



**ANNUAL  
REPORT**

**2020**

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# INTRODUCTION

## CHAPTER 1



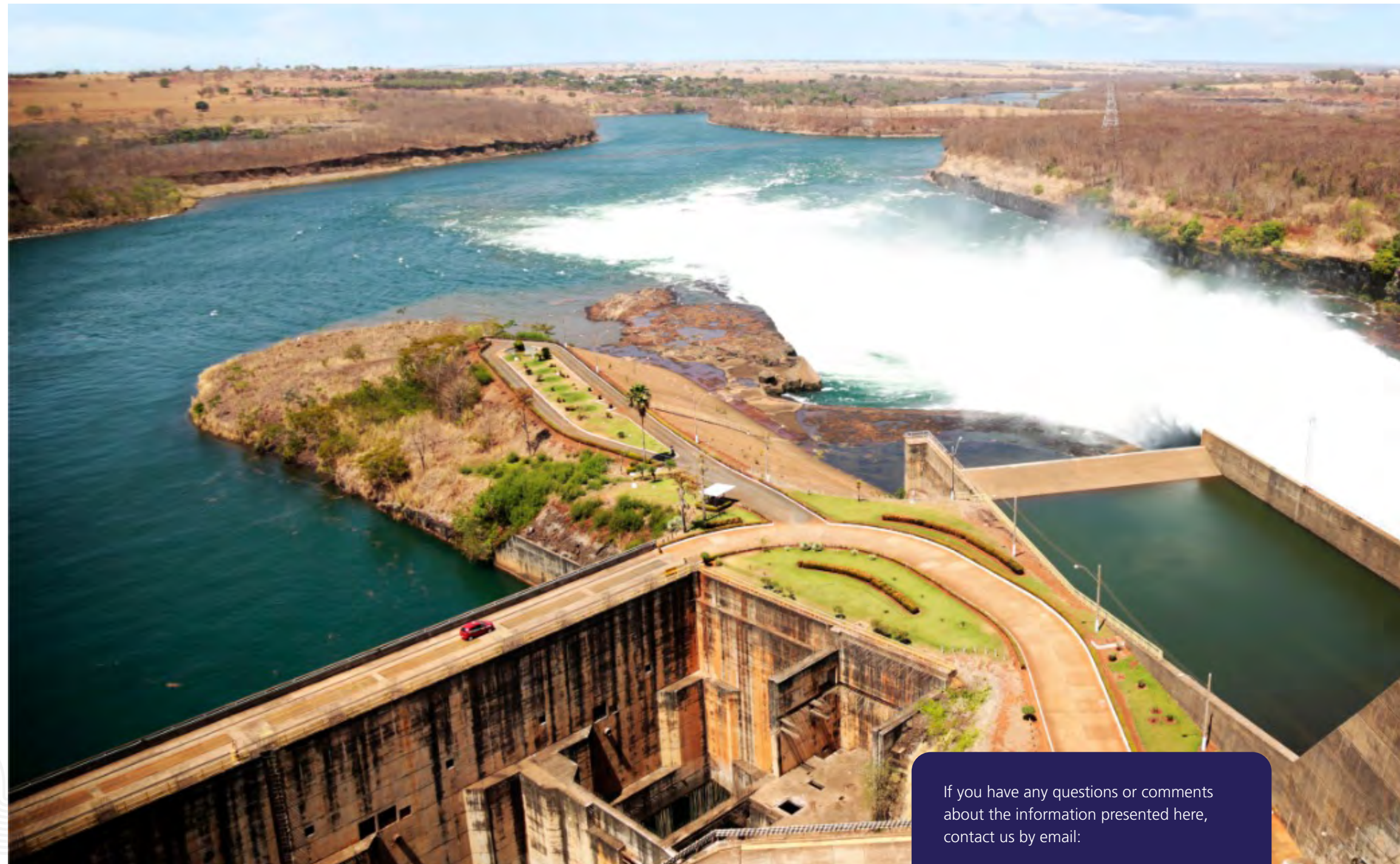
# About the Report

In the third consecutive year publishing our Annual Report, we present the highlights of SPIC Brasil's performance in 2020. In the following pages you will find our results, projects, business vision, and the way we generate value, besides reaffirming our commitment to a sustainable, transparent, and safe operation.

