.

The PSAP/CTEEP is managed by Vivest, a multi-sponsored private pension fund entity in the electricity sector. According to current legislation, it is up to the plan's actuary to establish an equalization plan when the level of coverage of the commitments signed presents a deficit. Every year, through the year-end Actuarial Valuations, the level of sanitation is reassessed and the necessary measures to keep the plan in balance are applied. Currently, two subplans are in deficit and, therefore, the Company is currently making extraordinary payments for amortization.

In 2022, the Company had decided to withdraw its sponsorship of the PSAP/CTEEP Plan due to the substantial growth in its liabilities. In 2023, based on frequent dialogues

with the plan's regulators and unions, the Company once again analyzed the option of changing the index that readjusts benefits—instead of IGP-DI to IPCA—and maintaining sponsorship. This alternative was sent to Vivest and PREVIC for analysis.

The change from IGP-DI to IPCA was approved by VIVEST in its governance and, later, by Previc, according to a decision of 02/28/2024, published in the Official Gazette.

As a result, the sponsorship withdrawal process was interrupted and the benefits of the plan are now updated based on this new index (IPCA), which reduces the risk to its sustainability, as well as mitigates its accelerated deterioration. In this new decision, the plan is closed to new adhesions.

Defined benefit plans¹

	Defined benefit commitment (R\$ thousands)	Coverage equity status for the commitments	Amount of debt (R\$ thousands)	Amortization period	ISA CTEEP's extraordinary annual contribution (R\$ thousand)
PSAP/CTEEP BD	1,685,666.5	100% covered	na	na	na
PSAP/CTEEP CV	242,222.2	Deficit	11,193.5 (ref, 2020)	201 months	985.8
			14,838.0 (ref, 2021)	212 months	1,247.0
PSAP/CTEEP BPS	3,433,444.4	Deficit	372,761.2 (ref, 2021)	189 months	33,670.5

1. According to the last actuarial valuation (12/31/2022).

GRI 302-1 | Energy consumption within the organization

Electricity consumption by subsidiary (GJ)¹

	2023			2022			2021
	Distributor	Transformer – auxiliary service	Total	Distributor	Transformer – auxiliary service	Total	Distributor
EVRECY	279.8	128.6	408.4	250.6	181.5	432.1	267.6
IE Aguapeí	116.7	0.0	116.7	80.6	651.7	732.3	0.0
IE Biguaçu	3.5	841.6	845.1	103.7	269.3	373.0	0.0
IE Itapura	24.0	2,657.6	2,681.5	16.3	767.3	783.6	170.3
IE Itaquerê	0.0	0.5	0.5	0.0	0.0	0.0	0.0
IE Itaúnas	76.0	1,195.1	1,271.1	0.0	0.0	0.0	na
IE Pinheiros	0.0	896.0	896.0	0.0	6,402.1	6,402.1	0.0
IE Serra do Japi	0.0	2,353.2	2,353.2	0.0	2,380.0	2,380.0	0.0
IE Sul	149.9	1,990.4	2,140.3	165.0	2,004.2	2,169.3	166.0
IE Tibagi	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IEMG	1,074.8	0.0	1,074.8	637.4	0.0	637.4	670.8
IENNE	1,435.8	0.0	1,435.8	1,222.8	0.0	1,222.8	1,092.2
Jaguar 6	0.0	0.0	0.0	na	na	na	na
Jaguar 8	0.0	1,324.4	1,324.4	na	na	na	na
Jaguar 9	0.0	3,272.4	3,272.4	na	na	na	na
ISA CTEEP	10,713.1	109,082.0	119,795.1	10,676.3	103,930.9	114,607.1	9,866.8
Total	13,873.5	123,741.9	137,615.4	13,152.7	116,587.1	129,739.7	12,233.6

1. Covers only 100% controlled companies in operation. Since 2022, it has considered the consumption purchased from local distributors and the transformer – an auxiliary service of the concessionaires. In 2021, it only considers consumption purchased from local distributors, excluding transformer – an auxiliary service. The Company does not purchase other types of energy (heating, cooling or steam), nor does it sell energy (electricity, heating, cooling or steam).

Fuel consumption (GJ)¹

	2023	2022	2021
Gasoline	1,151.3	795.2	763.0
Ethanol ²	16,023.1	15,950.7	15,077.1
Diesel	19,051.5	24,961.6	24,494.6
Total	36,225.8	41,707.6	40,334.6

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

2. Fuel from renewable sources.

GRI 303-3 | Water withdrawal

Water withdrawal by source and subsidiary in 2023 (m³)¹

	Distributor	Well	Water truck	Rainwater	Total
Evrecy	177.2	6.1	0.0	0.0	183.3
IE Aguapeí	0.0	116.6	0.0	0.0	116.6
IE Biguaçu	279.0	15.4	0.0	0.0	294.4
IE Itapura	630.0	410.4	0.0	0.0	1,040.4
IE Itaquerê	0.0	330.0	0.0	0.0	330.0
IE Itaúnas	50.0	0.0	0.0	0.0	50.0
IE Pinheiros	0.0	115.0	0.0	0.0	115.0
IE Serra do Japi	655.5	1,404.1	0.0	0.0	2,059.6
IE Sul	137.1	343.1	3.1	0.0	483.3
IE Tibagi	0.0	15.4	0.0	0.0	15.4
IEMG	174.0	115.6	0.0	0.0	289.6
IENNE	0.0	249.9	0.0	0.0	249.9
Jaguar 6	0.0	0.0	0.0	0.0	0.0
Jaguar 8	117.8	0.0	0.0	0.0	117.8
Jaguar 9	0.0	450.4	0.0	0.0	450.4
ISA CTEEP	18,993.0	32,887.7	90.0	75.0	52,045.7
Total	21,213.6	36,459.5	93.1	75.0	57,841.2
In water-stressed areas					
IE Sul	0.0	340.6	0.0	0.0	340.6
ISA CTEEP	732.0	359.4	0.0	0.0	1,091.4
Total	732.0	700.0	0.0	0.0	1,432.0

1. Covers only 100% controlled companies in operation. It is assumed that the entire volume withdrawn has a concentration of total dissolved solids less than or equal to 1,000 mg/l.

Water withdrawal by source and subsidiary in 2022 (m³)¹

	Distributor	Well	Water truck	Rainwater	Total
Evrecy	110.7	2.7	0.0	0.0	113.4
IE Aguapeí	0.0	51.1	0.0	0.0	51.1
IE Biguaçu	10.0	0.5	0.0	0.0	10.5
IE Itapura	0.0	248.1	0.0	0.0	248.1
IE Itaquerê	0.0	252.0	0.0	0.0	252.0
IE Pinheiros	690.0	473.0	0.0	0.0	1,163.0
IE Serra do Japi	0.0	0.0	0.0	0.0	0.0
IE Sul	207.0	129.0	0.0	0.0	336.0
IE Tibagi	151.6	205.7	4.2	0.0	361.6
IEMG	0.0	10.1	0.0	0.0	10.1
IENNE	79.8	84.8	0.0	0.0	164.6
ISA CTEEP	16,965.2	53,193.0	190.0	24.0	70,372.2
Total	18,214.3	54,860.2	194.2	24.0	73,292.7
In water-stressed areas					
ISA CTEEP	8,179.7	34,447.8	190.0	0.0	42,817.5

1. Covers only 100% controlled companies in operation. It is assumed that the entire volume withdrawn has a concentration of total dissolved solids less than or equal to 1,000 mg/l.

Water withdrawal by source and subsidiary in 2021 (m³)¹

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

1. Covers only 100% controlled companies in operation. It is assumed that the entire volume withdrawn has a concentration of total dissolved solids less than or equal to 1,000 mg/l. The segregation of the volume withdrawn in areas with water stress is not available for the period of 2021.