The publication considers all SPIC Brasil's units, consisting of two wind farms, one hydroelectric power plant, two corporate offices, and the assets in joint venture with other companies.

The topics were selected based on important milestones identified by the company this past year, also ensuring the continuity of information regarding 2019 actions to which we are committed to reporting progress.

ENJOY READING!



São Simão Hydro Power Plant.

If you have any questions or comments about the information presented here, contact us by email:

> [comunicacao@spicbrasil.com.br](mailto:comunicacao@spicbrasil.com.br)

# Message from the Management

In the year 2020, we faced the Covid-19 pandemic with a focus on the safety and well-being of our employees and the communities where we operate, while never losing sight of our commitment to innovation. Ensuring all necessary health conditions, we have reinvented ourselves and adapted to ensure that the Company continued on the planned path in 2019.

**Safety and quality are priority pillars for us. As defined in the previous year, we implemented ISO 9001 certification, thereby achieving an integrated management system certified in quality, environment, health and safety.**

SPIC has always been very active in process digitalization and modernization, and in 2020 our innovation was stepped up. We have met the goals set for the year in terms of data protection and privacy with the Digital Transformation Program. Thanks to this project, and to other initiatives such as the PoupaTempo and Linte Projects, we have also advanced in simplifying and streamlining internal operations, always based on three concepts: speed, fluidity and safety.

Also towards innovation, we signed the Memorandum of Understanding (MOU), signed between SPIC Brasil, ISEST (State Power Institute) and Eletrobras' Center for Electric Power Research (Cepel), aiming to exchange experience and technologies in the development of smart energy projects.

The acquisition of a 33% stake in the largest natural gas-fired thermoelectric plant in Latin America, Gás Natural Açú (GNA), strengthens our prospects of becoming one of the largest and best private electricity generators in Brazil. Located in São João da Barra (RJ), the plant will increase our presence in the Brazilian energy sector with its projected installed capacity of 3GW and promising growth horizons.

We continue to expand our business, always committed to best practices and global initiatives, and to acting ethically, transparently and responsibly. As a signatory of the United Nations (UN) Global Compact, we have reinforced our commitment to operate in accordance with the guidelines to achieve the shared goals of the Sustainable Development Goals (SDGs).

We participate in the Global Compact's Anti-Corruption Working Groups, contributing and sharing information about the practices used



**ADRIANA WALTRICK**  
CEO of SPIC Brasil

to combat illicit acts and to promote an honest and healthy corporate environment. We have also expanded our participation as associates of the Ethos Institute, and in 2021, we will start to take part in thematic groups to discuss issues related to sustainability together with other companies from the energy sector and from other sectors.

On the social development front, we continue to value closeness to the communities where we operate, and, attentive to our projects' beneficiaries' safety, we have recreated our initiatives in a virtual format.

With the Mãos que Cria na Quarentena (Hands that Create in Quarantine) project, we fostered professional qualification, entrepreneurship, and female empowerment. In 2020, among other actions, the project combined income generation with the promotion of protection measures against

Covid-19 with artisans in Barra de Camaratuba, located in Mataraca (PB).

We proceeded with the Ilha da Imaginação (Imagination Island) project, a cultural program sponsored by the Federal Culture Incentive Law in São Simão and surrounding region that, since 2019, benefits children and teenagers through itinerant reading and audiovisual courses and workshops. This project has impacted about 20 thousand children and teenagers and has trained 200 students.

The project has completed its second edition and, even in the pandemic scenario, it has also reinvented itself and carried on with the training course classes in the online format but following all the course content with all the support from the teachers to the students. More than 12 thousand children have already been assisted and more than 100 students have graduated in this two-year project.

**After the unforeseen and challenging scenario of 2020, we are continuing on our growth path with responsibility, determination, and sustainability.**

We have demonstrated our resilience and ability to learn the lessons imposed by the crisis and continue investing in new business, innovation, and in the people and communities that contribute to SPIC Brasil's excellence. We move forward strengthened for new challenges and achievements in 2021!

It is a pleasure to share with you our results and our trajectory so far.

# SPIC Brasil Against Covid-19



Material from internal campaign against Covid-19.

We work to provide an essential service to the population. Aware of this responsibility and faced with the Covid-19 pandemic, we reinvented ourselves to continue generating power while ensuring a safe work environment for our employees.

**As a result of the preparedness in response to the crisis and our employees' sense of responsibility, we ended the year 2020 preserving all the lives that make up our Company.**

Since March, all employees who could do their work remotely have been working in the home office system, when we also adopted the rotation of employees who needed to work on the premises.

We had Dr. Caio Rosenthal, an infectious disease specialist, as a consultant to establish safety protocols and created the Covid-19 Committee, comprised of the Company's CEO, the areas of Human Resources, Governance, Compliance, Health, Safety, Environment and Quality (HSEQ) Operations,

Communication, Information Technology, and the Management of our office in São Paulo, so that all the Company's operations would comply with the protective measures.

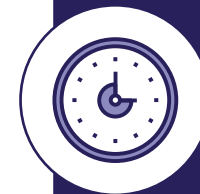
We performed the first rapid tests in Brazil and subsequently adopted the RTPCR testing

protocol for employees working on-site three times a month. In December, we implemented saliva testing with the same confidence level as the RTPCR test, aiming to increase employees' comfort during testing.

## CARE FOR THE HEALTH AND WELL-BEING OF OUR EMPLOYEES



› Health and welfare benefits maintained and adapted;

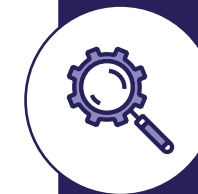


› Knowledge about time management in the new routine;



› Health calendar internally reinforced.

## ADAPTATION TO MAINTAIN QUALITY WORK



› We reviewed internal processes;



› We have sped up our digital transformation;



› We strengthened Information Security.

## #PlayHardAgainstCovid19



Campaign Covid-19.

Since the beginning of the pandemic, we started to develop specific actions aimed at the fight against the coronavirus.

The internal campaign “Together against the coronavirus” brought weekly information (or whenever it was necessary) to employees. Sent via e-mail, videos and intranet, the communications disseminated prevention materials, and updated employees on the work schedule in each unit regarding the continuity of the home office.

Furthermore, we launched the campaign #PlayHardAgainstCovid19 in the communities where we operate with our operational assets,

in our social networks and in some internal communication channels to raise awareness among local residents and employees and encourage social distancing measures.

A special report line was made available through which situations of non-compliance with preventive measures could be reported.

As part of the campaign, to encourage social distancing, we sent out vouchers on Saturdays so our employees could order pizza and offered gift cards to watch the latest releases on the Netflix streaming platform, as well as games to make children aware of health care during the pandemic.



Aiming to support communities in the fight against the pandemic, we donated ten thousand face masks to Mataraca (PB), municipality where our wind farms are located, and 37,400 face masks to São Simão (GO) and Santa Vitória (MG), cities where we are present with the Hydroelectric Power Plant (HPP) São Simão.

We also have organized livestreams and videos with specialists on safety measures to avoid infection by the virus. Caring for the mental health of our employees, besides continuing with the support service of the program **Conte Comigo** (Count on Me), we held a livestream about the quarantine impacts on mental health. Conducted by Dr. Marianna Andrade, psychiatrist resident at *Hospital das Clínicas*, this action helped us to better understand how our brain reacts during periods of social isolation, and how we could face the moment in a lighter way.





### FOR EMPLOYEES

- > T-shirt + face mask kit;
- > Memory game and personalized deck of cards with prevention orientations;
- > Pizza vouchers delivered on weekends to encourage staying home;
- > Netflix gift card;
- > Awareness videos via WhatsApp.

### FOR EMPLOYEES AND COMMUNITY

- > Billboards and sound cars around the city with warnings about prevention;
- > Distribution of folders in hotels, restaurants and main city businesses;
- > Special programs on the city's radio station;
- > A live performance by the singer Felipe Ferraz.

### FOR EMPLOYEES AND OUTSOURCED WORKERS

- > T-shirts and vests given to the HSEQ Ambassadors.

### MURAL OF THE PLANT

- > Posters with prevention messages and disciplinary measures in the plant.