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

Overlapping of operations to Conservation Units (CUs) and Priority Areas for Conservation (APCs) by subsidiary in 2023¹

	Overlapping CU or APC	Size of overlapping area (km ²)	State
Evrecy	State Park Sete Salões	0.03	Minas Gerais
IE Biguaçu	Municipal Natural Park Serra de São Miguel	0.01	Santa Catarina
	APCs ZCM-122 and MAZC005	0.15	
IE Itaúnas	APC MA199	3.73	Espírito Santo
IE Sul	APCs MA022, MA023, MA053, MA065, MAZC003, MAZC006 and MAZC007	2.02	Paraná, Santa Catarina and Rio Grande do Sul
	APAs do Iguaçu and Estadual de Garatuba	1.53	
IEMG	APCs 237, 238, 239, 253, 254, 259 and MA205	18.65	Minas Gerais
	APAs Santo Antônio, Vargem das Flores, Serra dos Cocais and Córrego da Mata	3.62	
IENNE	APCs 19, 20, 21, 22, 23, 24, CA166 and CA172	12.85	Tocantins, Maranhão and Piauí
ISA CTEEP – Contract 059	APCs 262, 268, MA098, MA108, MA118, MA135, MA157, MA165, MA168, MA187, 279, 291, 295, MAZC013, MAZC046, CerraPa_MA003, MA104, MA131, MAZC012, MAZC043, MAZC047, CerraPa_MA005, MA083, MA094, MA111, MA159, MA164, A178, MA182, MA193, MA197, MAZC014, MAZC045, CerraPa_MA001, MA085, MA120, MA121, MA132, MA133, MA134, MA139, MA155, MA171, MA172, MA181, MA275, 292, 296, 266, MA141, MA144 and MA147	110.94	São Paulo, Minas Gerais, Paraná and Mato Grosso do Sul
	APAs Bacia do Paraíba do Sul, Baleia Sahy, Barreiro Rico, Bororé-Colônia, Cabreúva, Cajamar, Corumbataí Botucatu and Tejupa Perímetro Corumbataí, Corumbataí Botucatu Tejupa Perímetro Botucatu, of Serra de Santo Amaro, of Campinas, of Cananeia-Iguape-Peruíbe, of Banhado, Ibitinga, Ilhas e Várzeas do Rio Paraná, Itupararanga, Jundiá, Municipal of Serra do Guararu, Municipal of Capivari-Monos, Pedregulho, Piracicaba Juqueri-Mirim Área II, Piracicaba Juqueri Mirim Área I, Rio Batalha, Serra do Itapeti, Serra do Mar, Sistema Cantareira, Tanquã-Rio Piracicaba, Tietê and Várzea do Rio Tietê; ARIE Leopoldo Magno Coutinho; Ecological Station Mico Leão Preto; State Forests of Assis, Noroeste Paulista, Edmundo Navarro de Andrade and Pederneiras; State Parks Carlos Botelho, da Cantareira, of Serra do Mar, of Itaberaba, of Itapetinga, of Aguapé, of Juquery, of Rio Peixe, Aguas da Billings and Restinga de Bertiooga; Municipal Natural Parks of Cratera de Colonia, das Capivaras, Jaceguava and Nascentes de Paranapiacaba; and RPPNs Botujuru-Serra do Itapety and Mosquito	75.24	

1. Companies not listed in the table do not overlap with CUs or APCs. Until 2022, we used as a premise the interception of projects only over CUs, based on each project and its right-of-way. In 2023, we used the unification of the easements of the projects, considering their intersection on CUs and APCs.

Proximity of operations to Conservation Units (CUs) and Priority Areas for Conservation (APCs) by subsidiary in 2023¹

	CU or APC nearby (up to 10 km away)	State
Evrecy	State Natural Monuments Pico do Ibituruna and Municipal Pedra do Monjolo; Biological Reserve Dirvin João Geremia; RPPN 07 de Outubro; and APCs MA 206 and MA 214	Minas Gerais, Espírito Santo and Rio Grande do Sul
IE Biguaçu	APA Anhatomirim; Ecological Station of Carijos; State Park of Rio Vermelho; Municipal Natural Parks of Maciço da Costeira and do Morro da Cruz; Municipal Wildlife Refuge Meiembiipe; RPPN Rio Vermelho; and APC MA 036	Santa Catarina
IE Itaúnas	APAs of Pico do Goiapaba-Açu and Municipal of Monte Mochuara; Municipal Natural Parks of Domingos Martins, of Aricanga Waldemar, Devens, Goiapaba-Açu and Rota das Garças; Biological Reserve Augusto Ruschi; RPPNs Dois Irmãos, Pau a Pique, Rancho Chapadão and Rancho Chapadão II	Espírito Santo
IE Sul	APAs of Baleia Franca, of Passauna, State Delta do Jacuí and Serra Dona Francisca; ARIEs of Morro do Boa Vista and of Morro do Iririá; State Park of Delta do Jacuí; National Park Guaricana; Municipal Natural Park Banhado da Imperatriz; and APCs MA018, MA004 and ZCM-124	Paraná, Santa Catarina and Rio Grande do Sul
IEMG	APAs Carste de Lagoa Santa, of Itacuru, Mata da Biquinha, Morro da Pedreira and Piracicaba; State Forest São Judas Tadeu; State Parks of Limoeiro, of Rio Doce, Serra do Sobrado and Serra Verde; Municipal Natural Park of Intelecto; State Wildlife Refuges Macaúbas and Serra das Aroeiras; Municipal Biological Reserve of Mata do Bispo; RPPNs Cachoeira da Sucupira, Ecocerrado Brasil and Girassol; APCs MA215 and MA202	Minas Gerais
IENTNE	APCs CA164 and CA167	Tocantins, Maranhão and Piauí
ISA CTEEP – Contract 059	APAs Corumbata Botucatu Tejupa Perímetro Tejupa, da Serra do Palmital, of Cabo Um Tanque Grande, of Campo Grande, State of Escarpa Devoniana, Haras São Bernardo, Marinha do Litoral Centro, Marinha do Litoral Norte, Mata do Iguatemi, Morro de São Bento, Jupiá, Parque e Fazenda do Carmo, Represa Bairro da Usina and Silveiras; ARIEs Buriti de Vassununga, of São Sebastião, Mata de Santa Genebra, Matão de Cosmópolis and Pé-de-Gigante; Ecological Stations Avaré, Braulio Guedes da Silva, of Assis, of Bauru, of Itapeti, of Itapeva de Itirapina, of Santa Maria, of Angatuba, of Barreiro Rico, do Caiuá, of Noroeste Paulista, of Caetetus, of Tupiniquins, Gov. Mário Covas, Guarani, Ibicatu, Jata, Juraia-Itatins, Mata do Jacaré, Municipal do Caeté, Municipal do Piragibu, Municipal of Tanque Grande, Tupinambas and Valinhos; State Forests of Guarulhos and Serra d'Água; National Forests of Capão Bonito, of Ipanema and of Lorena; Natural Monumento f Lagoas; State Natural Monument of Pedra Grande; State Parks Alberto Lofgren, of Ara, of Ilha Anchieta, of Fontes do Ipiranga, of Ilhabela, of Porto Ferreira, of Vassununga, of Itinguçu, of Jaragua, of Morro do Diabo, Intervalles, Mguas da Prata, Nascentes do Paranapanema and Xixovas-Japuá; Municipal Natural Parks Augusto Ruschi, Borore, Corredores de Biodiversidade, da Cultura Negra - Sitio da Candinha, da Grota de Mirassol, da Serra de Soo Domingos, of Brigadeiro Tobias, of São Roque, of Banhado, of Campo Grande, of Distrito de Santa Terezinha, of Dourado, dos Jatobás, Engenho São Jorge dos Erasmos, Estoril - Virgelio Simionato, Fazenda do Carmo, Itaim, Vale do Itaim and Varginha; RDS of Despraiado; Wildlife Refuges Aimorés, Anhanguera, of Mata da Represa and of Ilhas do Abrigo e Guararitama; RPPNs Caete, Cava II, Duas Cachoeiras, Fazenda Serrinha, Floresta das Águas Perenes, Jacarandas, Lafigueira Naturarte, Mahayana, Marina do Conde, Mata do Roque, Paraiso, Mutinga, Reserva do Dadinho, Reserva do Jacu, Reserva Hinayana, São Elias, Sitio das Pedras, Sitio Kon Tiki, Sitio Solar da Montanha, Sitio Taguaeba II, Trapaga and Vuturusu; and APCs S/I, 269, 297, CerraPa_MA002, MAZC048, MA189, MA082, MA138, MA107, MA089, MA105, MA117 and MA 109	São Paulo, Minas Gerais, Paraná and Mato Grosso do Sul