### DONATIONS MADE

- > 300,000 Disposable face masks for the Government of the State of São Paulo;
- > Two air conditioners, replacement of hospital flooring, and 500 bottles of alcohol gel for the São Simão Health Secretariat;
- > 30,000 cloth face masks, 20,000 for São Simão and 10,000 for Mataraca (PB);
- > Eight alcohol gel dispenser and eight sanitizing mats for Mataraca City Hall.



## Other SPIC Brasil initiatives in the fight against the Pandemic



- › VIVO Guide: updates from experts on Covid-19;
- › Providing face masks for employees and family members;
- › Web series and live streams with Dr. Caio Rosenthal on Covid-19-related care;
- › Information and awareness campaign with billboards, radio programs, posters, sound cars, and work with merchants in the communities surrounding our developments;

- › APP Covid tool for employees and outsourced workers to perform online and daily self-examinations, detecting possible cases throughout the chain;
- › Providing vehicles for the operators of the São Simão HPP to avoid contact when commuting to work.



We're Back Well



We're Back Well

## We're Back Well Campaign

Although the home office system has been maintained for administrative employees, the operational units' employees have returned to face-to-face activities. To welcome them, we created the campaign **Voltamos Bem** (We're Back Well) to ensure a safe and warm welcome.

The facilities were adapted to the new hygiene and cleanliness routines, social distancing and were decorated with the campaign's elements, and everyone received an informative guide available in print and digital versions containing a detailed description of the care protocols for each unit.

Learn more about our actions in the fight against the pandemic at:

› <https://bit.ly/3s1WUh1>

# WHO WE ARE

## CHAPTER 2



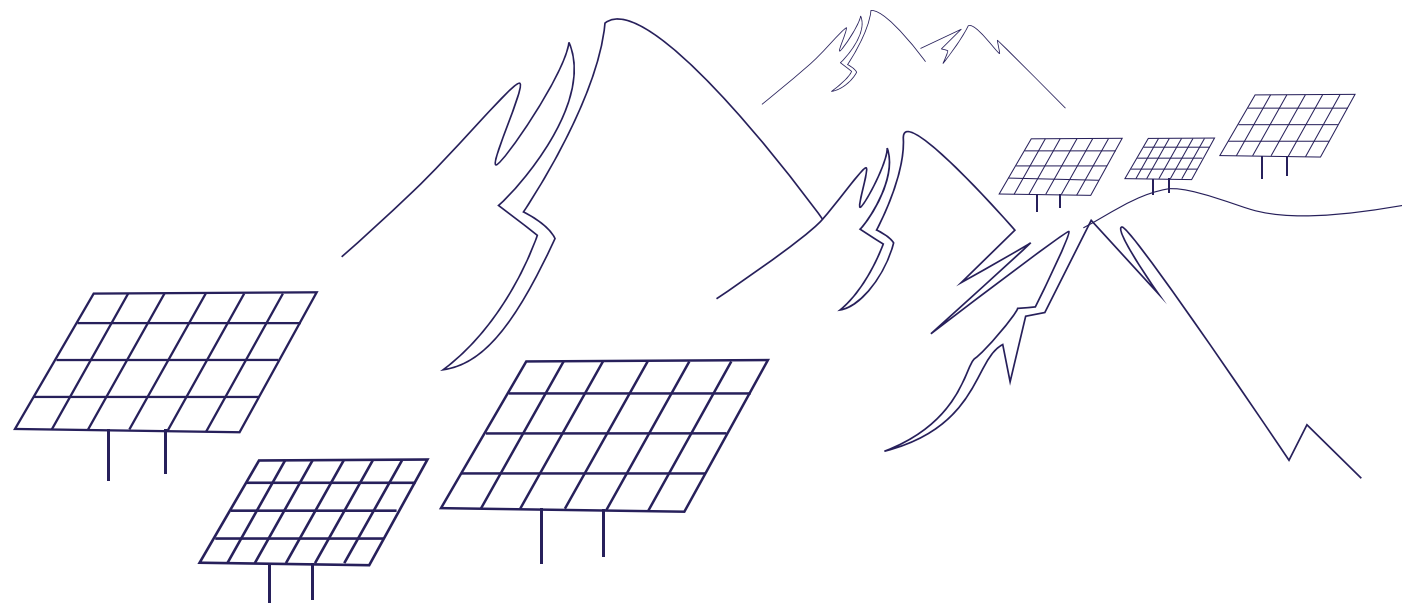
# About SPIC Global

We are part of SPIC Global, one of the top five power generation groups in China, operating in the market with advanced technologies and a focus on clean energy development.