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

Interference of operations in Conservation Units (CUs) by subsidiary in 2022¹

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

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

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

Interference of operations in Conservation Units (CUs) by subsidiary in 2022¹ (continuing)

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

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

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

Interference of operations in Conservation Units (CUs) by subsidiary in 2021¹

	Interference type ²	Size of overlapping area (km ²)	State
Evrecy	Overlapping with State Park Sete Salões Proximity with: Natural Muniments State Pico do Ibituruna and Municipal Pedra do Monjolo	0.03	Minas Gerais
IE Pinheiros	Overlapping the APA Sistema Cantareira Proximity with: APAs Bororé-Colônia, Piracicaba Juqueri-Mirim Área I, Piracicaba Juqueri-Mirim Área II, and Represa Bairro da Usina; Ecological Station of Noroeste Paulista; State Forests of Noroeste Paulista, and Edmundo Navarro de Andrade; State Parks of Fontes do Ipiranga, and of Itapetinga; and Municipal Natural Parks Bororé, of Grota de Mirassol, and Varginha	0.13	São Paulo
IE Riacho Grande	Overlapping the State Park Águas da Billings and and the Municipal Natural Park of Pedroso Proximity with: APAs Haras São Bernardo, and Parque e Fazenda do Carmo; Atate Park of Fontes do Ipiranga; and Municipal Natural Parks of Serra do Mar, Estoril, and Fazenda do Carmo	0.14	São Paulo
IE Serra do Japi	Overlapping the APA Cabreúva Proximity with: APAs Pedregulho, and Várzea do Rio Tietê	0.04	São Paulo
IE Sul	Overlapping the State APA of Guaratuba; and the APA of Iguaçú Proximity with: Area of Relevant Ecological Interest (ARIE) of Morro do Iriri; APAs of Baleia Franca, of Passaúna, State Delta do Jacuí, and Serra Dona Francisca; State Park of Delta do Jacuí; National Park Guaricana; and Municipal Natural Park Banhado da Imperatriz	1.54	Paraná, Santa Catarina and Rio Grande do Sul
IE Tibagi	Overlapping the APA Ilhas e Várzeas do Rio Paraná Proximity with the Ecological Station of Caiuá	0.16	São Paulo and Paraná
IEMG	Overlapping the APAs: Córrego da Mata; Santo Antônio; and Vargem das Flores Proximity with: APAs Carste da Lagoa Santa, of Itacuru, Morro da Pedreira, and Piracicaba; State Forest São Judas Tadeu; State Parks of Limoeiro, of Rio Doce, Serra do Sobrado, and Serra Verde; Municipal Natural Park of Intelecto; State Wildlife Refuges Macaúbas, and Serra das Aroeiras; and Municipal Biological Reserve of Mata do Bispo	2.99	Minas Gerais

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

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

Interference of operations in Conservation Units (CUs) by subsidiary in 2021¹ (continuing)

	Interference type ²	Size of overlapping area (km ²)	State
ISA CTEEP	<p>Overlapping: APAs Bacia do Paraíba do Sul, Baleia do Sahy, Barreiro Rico, Bororé-Colônia, Cabreúva, Cajamar, Corumbataí Botucatu Tejupa – Perímetro Botucatu, Corumbataí Botucatu Tejupa – Perímetro Corumbataí, of Campinas, of Cananéia-Iguape-Peruíbe, of Banhado, Ibitinga, Ilhas w Várzeas do Rio Paraná, Itupararanga, Jundiá, Municipal of Capivari-Monos, Municipal Serra do Guaruru, Pedregulho, Piracicaba Juqueri-Mirim Área I, Piracicaba Juqueri-Mirim Área II, Rio Batalha, Serra do Itapeti, Serra do Mar, Sistema Cantareira, Taquã-Rio Piracicaba, Tietê, and Várzea do Rio Tietê; ARIE Leopoldo Magno Coutinho; Ecological Stations of Noroeste Paulista, and Mico-Leão-Preto; State Forests of Assis, of Noroeste Paulista, Edmundo Navarro de Andrade, and Pederneiras; State Parks Carlos Botelho, of Cantareira, of Serra do Mar, of Itaberaba, of Itapetinga, of Aguapeí, of Juquery, do Rio Peixe, and Restinga de Bertioiga; Municipal Natural Parks of Cratera de Colônia, Jaceguava, and Nascentes de Paranapiacaba; Biological Reserve of Capivaras; and RPPNs Botujuru-Serra do Itapety, and Mosquito.</p> <p>Proximity with: APAs Municipal do Monte Mochuara, do Pico do Goiapaba-Açu, Corumbataí-Botucatu-Tejupá – Perímetro Tejupá, of Campo Grande, State of Escarpa Devoniana, Haras São Bernardo, Jupia, Marinha do Litoral Centro, Marinha do Litoral Norte, Mata do Iguatemi, Morro de São Bento, Parque and Fazenda do Carmo, Represa Bairro da Usina, and Silveiras; ARIEs Mata de Santa Genebra, Matão de Cosmópolis, Pé-de-Gigante, Vassununga, and of São Sebastião; Ecological Stations Bráulio Guedes da Silva, of Angatuba, of Assis, of Avaré, of Bauru, of Itapeti, of Itapeva, of Itirapina, of Santa Maria, of Barreiro Rico, of Caiuá, of Caetetus, of Tupiniquins, Governador Mario Covas, Ibicatu, Jataí, Jureia-Itatins, Mata do Jacaré, Municipal of Pirajibu, Tupinambás, and Valinhos; State Forests of Guarulhos, Serra d'Água, de Capão Bonito, de Ipanema, and of Lorena; Natural Monuments of Lagoas, and State of Pedra Grande; State Parks Águas da Billings, Alberto Löfgren, of Ara, of Ilha Anchieta, of Fontes do Ipiranga, of Ilhabela, of Porto Ferreira, of Vassununga, of Itinguçu, of Jaraguá, of Morro do Diabo, Intervalos, Nascentes do Paranapanema, and Xixová-Japuí; Municipal Natural Parks of Domingos Martins, of Manguezal de Itanguá, of Monte Mochuara, Goiapaba-Açu, of Aricanga Waldemar Devens, Augusto Ruschi, Bororé, Corredores de Biodiversidade, of Grota de Mirassol, of Serra de São Domingos, of Brigadeiro Tobias, of Banhado, of Campo Grande, of Dourado, of Jatobás, Estoril – Virgílio Simionato, Fazenda do Carmo, Itaim, and Varginha; Wildlife Refuge of Ilhas do Abrigo and Guararitama; Sustainable Development Reserve of Despraiado; Biological Reserve Augusto Ruschi; and RPPNs Dois Irmãos, Pau a Pique, Rancho Chapadão II, Rancho Chapadão, Caeté, Cava II, Fazenda Serrinha, Floresta das Águas, Lafigueira Naturarte, Mahayana, Marina do Conde, Mutinga, Paraíso, Reserva do Dadinho, Reserva do Jacu, Reserva Hinayana, São Elias, Sítio Kon Tiki, and Trápaga</p>	103.26	Espírito Santo, Minas Gerais, Paraná, São Paulo and Mato Grosso do Sul

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

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

GRI 304-3 | Habitats protected or restored

Areas restored in 2022 by subsidiary¹

	Location	Size (hectares)	Type of area	Activity developed in the period
IE Aguapeí	Lameirão Farm (SP)	4.95	Third-party area	Maintenance
IE Itaúnas	Nossa Senhora da Saúde Sanctuary (ES)	0.12	Third-party area	Maintenance
	João Neiva 2 Substation (ES)	4.00	Own area	Maintenance
IEMG	ECO Cerrado RPPN (MG)	6.80	Third-party area	Reforestation planting
ISA CTEEP – Contract 059	Mico-Leão-Preto ESEC (SP)	1.30	Third-party area	Maintenance
	Bispo Stream (SP)	5.28	Own area	Maintenance

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

Areas restored in 2021 by subsidiary¹

	Location	Size (hectares)	Type of area	Activity developed in the period
IE Aguapeí	Lameirão Farm (SP)	4.95	Third-party area	Maintenance
IE Itaúnas	Nossa Senhora da Saúde Sanctuary (ES)	0.12	Third-party area	Maintenance
	João Neiva 2 Substation (ES)	4.00	Own area	Maintenance
ISA CTEEP – Contract 059	UC of LT Taubaté-Paraibuna-Caragua (SP)	17.60	Third-party area	Maintenance
	Bispo Stream (SP)	5.28	Own area	Maintenance

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

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

Waste disposal by type and subsidiary (tons)¹

	2023			2022			2021		
	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Evrecy	0.0	0.9	0.9	0.0	0.7	0.7	0.0	0.0	0.0
IE Aguapeí	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IE Biguaçu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IE Itapura	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IE Itaquerê	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IE Itaúnas	0.0	0.0	0.0	na	na	na	na	na	na
IE Pinheiros	0.0	1.7	1.7	0.0	0.0	0.0	0.0	0.0	0.0
IE Serra do Japi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IE Sul	5.4	0.0	5.4	0.2	0.2	0.4	135.4	0.4	135.8
IE Tibagi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IEMG	0.0	21.5	21.5	0.0	30.8	30.8	0.0	17.0	17.0
IENNE	0.0	2.0	2.0	0.0	0.6	0.6	0.0	0.0	0.0
Jaguar 6	0.0	0.0	0.0	na	na	na	na	na	na
Jaguar 8	0.0	0.0	0.0	na	na	na	na	na	na
Jaguar 9	0.0	0.0	0.0	na	na	na	na	na	na
ISA CTEEP	107.2	2,282.3	2,389.4	88.9	1,862.3	1,951.2	94.5	3,365.5	3,460.0
Total	113.0	2,308.4	2,421.0	89.1	1,894.5	1,983.6	229.8	3,382.9	3,612.8

1. Covers only 100% controlled companies in operation. 100% of the waste is disposed of outside the Company.

Waste disposal by method in 2023 (tons)¹

	Recycling ²	Refining ²	Co-processing ²	Landfill ³	Incineration ³	Other ³	Total
Hazardous							
Packaging contaminated with oils or greases	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Used hydraulic fluid and oil	0.0	0.0	15.8	0.0	0.0	0.0	15.8
Mercury, incandescent, fluorescent, sodium, mixed and halogen lamps	0.0	0.0	0.0	0.0	0.0	1.4	1.4
Miscellaneous materials contaminated with oils (soils, gravel, filler soil, filters, tow, cloths, PPE, etc.)	0.0	0.0	3.2	0.2	8.6	0.0	11.9
Electrical and electronic waste (electrical circuits, reactors, communication equipment, etc.)	4.7	0.0	0.0	0.0	0.0	0.0	4.7
Hazardous recoverable waste	13.3	65.4	0.0	0.0	0.0	0.0	78.6
Subtotal of hazardous waste disposed	18.0	65.4	19.0	0.3	8.6	1.4	112.6
Non-hazardous							
Rubber and tire artifacts	0.0	0.0	0.2	0.0	0.0	0.0	0.2
Metal (aluminum or steel cans, pipes, tubs, copper, brass, etc.)	0.3	0.0	0.0	0.0	0.0	0.0	0.3
Organic administrative waste	0.0	0.0	0.0	22.1	0.0	0.0	22.1
Recyclable administrative waste	2.3	0.0	0.0	9.0	0.0	0.0	11.4
Non-hazardous recoverable waste	2,202.2	0.0	0.0	72.3	0.0	0.0	2,274.5
Subtotal of non-hazardous waste disposed	2,204.7	0.0	0.2	103.5	0.0	0.0	2,308.4
Total hazardous and non-hazardous waste disposed	2,222.7	65.4	19.2	103.7	8.6	1.4	2,421.0

1. Covers only 100% controlled companies in operation. 100% of the waste is disposed of outside the Company.

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

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

Waste disposal by method in 2022 (tons)¹

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

1. Covers only 100% controlled companies in operation. 100% of the waste is disposed of outside the Company.

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

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

GRI 401-1 | New employee hires and employee turnover

Hiring and dismissals

	2023		2022		2021	
	Number of hires	Number of dismissals ¹	Number of hires	Number of dismissals ¹	Number of hires	Number of dismissals ¹
By gender						
Men	209	113	221	128	76	139
Women	104	43	66	35	39	43
By age group						
Under 30 years of age	106	20	101	24	45	20
Between 30 and 50 years of age	184	92	184	88	68	89
Over 50 years of age	23	44	2	51	2	73
By region						
North	0	0	3	3	0	2
Northeast	0	0	0	0	1	0
Midwest	6	1	2	7	0	3
Southeast	295	152	250	151	114	177
South	12	3	32	2	0	0
Total	313	156	287	163	115	182

1. Of the 156 dismissals in 2023, 89 were voluntary. The average length of stay of employees in the Company was 9.1 years.

2. Of the 163 dismissals in 2022, 81 were voluntary. The average length of stay of employees in the Company was 10.4 years.

Hiring and turnover rates

	2023		2022		2021	
	Hiring rate ¹	Turnover rate ²	Hiring rate ¹	Turnover rate ²	Hiring rate ¹	Turnover rate ²
By gender						
Men	16.2%	12.5%	18.4%	14.5%	na	9.4%
Women	41.8%	29.5%	32.2%	24.6%	na	22.7%
By age group						
Under 30 years of age	42.1%	25.0%	47.6%	29.5%	na	na
Between 30 and 50 years of age	17.1%	12.8%	19.0%	14.0%	na	na
Over 50 years of age	11.1%	16.1%	0.9%	11.9%	na	na
By region						
North	0.0%	0.0%	75.0%	75.0%	na	na
Northeast	0.0%	0.0%	0.0%	0.0%	na	na
Midwest	11.3%	6.6%	4.1%	9.2%	na	na
Southeast	20.7%	15.7%	19.1%	15.3%	na	na
South	26.7%	16.7%	97.0%	51.5%	na	na
Total	20.4%	15.3%	20.4%	16.0%	8.7%	11.2%

1. Hiring rate = number of hires divided by the average headcount for the year. The Northern hiring rate for the year 2022 has been represented. **GRI 2-4**

2. Turnover rate = average between hires and dismissals divided by the average headcount for the year. The total and North turnover rates for the year 2022 have been restated. **GRI 2-4**

GRI 401-3 | Parental leave

The return and retention of employees after parental leave depend on an extended time horizon of evaluation, since it is necessary to monitor the people who took advantage of the benefit, the moment of their return (which is 20 days or 180 days, respectively for men and women, after the day of leave leave) and retention over 12 months after return. The table on the side accounts for the group of employees who benefited from the benefit each year and the return and retention status on the base date of 12/31/2023.

In the year 2023, 43 men and 5 women were entitled to and enjoyed the benefit of parental leave. At the end of the period, 3 men and 2 women were still on leave. Therefore, the rate of return recorded was 93.0% and 60.0%, respectively. The potential rate of return is 100% for both cases, as throughout 2024 these people can complete the leave period and return to their activities at the Company. The withholding rate, on the other hand, is not applicable for the period, as 12 months have not yet passed since the return of those who were entitled to the benefit in the year. The potential retention rate is 100% and will be monitored and updated over the course of the next two years.

In 2022, 30 men and 8 women took advantage of the parental leave benefit, and all of them had already returned from their respective leaves on the base date of 12/31/2023. Thus, the rate of return for the period was 100% for both groups. Of those who returned, one woman was still employed at the end of 2023, but had not completed 12 months of work after returning. Therefore, the retention rate for the year was 96.7% for men and 75.0% for women. The potential retention rate for women for the year 2022 is 87.5% and will be monitored and updated in the next reporting cycle.

The year 2021 presents the final return and retention rates, of 96.6% and 87.5%, respectively, for the groups of men and women.

Indicators related to parental leave¹

	2023		2022		2021	
	Men	Women	Men	Women	Men	Women
Number of employees eligible for leave and who have gone on leave	43	5	30	8	29	7
Number of employees who returned from leave up to the reporting base date	40	3	30	8	29	7
Number of employees still on leave on the reporting base date	3	2	0	0	0	0
Number of employees who remained in employment for at least 12 months after returning from leave	na	na	29	6	28	6
Number of employees who have not yet completed 12 months after returning from leave	40	3	0	1	0	0
Return rate	93.0%	60.0%	100.0%	100.0%	100.0%	100.0%
Retention rate	na	na	96.7%	75.0%	96.6%	85.7%

1. Historical data represented. **GRI 2-4**

GRI 402-1 | Minimum notice periods regarding operational changes

The collective bargaining agreements we have signed with unions do not provide for a minimum period for notification of significant operational changes, such as organizational restructuring, outsourcing or primarization of activities, closure or opening of operations, and mergers, acquisitions, and divestitures of businesses. Even so, valuing transparency and broad engagement of the internal public, we communicate as far in advance as possible all situations that may affect workers in a marked way.