Established in 2015, SPIC Corporation is present in 64 countries, most notably Japan, Australia, Malta, India, Turkey, South Africa, Pakistan and Brazil. Operating globally with more than

130 thousand employees and over 176 GW of installed capacity, SPIC Global serves millions of households, mainly through renewable energy sources, which already account for more than 56% of its portfolio.

**SPIC Global is the world's largest generator of photovoltaic energy.**



## New international asset management

In 2020, the management of SPIC Global's international assets, including SPIC Brasil, became the responsibility of China Power International Development Limited (CPID). The company is listed on the Hong Kong stock exchange and has extensive experience in the market, which brings us a level of demand compatible with international publicly traded companies.

With the new partnership, we have the potential to gain from adapting global policies to the local scenario, with the objective of making the processes increasingly more efficient.

To learn more about CPID, please visit:

▶ <https://bit.ly/3pOGDdq>

# About SPIC Brasil

A subsidiary of State Power Investment Corporation of China (SPIC), SPIC Brasil owns wind, hydroelectric, and, recently, **natural gas-fired thermoelectric** assets.

SPIC Brasil has just entered the thermoelectric segment after acquiring a 33% stake in the assets of Gás Natural Açú (GNA), in 2020.

➤ Learn more on page 32.

We operate the São Simão Hydroelectric Power Plant, on the border between the states of Minas Gerais and Goiás, the Vale dos Ventos Wind Complex and Millennium Wind Farm, in Paraíba, and we participate in the operation of Gás Natural Açú (GNA), a natural gas-fired power generation project at the Port of Açú in São João da Barra (RJ).