GRI 403-9 | Work-related injuries

Indicators of accidents involving employees¹

	2023			2022			2021
	Assets under construction	Assets in operation	Consolidated	Assets under construction	Assets in operation	Consolidated	Consolidated
Number of man-hours worked	206,692	2,743,570	2,950,262	76,028	2,560,323	2,636,351	2,641,746
Number of recordable accidents ²	0	0	0	0	3	3	10
Number of accidents with serious consequences (excluding fatalities) ³	0	0	0	0	0	0	0
Number of fatal accidents	0	0	0	0	1	1	0
Number of days lost or debited ⁴	0	0	0	0	6,080	6,080	136
Recordable accident frequency rate ^{2 and 5}	0.00	0.00	0.00	0.00	1.17	1.14	3.79
Frequency rate of accidents with serious consequences (except fatalities) ^{3 and 5}	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Frequency rate of fatal accidents ⁵	0.00	0.00	0.00	0.00	0.39	0.38	0.00
Accident severity rate ^{4 and 5}	0.00	0.00	0.00	0.00	2,374.70	2,306.22	51.48

1. Considers CLT employees and statutory officers. It does not cover counselors, apprentices, and trainees. The man-hours worked are obtained through the SAP system. 2022 data resubmitted. GRI 2-4

2. Considers all communication accidents: with and without lost time, except first aid.

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

4. Accounts for calendar days of absence.

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

Indicators of accidents involving third parties¹

	2023			2022			2021
	Assets under construction	Assets in operation	Consolidated	Assets under construction	Assets in operation	Consolidated	Consolidated
Number of man-hours worked	4,195,107	1,741,618	5,936,725	4,479,708	1,287,927	5,767,635	4,318,352
Number of recordable accidents ²	6	0	6	23	3	26	28
Number of accidents with serious consequences (excluding fatalities) ³	0	0	0	0	0	0	0
Number of fatal accidents	0	0	0	0	0	0	3
Number of days lost or debited ⁴	67	0	67	134	5	139	18,090
Recordable accident frequency rate ^{2 and 5}	1.43	0.00	1.01	5.13	2.33	4.51	7.18
Frequency rate of accidents with serious consequences (except fatalities) ^{3 and 5}	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Frequency rate of fatal accidents ⁵	0.00	0.00	0.00	0.00	0.00	0.00	0.69
Accident severity rate ^{4 and 5}	15.97	0.00	11.29	29.91	3.88	24.10	4,189.10

1. Considers CLT employees and statutory officers. It does not cover counselors, apprentices, and trainees. The man-hours worked are obtained through the SAP system. 2022 data resubmitted. GRI 2-4

2. Considers all communication accidents: with and without lost time, except first aid.

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

4. Accounts for calendar days of absence.

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

GRI 403-10 | Work-related ill health

We have not recorded any case of occupational disease involving employees or third parties in our operations in the last three years.

GRI 405-1 | Diversity of governance bodies and employees

Composition of functional levels by age group

	2023			2022			2021		
	Under 30 years of age	Between 30 and 50 years of age	Over 50 years of age	Under 30 years of age	Between 30 and 50 years of age	Over 50 years of age	Under 30 years of age	Between 30 and 50 years of age	Over 50 years of age
Executive board	0.0%	66.7%	33.3%	0.0%	77.8%	22.2%	0.0%	88.9%	11.1%
Management	0.0%	83.9%	16.1%	0.0%	83.3%	16.7%	0.0%	69.2%	30.8%
Coordination	2.5%	82.7%	14.8%	1.3%	84.0%	14.7%	1.4%	75.4%	23.2%
Experts	4.6%	84.1%	11.4%	5.7%	82.9%	11.4%	9.1%	81.8%	9.1%
Administrative	29.8%	64.0%	6.2%	27.9%	64.7%	7.4%	20.4%	71.4%	8.2%
Operational	15.3%	70.7%	14.1%	14.4%	69.0%	16.6%	14.0%	65.7%	20.3%
Total	16.6%	70.7%	12.8%	15.5%	69.7%	14.8%	14.1%	67.8%	18.0%

Composition of functional levels by gender

	2023		2022		2021	
	Men	Women	Men	Women	Men	Women
Executive board	55.6%	44.4%	55.6%	44.4%	55.6%	44.4%
Management	80.7%	19.4%	83.3%	16.7%	80.8%	19.2%
Coordination	76.5%	23.5%	80.0%	20.0%	82.6%	17.4%
Experts	54.6%	45.5%	57.1%	42.9%	59.1%	40.9%
Administrative	43.9%	56.1%	45.0%	55.0%	47.5%	52.5%
Operational	94.3%	5.7%	96.6%	3.4%	97.9%	2.1%
Total	82.8%	17.3%	85.1%	14.9%	86.1%	13.9%

1. Considers statutory officers and those governed by CLT contracts. The Statutory Board of Directors has 60% of women in its composition.

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

	2023	2022	2021
By gender			
Men	85.7%	62.5%	77.8%
Women	14.3%	37.5%	22.2%
By age group			
Under 30 years of age	0.0%	0.0%	0.0%
Between 30 and 50 years of age	57.1%	37.5%	33.3%
Over 50 years of age	42.9%	62.5%	66.7%

Ethnic-racial diversity in the workforce

	2023	2022	2021
White	70.6%	72.4%	75.8%
Black	26.8%	24.6%	20.6%
Yellow	1.5%	1.5%	1.6%
Indigenous	0.3%	0.3%	3.0%
Not informed	0.9%	1.2%	1.7%

Diversity by generation in the workforce

	2023	2022	2021
Generation Z (1995 - today)	13.0%	8.9%	6.0%
Millennials (1981 - 1994)	52.9%	50.5%	47.1%
Generation X (1966 - 1980)	31.2%	36.6%	40.7%
Baby Boomers (1951 - 1965)	2.9%	4.0%	6.2%

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

Proportion of women's average earnings to men's by job level (times)

	2023		2022		2021
	Basic salary	Total compensation	Basic salary	Total compensation	Basic salary
Executive board	1.21	1.17	1.10	0.99	1.10
Management	0.91	0.91	0.91	0.88	0.82
Coordination	0.99	0.88	1.08	0.94	1.06
Experts	0.95	0.94	0.95	0.92	0.95
Administrative	0.98	0.97	0.98	0.98	0.97
Operational	1.40	1.16	1.45	1.21	1.42

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

All operational safety activities are outsourced, through the hiring of duly licensed companies. By law, professionals who work as security guards must take a specific course from the Federal Police, according to Ordinance No. 3233/2012 of the Federal Police. This mandatory training includes, among other aspects, human rights issues and has a workload of 20 hours. We monitor the compliance of these professionals with the respective training, and the validity of the certificate is mandatory for 100% of third parties so that they can enter the ISA CTEEP units. In addition, our provider provides its employees with an online training platform, including a specific human rights module. In 2023, all 132 ISA CTEEP security contractors (100%) had valid mandatory training and had completed the contractor's additional human rights training.

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

Our Privacy Program has been improved since 2021, in line with the requirements of the General Data Protection Law (LGPD) and seeking best practices to ensure the robustness and security of our information technology (IT) systems. The management approach in this area combines adequate telecommunications infrastructure solutions, mapping and adaptation of processes and engagement of the internal public to adopt daily behaviors that ensure the effectiveness of information security barriers.

Throughout 2023, we conducted a new review of the inventory of personal data processing activities and made progress in the formalization of practices. An example is the impact reports, which describe the processes with the greatest exposure to risks of violation of the LGPD, civil liberties, and the fundamental rights of data subjects processed in our systems. During the period, we also promoted awareness and training actions for employees in cybersecurity and data protection. During the period, we did not have any events of privacy violations or data loss.

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

Number of business partners

	2023	2022	2021
Consumers in the free market	14	14	14
Energy distributors	11	11	21
Generators and self-producers	59	59	56
Transmitting	27	25	38

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

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

	2023	2022	2021
500 kV	885.1	883.9	883.0
440 kV	6,514.2	6,511.0	6,474.0
345 kV	894.3	666.1	665.7
230 kV	1,920.1	1,918.0	1,896.3
Underground (230 kV/345 kV)	131.5	106.5	74.0
138 kV	9,514.8	9,351.3	9,350.9
88 kV	1,351.2	1,359.6	1,359.6
69 kV	1.4	2.1	2.1
Total	21,212.6	20,798.6	20,705.5

1. We had 3,425.6 km of circuits under construction at the end of 2023, compared to 1,526 km at the end of 2022.

Length of circuits in operation by subsidiary (km)

	2023	2022	2021
Evrecy	163.0	163.0	163
IE Aguapeí	0.0	0.0	0
IE Biguaçu	54.4	54.4	0
IE Itapura	0.0	0.0	0
IE Itaquerê	0.0	0.0	0
IE Itaúnas	77.0	na	na
IE Pinheiros	0.0	1.4	1
IE Serra do Japi	0.0	137.3	137
IE Sul	202.0	202.0	202
IE Tibagi	70.6	70.6	34
IEMG	331.2	173.0	173
IENNE	710.9	710.9	710
Jaguar 6	137.3	na	na
Jaguar 8	1.4	na	na
Jaguar 9	0.0	na	na
ISA CTEEP	19,464.8	19,286.0	19,285
Total	21,212.6	20,798.6	20,705

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

Investments in R&D by ANEEL research line (R\$ thousands)

	2023	2022	2021
Environment	0.0	0.0	93.7
Electrical power system planning	7,013.2	3,178.8	2,216.8
Operation of electrical power systems	1,913.4	1,873.1	4,674.3
Supervision, control and protection of electric power systems	9,152.0	3,601.8	13,070.0
Other	1,805.3	1,443.0	3,594.6
Total	19,883.9	10,096.6	23,649.4

Investments in R&D by subsidiary and ANEEL research line in 2023 (R\$ thousand)

	Electrical power system planning	Operation of electrical power systems	Supervision, control and protection of electric power systems	Other	Total
Evrecy	0.0	0.0	43.8	10.6	54.4
IE Aguapeí	0.0	0.0	259.1	0.0	259.1
IE Biguaçu	0.0	0.0	0.0	0.0	0.0
IE Itapura	0.0	0.0	195.5	3.5	199.0
IE Itaquerê	0.0	0.0	315.9	0.0	315.9
IE Pinheiros	0.0	0.0	39.5	316.8	356.3
IE Serra do Japi	0.0	0.0	50.7	209.4	260.1
IE Sul	0.0	0.0	53.8	127.9	181.7
IE Tibagi	0.0	0.0	160.2	0.0	160.2
IEMG	0.0	0.0	0.0	10.6	10.6
IENNE	0.0	0.0	0.0	295.6	295.6
ISA CTEEP	7,013.2	1,913.4	8,033.5	830.9	17,791.0
Total	7,013.2	1,913.4	9,152.0	1,805.3	19,883.9

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

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

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

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

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

Losses are inherent to the energy transmission process and proportional to the volume of energy transmitted. Thus, our ability to act to minimize losses is limited and is directed towards operational efficiency gains. Our operational planning foresees the use of the most appropriate conductive materials for each piece of equipment, and preventive maintenance plans contribute to the safety of the system and the maintenance of adequate load levels, increasing the availability of assets.

In 2023, transmission losses totaled 3.300 GWh, a reduction of 55.7% compared to the 7.4 00 GWh in losses in the previous year. This variation is explained by the reformulation of the methodology for calculating technical losses in transmission. The new methodology considers the flow of energy that travels through each transmission line and each transformer belonging to the basic grid, replacing the previous method, which considered the estimate of 4% of the volume of energy transmitted in the basic grid and in the other facilities of the transmission company.

Transmission losses by subsidiary (GWh)

	2023	2022	2021
Evrecy	9.8	52.6	52.6
IE Aguapeí	8.1	245.3	224.1
IE Biguaçu	3.3	18.1	0.0
IE Itapura	83.3	211.0	60.8
IE Itaquere	na	4.4	4.4
IE Itaúnas	12.5	na	na
IE Pinheiros	4.6	683.3	683.3
IE Serra do Japi	29.5	280.3	280.3
IE Sul	25.8	131.4	131.4
IE Tibagi	9.6	87.6	87.6
IEMG	16.6	72.1	72.0
IENNE	93.8	144.1	144.0
Jaguar 6	29.9	na	na
Jaguar 8	12.7	na	na
Jaguar 9	74.9	na	na
ISA CTEEP	2,865.7	5,474.1	5,472.5
Total	3,280.1	7,404.3	7,213.0

Additional ANEEL indicators

Operational indicators

	Number of municipalities			Number of substations			Installed transformation capacity (MVA)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Evrecy	2	2	2	2	2	2	450	450	450
IE Aguapeí	2	2	2	2	2	2	1,400	1,400	1,400
IE Biguaçu	1	1	0	1	1	1	300	300	300
IE Itapura	1	1	1	1	1	1	2,000	1,450	1,450
IE Itaquerê	0	0	0	0	0	0	900	900	111
IE Itaúnas	1	0	0	1	0	0	1,350	na	na
IE Pinheiros	1	5	5	1	5	5	400	4,500	4,500
IE Serra do Japi	2	2	2	2	2	2	2,000	2,000	2,000
IE Sul	2	2	2	2	2	2	900	900	900
IE Tibagi	0	0	0	0	0	0	500	500	500
IEMG	3	0	0	3	3	0	1,600	1,600	0
IENNE	0	0	0	0	0	0	0	0	0
Jaguar 6 ¹	0	na	na	0	na	na	250	na	na
Jaguar 8 ¹	1	na	na	1	na	na	1,200	na	na
Jaguar 9 ¹	3	na	na	3	na	na	2,100	na	na
ISA CTEEP	87	87	87	110	110	110	50,138	50,124	50,057

1. On October 31, 2022, the Company carried out a corporate reorganization involving its subsidiaries. The transaction consisted of the partial spin-off of IE Pinheiros, IE Japi and IE Itapura and the consequent version of the portion of their equity related to the transmission assets to the companies IE Itapura, Jaguar 9, Jaguar 8 and Jaguar 6, all controlled entities of ISA CTEEP

Investments made (R\$ million)

	2023	2022	2021
Greenfield	722.7	1,104.1	1,028.8
Brownfield	0.0	0.0	1,901.0
Reinforcements and improvements	1,220.3	824.6	367.6
Total	1,943.0	1,928.7	3,297.5

Amounts paid as compensation and benefits (R\$ thousands)

	2023	2022	2021
Gross payroll	145,791.6	123,757.8	108,681.2
Compulsory social security charges	99,805.8	87,098.5	81,739.2
Education	385.2	436.5	440.3
Feeding	34,187.5	28,384.5	25,382.6
Transport	402.1	313.7	25.1
Health	30,278.6	19,406.8	25,407.6
Foundation	0.0	0.0	0.0
Occupational health and safety	0.0	0.0	0.0
Culture	0.0	0.0	0.0
Training and professional development	0.0	0.0	0.0
Childcare or child care assistance	427.5	443.8	286.5
Other	998.5	1,381.7	820.0

Environmental performance indicators¹

	2023	2022	2021
Number of significant leaks ²	0	1	0
Volume of oil leaked (liters) ³	0.0	0.0	0.0
Amount of waste contaminated by PCBs (ascarel) disposed of (kg)	0	61,573	33,860
Number of arboreal individuals suppressed	199	125	1
Total water consumption (m ³)	57,841	73,293	70,689
Water consumption per employee (m ³)	36.02	50.58	53.39

1. In the three-year period, there was no training activity for the environmental education program for employees, nor actions in elementary, secondary, technical or higher education schools.
2. In 2022, there was an oil leak in the auxiliary service of the Miguel Reale Substation, for which the Emergency Preparedness and Response Plan (PPRE) was activated, using peats and blankets to contain the oil. A specialized company was hired to dispose of the waste generated, which totaled 159.84 tons of waste containing hydrocarbons and 55.36 tons of contaminated soil and rock.
3. It was not possible to identify the volume leaked, information available in kilograms.