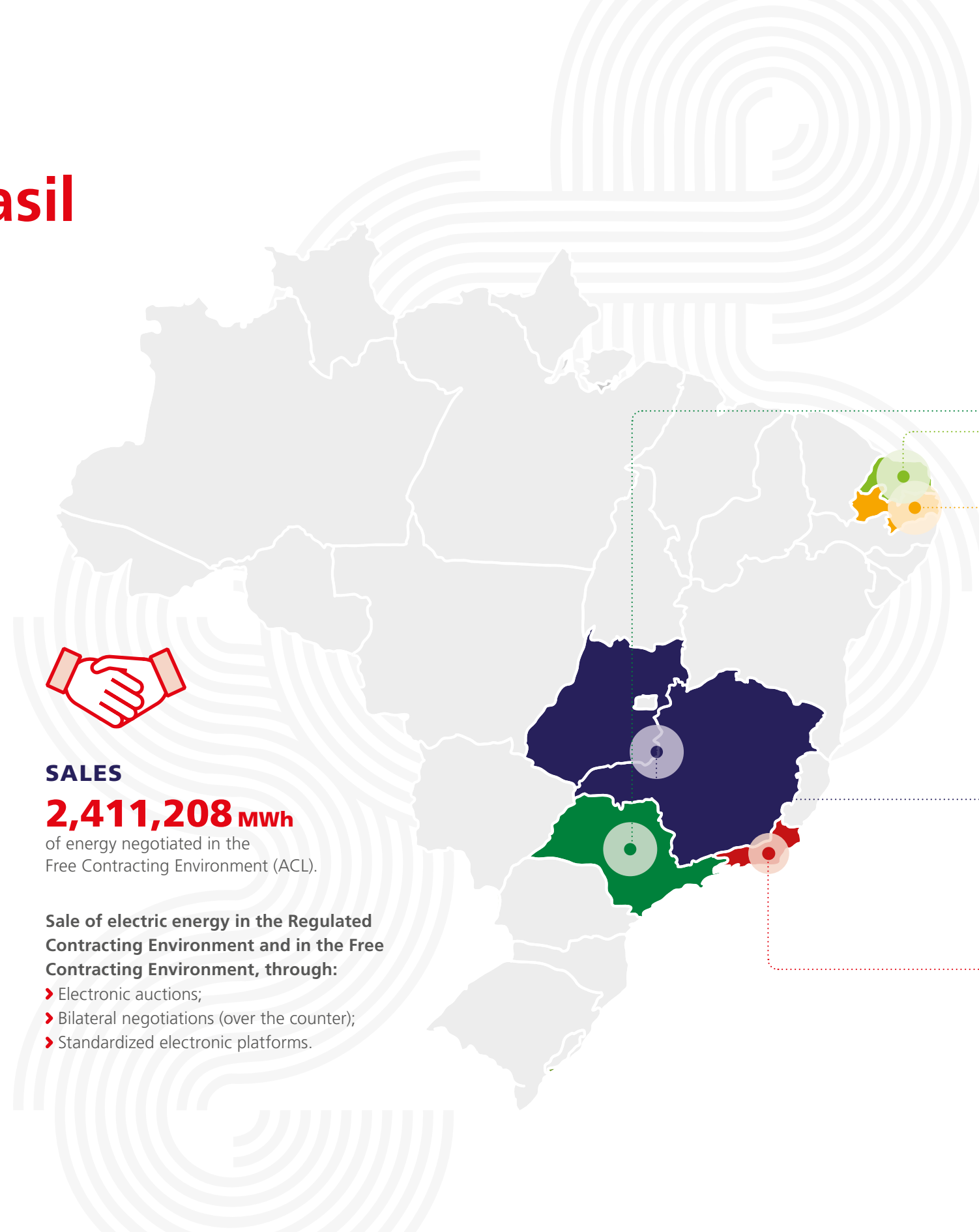
## SALES

**2,411,208 MWh**

of energy negotiated in the Free Contracting Environment (ACL).

**Sale of electric energy in the Regulated Contracting Environment and in the Free Contracting Environment, through:**

- Electronic auctions;
- Bilateral negotiations (over the counter);
- Standardized electronic platforms.



## GENERATION

3,106.2 MW of installed capacity in Brazil.

### Headquarters

- **HEAD OFFICE**, São Paulo (SP).
- **CORPORATE OFFICE**, Natal (RN).

### Wind Power, Mataraca (PB).

- **VALE DOS VENTOS WIND COMPLEX**
- 48 MW installed power.

### MILLENNIUM WIND FARM

- 10.2 MW installed capacity.

### Hydroelectric Power, border between MG and GO. SÃO SIMÃO HYDROELECTRIC POWER PLANT (HPP)

- 1, 710 MW installed power<sup>1</sup>.

### Thermoelectric Energy, São João da Barra (RJ).

- **GNA I**
- 1.338 MW of installed power<sup>2</sup>.

<sup>1</sup> Installed power of 100% of the assets. SPIC holds a 51% interest.

<sup>2</sup> Installed power of 100% of the assets. SPIC holds a 33% interest.

# 2020 Outlook

**2,411,208 MWh**  
energy traded in the Free  
Contracting Environment (ACL).

PAGE 54.

The energy generated from our  
wind farms is enough to supply  
**104 thousand**  
**HOUSEHOLDS.**

Adapting work and creating  
actions due to the  
**Covid-19**  
**pandemic.**

PAGE 10.

Continuation of  
**Missão Futuro,**  
our project to modernize the São  
Simão Plant.

PAGE 52.

Membership to  
**Ethos Institute.**

PAGE 80.

Partnership in  
**Smart Energy**  
between SPIC and Cepel.

PAGE 34.

Implementation of the project  
**Ilha da**  
**Imaginação**  
online.

PAGE 84.

Acquisition of 33% of  
**Gás Natural Açú**  
**(GNA) I and II**  
and investment agreement to  
develop III and IV.

PAGE 32.

# Performance

## Operational



### VALE DOS VENTOS WIND COMPLEX

- > **108 GWh** annual generation capacity;
- > Enough to supply **82 thousand** households;
- > **48 MW** of installed power;
- > **97 GWh** generated in 2020;
- > **98,81%** availability index.