Complement to GRI disclosures

Statement of use | CTEEP – Companhia de Transmissão de Energia Elétrica Paulista has reported in accordance with the GRI Standards for the period of January 1 to December 31, 2023.
GRI 1 used | GRI 1: Foundation 2021
Applicable GRI Sector Standard(s) | Does not apply



**CONTENT INDEX
ESSENTIALS SERVICE**

2024

GRI Standard/Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
General disclosures								
GRI 2 General Disclosures 2021	2-1 Organizational details	18	-	-	-	-	-	No
	2-2 Entities included in the organization’s sustainability reporting	95 and 96	-	-	-	-	-	Yes
	2-3 Reporting period, frequency and contact point	95	-	-	-	-	-	No
	2-4 Restatements of information	7, 56, 72, 95, 116, 117 and 118	-	-	-	-	-	Yes
	2-5 External assurance	95, 134 and 135	-	-	-	-	-	Yes
	2-6 Activities, value chain and other business relationships	12, 13, 14, 15 and 65	-	-	-	-	-	Yes
	2-7 Employees	83 and 101	-	-	-	6	8 and 10	Yes
	2-8 Workers who are not employees	102	-	-	-	6	8 and 10	No
	2-9 Governance structure and composition	19	-	-	-	-	-	No
	2-10 Nomination and selection of the highest governance body	19	-	-	-	-	5 and 16	No
	2-11 Chair of the highest governance body	19	-	-	-	-	16	No
	2-12 Role of the highest governance body in overseeing the management of impacts	22, 23, 24 and 25	-	-	-	-	16	No
	2-13 Delegation of responsibility for managing impacts	19	-	-	-	-	-	No
	2-14 Role of the highest governance body in sustainability reporting	95	-	-	-	-	-	No
	2-15 Conflicts of interest	21	-	-	-	-	16	No
	2-16 Communication of critical concerns	22, 23, 24 and 25	-	-	-	-	-	Yes
	2-17 Collective knowledge of the highest governance body	19, 20, 21, 28 and 29	-	-	-	-	-	No
	2-18 Evaluation of the performance of the highest governance body	20	-	-	-	-	-	No
	2-19 Remuneration policies	21	-	-	-	-	-	No
	2-20 Process to determine remuneration	21	-	-	-	-	-	No

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed in the Portuguese version of the Report.

GRI Standard/Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
GRI 2 General Disclosures 2021	2-21 Annual total compensation ratio	21	-	-	-	-	-	Yes
	2-22 Statement on sustainable development strategy	3, 4 and 5	-	-	-	-	-	No
	2-23 Policy commitments	20, 28 and 69	-	-	-	-	-	No
	2-24 Embedding policy commitments	20, 28 and 69	-	-	-	-	-	No
	2-25 Processes to remediate negative impacts	25, 59 and 89	-	-	-	-	-	Yes
	2-26 Mechanisms for seeking advice and raising concerns	25	-	-	-	10	16	Yes
	2-27 Compliance with laws and regulations	102	-	-	-	-	16	Yes
	2-28 Membership associations	71 and 72	-	-	-	-	16	Yes
	2-29 Approach to stakeholder engagement	97 and 100	-	-	-	-	-	Yes
GRI G4 Disclosures for the Electric Utilities Sector 2013	2-30 Collective bargaining agreements	102	-	-	-	3	8	No
	EU3 Number of residential, industrial, institutional and commercial customer accounts	122	-	-	-	-	-	No
	EU4 Length of above and underground transmission and distribution lines by regulatory regime	12 and 122	-	-	-	-	7	No
Material topics								
GRI 3 Material topics 2021	3-1 Process to determine material topics	97	-	-	-	-	-	Yes
	3-2 List of material topics	87, 98 and 99	-	-	-	-	-	Yes
Material topic Good governance and integrity								
GRI 3 Material topics 2021	3-3 Management of material topics	15, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30 and 31	-	-	-	-	-	No
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	25	-	-	-	10	16	Yes
	205-2 Communication and training about anti-corruption policies and procedures	26	-	-	-	10	16	Yes
	205-3 Confirmed incidents of corruption and actions taken	25	-	-	-	10	16	Yes
GRI 206 Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	102	-	-	-	-	16	No
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	25	-	-	-	6	5 and 8	No

GRI Standard/Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Transformative leadership and influence								
GRI 3 Material topics 2021	3-3 Management of material topics	15, 28, 29, 30, 31, 35, 36, 37, 38, 39, 70, 71, 72 and 73	-	-	-	-	-	No
Material topic Solidity and growth								
GRI 3 Material topics 2021	3-3 Management of material topics	15, 16, 17, 28, 29, 30, 31, 35, 36, 37, 38, 39, 53, 54, 55, 56, 92 and 93	-	-	-	-	-	No
GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	93	-	-	-	-	8 and 9	Yes
GRI 203 Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	16, 17, 54, 55, 85, 86, 87 and 88	-	-	-	-	5, 9 and 11	No
GRI G4 Disclosures for the Electric Utilities Sector 2013	EU6 Management approach to ensure short and long-term electricity availability and reliability	16, 17, 35, 36, 37, 38, 39, 53, 54, 55, 56 and 59	-	-	-	-	7, 9 and 11	No
Material topic Anticipation and innovation								
GRI 3 Material topics 2021	3-3 Management of material topics	15, 28, 29, 30, 31, 48, 49, 50, 51, 70, 71, 72 and 73	-	-	-	-	-	No
GRI G4 Disclosures for the Electric Utilities Sector 2013	EU7 Demand-side management programs including residential, commercial, institutional and industrial programs	70, 71, 72 and 73	-	-	-	-	-	Yes
	EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	50 and 123	-	-	-	-	-	Yes
Material topic Excellence in the performance of its activity								
GRI 3 Material topics 2021	3-3 Management of material topics	15, 23, 27, 28, 29, 30, 31, 53, 54, 55, 56, 59, 89 and 90	-	-	-	-	-	No
GRI 418 Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	122	-	-	-	-	16	Yes
	EU12 Transmission and distribution losses as a percentage of total energy	56 and 124	-	-	-	-	7, 8, 12 and 13	Yes
	EU21 Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	23, 58 and 59	-	-	-	-	-	Yes
GRI G4 Disclosures for the Electric Utilities Sector 2013	EU25 Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	89	-	-	-	-	-	Yes

GRI Standard/Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Proactive contribution to global environmental challenges								
GRI 3 Material topics 2021	3-3 Management of material topics	15, 28, 29, 30, 31, 35, 40, 41, 42, 43, 44, 45, 46, 57, 58, 59, 60, 61, 62, 63 and 64	-	-	-	-	-	No
GRI 201 Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	35, 40 and 44	-	-	-	7	13	Yes
GRI 302 Energy 2016	302-1 Energy consumption within the organization	104	-	-	-	7 and 8	7, 8, 12 and 13	Yes
	302-4 Reduction of energy consumption	40 and 42	-	-	-	8 and 9	7, 8, 12 and 13	Yes
GRI 303 Water and effluents 2018	303-1 Interactions with water as a shared resource	62	-	-	-	8	6 and 12	No
	303-2 Management of water discharge-related impacts	62	-	-	-	8	6	Yes
	303-3 Water withdrawal	62 and 105	-	-	-	7 and 8	6	Yes
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	106	-	-	-	8	6, 14 and 15	Yes
	304-2 Significant impacts of activities, products, and services on biodiversity	45, 46, 63 and 64	-	-	-	8	6, 14 and 15	Yes
	304-3 Habitats protected or restored	64 and 112	-	-	-	8	6, 14 and 15	Yes
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	64	-	-	-	8	6, 14 and 15	Yes
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	42 and 43	-	-	-	7 and 8	3, 12, 13, 14 and 15	Yes
	305-2 Energy indirect (Scope 2) GHG emissions	43	-	-	-	7 and 8	3, 12, 13, 14 and 15	Yes
	305-3 Other indirect (Scope 3) GHG emissions	43	-	-	-	7 and 8	3, 12, 13, 14 and 15	Yes
	305-4 GHG emissions intensity	43	-	-	-	8	13, 14 and 15	Yes
	305-5 Reduction of GHG emissions	40 and 42	-	-	-	8 and 9	13, 14 and 15	Yes
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	60 and 61	-	-	-	8	3, 6, 11 and 12	Yes
	306-2 Management of significant waste-related impacts	60 and 61	-	-	-	8	3, 6, 11 and 12	Yes
	306-4 Waste diverted from disposal	61 and 113	-	-	-	8	3, 11 and 12	Yes
	306-5 Waste directed to disposal	61 and 113	-	-	-	8	3, 11 and 12	Yes

GRI Standard/Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Commitment to socio-economic development								
GRI 3 Material topics 2021	3-3 Management of material topics	28, 29, 30, 31, 85, 86, 87, 88, 89 and 90	-	-	-	-	-	No
GRI 410 Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	121	-	-	-	1	16	No
GRI 411 Rights of indigenous peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	89 and 90	-	-	-	1	2	Yes
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	85, 86, 87 and 88	-	-	-	1	-	Yes
	413-2 Operations with significant actual and potential negative impacts on local communities	89 and 90	-	-	-	1	1 and 2	Yes
GRI G4 Disclosures for the Electric Utilities Sector 2013	EU22 Number of people physically or economically displaced and compensation, broken down by type of project	90	-	-	-	-	-	No
Material topic Strategic alliances for transformation								
GRI 3 Material topics 2021	3-3 Management of material topics	28, 29, 30, 31, 65, 66, 67, 68 and 69	-	-	-	-	-	No
GRI 204 Procurement practices 2016	204-1 Proportion of spending on local suppliers	65	-	-	-	-	8	No
GRI 308 Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	66 and 67	-	-	-	8	-	Yes
	308-2 Negative environmental impacts in the supply chain and actions taken	66 and 67	-	-	-	8	-	No
GRI 407 Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	24 and 69	-	-	-	3	8	No
GRI 408 Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	24 and 69	-	-	-	5	8 and 16	No
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	24 and 69	-	-	-	4	8	No
GRI 414 Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	66 and 67	-	-	-	2	5, 8 and 16	Yes
	414-2 Negative social impacts in the supply chain and actions taken	66 and 67	-	-	-	2	5, 8 and 16	No

GRI Standard/Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance	
			Requirement(s) omitted	Reason	Explanation				
Material topic Attracting, developing and caring for the best talent									
GRI 3 Material topics 2021	3-3 Management of material topics	6, 7, 8, 9 10, 28, 29, 30, 31, 75, 76, 77, 78, 79, 80, 81, 82 and 83	-	-	-	-	-	No	
GRI 201 Economic performance 2016	201-3 Defined benefit plan obligations and other retirement plans	78 and 103	-	-	-	-	-	No	
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	116	-	-	-	6	5, 8 and 10	No	
	401-3 Parental leave	117	-	-	-	6	5 and 8	No	
GRI 402 Labor/ Management relations 2016	402-1 Minimum notice periods regarding operational changes	7	-	-	-	3	8	No	
	403-1 Occupational health and safety management system	7, 8 and 10	-	-	-	-	8	No	
	403-2 Hazard identification, risk assessment, and incident investigation	10	-	-	-	-	8	No	
	403-3 Occupational health services	10	-	-	-	-	8	No	
	403-4 Worker participation, consultation, and communication on occupational health and safety	8	-	-	-	-	8 and 16	No	
	403-5 Worker training on occupational health and safety	9 and 10	-	-	-	-	8	No	
	403-6 Promotion of worker health	78	-	-	-	-	3	No	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8	-	-	-	-	8	No	
	403-8 Workers covered by an occupational health and safety management system	9	-	-	-	-	8	No	
	403-9 Work-related injuries	7, 10 and 118	-	-	-	-	3, 8 and 16	Yes	
GRI 403 Occupational health and safety 2018	403-10 Work-related ill health	119	-	-	-	-	3, 8 and 16	Yes	
	404-1 Average hours of training per year per employee	75	-	-	-	6	4, 5, 8 and 10	No	
	GRI 404 Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	75 and 76	-	-	-	-	8	No
		404-3 Percentage of employees receiving regular performance and career development reviews	77	-	-	-	6	5, 8 and 10	No

GRI Standard/Other source	Disclosure	Page	Omission			Global Compact	SDG	Assurance
			Requirement(s) omitted	Reason	Explanation			
Material topic Attracting, developing and caring for the best talent (continuing)								
GRI 405 Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	82, 83 and 120	-	-	-	6	5 and 8	Yes
	405-2 Ratio of basic salary and remuneration of women to men	121	-	-	-	6	5, 8 and 10	No
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	25	-	-	-	6	5 and 8	No
GRI 407 Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	24 and 69	-	-	-	3	8	No
GRI 408 Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	24 and 69	-	-	-	5	8 and 16	No
GRI 409 Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	24 and 69	-	-	-	4	8	No
	EU14 Programs and processes to ensure the availability of a skilled workforce	75 and 76	-	-	-	-	-	No
	EU16 Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	10	-	-	-	-	-	Yes
GRI G4 Disclosures for the Electric Utilities Sector 2013	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	10	-	-	-	-	-	No

Assurance report

Independent auditor's limited assurance report on the non-financial information included in the 2023 Annual Sustainability Report

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

Introduction

We have been engaged by Companhia de Transmissão de Energia Elétrica Paulista (“Company” or “CTEEP”) to present our limited assurance report on the non-financial information included in the 2023 Annual Sustainability Report of CTEEP for the year ended December 31, 2023.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2023 Annual Sustainability Report, including any incorporated images, audio files or videos.

Responsibilities of the management of CTEEP

The management of CTEEP is responsible for:

- selecting or establishing adequate criteria for the preparation and presentation of the information included in the 2023 Annual Sustainability Report;
- preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-Standards) and with the basis of preparation developed by the Company;

- designing, implementing and maintaining internal controls over the significant information for the preparation of the information included in the Annual Sustainability Report, which is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We comply with the independence and other ethical requirements of the Federal Accounting Council (CFC) in NBCs PG 100 and 200 and NBC PA 291, which are based on the principles of integrity, objectivity and professional competence, and which also consider the confidentiality and behavior of professionals.

We apply the Brazilian and international quality control standards established in NBC PA 01, issued by the CFC, and thus maintain an appropriate quality control system that includes policies and procedures related to compliance with ethical requirements, professional standards, legal requirements and regulatory requirements.

Independent auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information included in the 2023 Annual Sustainability Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 – Issuance of Assurance Reports related to Sustainability and Social Responsibility, issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, “Assurance Engagements Other than Audit and Review”, also issued by the CFC, which is equivalent to the international standard ISAE 3000, “Assurance engagements other than audits or reviews of historical financial information”, issued by the International Auditing and Assurance Standards Board (IAASB).

Those standards require that the auditor complies with ethical requirements, independence requirements, and other responsibilities of these standards, including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2023 Annual Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of CTEEP involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Annual Sustainability Report taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the 2023 Annual Sustainability Report, other circumstances of the engagement and our analysis of the activities and processes associated with the significant information disclosed in the 2023 Annual Sustainability Report in which significant misstatements might exist. The procedures comprised, among others:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2023 Annual Sustainability Report;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries of the managers responsible for the preparation of the information;
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2023 Annual Sustainability Report; and
- (d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the analysis of the compliance with the GRI Standards, and the criteria established in the basis of preparation developed by the Company.

Our procedures did not include assessing the adequacy of the design or operating effectiveness of the controls, testing the data on which the estimates are based or separately developing our own estimate to compare with CTEEP's estimate.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. If we had performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2023 Annual Sustainability Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods nor future projections and goals.

The preparation and presentation of non-financial information and indicators followed the definitions of the [basis of preparation](#) developed by the Company and the GRI and, therefore, the information included in the 2023 Annual Sustainability Report does not aim to provide assurance with regard to the compliance with social, economic, environmental or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

The absence of a significant set of established practices on which to base the evaluation and measurement of non-financial information allows for different but acceptable evaluation and measurement techniques, which can affect comparability between entities and over time.

The contents included in the scope of this assurance engagement are presented in the GRI Content Index of the 2023 Annual Sustainability Report.

Conclusion

Based on the procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the 2023 Annual Sustainability Report of Companhia de Transmissão de Energia Elétrica Paulista has not been prepared, in all material respects, in accordance with the criteria established in the basis of preparation, and with the GRI Standards.

São Paulo, April 29, 2024

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

Maurício Colombari
Contador CRC 1SP195838/O-3

Credits and corporate information

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

Content, consulting and design

usina82

Corporate contacts

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