### SÃO SIMÃO HPP

- > Six turbines of **285MW**;
- > **1,710 MW** of installed power, enough to serve **6 million** households;
- > **10.18 TWh** generated in 2020;
- > **91.88%** availability index.



### MILLENNIUM WIND FARM

- > **28 GWh** annual generation capacity;
- > Enough to supply **22 thousand** households;
- > **10.2 MW** of installed power;
- > **26 GWh** generated in 2020;
- > **97.42%** availability index.

### SALES

- > **2,411,208 MWh** in energy traded.

## Financial



At the end of 2020, we achieved practically all the results we had outlined even before the crisis, in 2019, and had little impact on the financial economic performance as a result of the pandemic. We believe that overcoming the imposed challenges was only possible due to the strategy adaptation throughout the year, as well as the collective work of our engaged team.

We obtained the rating renewal, the risk classification score, a market standard for investors and banks to compare and evaluate the company's performance with other companies in the same segment. For the Sao Simão HPP we have two rating notes issued, one for the company and another specifically for the debenture issue. Both issues were rated with the optimal risk in the scale, "BrAAA". By the end of the year, we had the renewal of the corporate rating, maintaining the maximum rating of BrAAA.

To keep up with the unfolding of the external financial crisis in the company's finances, we went through audits and carried out monthly calls to monitor credit-related risks. Based on these actions, we have developed a credit analysis methodology that allowed us to choose a solid group of partners. The results achieved at the end of the year gave us the strength to develop future strategies, besides dealing with the uncertainties.

The energy sector has suffered from the eighth consecutive year of falling rainfall and the resulting drop in energy generation by hydroelectric matrix. Although SPIC was not directly affected in generation, we were impacted by the discount in the sale of energy.

During the period, we also worked with substantial investments towards our stake on the GNA and are confident about the future results of the project. (Read more on page 32).



Developed and implemented entirely online, the PoupaTempo project is focused on continuously improving the internal processes of SPIC companies in Brazil by increasing the effectiveness of payment methods and deadlines provided by a specialized center for these services.

The goal is to eliminate unnecessary red tape, increase process efficiency and reliability, thus enabling areas to remain focused on their core or long-term objectives, making SPIC Brasil's growth strategies feasible.

# HOW WE OPERATE

## CHAPTER 3





## Value Relationships

The synergy with SPIC Global allows us to combine experience in power generation on a global level with the work of our specialized local team, enabling us to develop activities with the assurance of safety for all, even in the midst of the pandemic experienced in 2020.

We kept all certifications in the year, therefore ensuring the quality of the operation, the health and safety of employees, and SPIC Brasil's concern with the environment. Learn more on page 75.

Our excellence is a result of the diversity of people and cultures among our employees and in the communities where we are present.

We also made progress in our relationship with institutions, regulatory bodies, and companies in the energy sector, playing a strong role in the development of the Brazilian energy sector. Together with the Brazilian Association of Electric Energy Companies (ABCE), the Brazilian Association of Energy Sellers (Abraceel), the

Brazilian Association of Independent Power Producers (Apine) and the Acende Brasil Institute, we contributed to the development of solutions for the energy market with a focus on renewable sources, while expanding our relations with the sector's companies.

As a result of our relationships, we are moving forward with excellence in pursuit of growth prospects for the coming years. In 2020, we completed the design of our Strategic Growth Plan for the next five years and SPIC Global reinforced its long-term commitment to grow in Brazil with a focus on hydro, renewable (solar and wind) and thermal energies and to develop innovation projects in partnership with Government entities.

Aligned with our growth strategy, we are performing measurements for solar projects and working on the development of new wind farms, and we remain solid in our purpose of always be among the biggest players in the Brazilian energy segment

\* Photo taken before the Covid-19 pandemic.



## Acquisition of equity interest in Térmicas GNA

Gás Natural Açú (GNA) is a joint venture comprised of Prumo Logística, BP and Siemens, dedicated to the development, implementation and operation of structuring and sustainable energy and gas projects, located in the Port of Açú (RJ) and constitutes the largest natural gas-fired thermoelectric complex in Latin America.

SPIC Brasil's contribution to this partnership is focused on its experience in operation strategy and management of energy projects in Brazil. We have a background in renewable energy, such as wind and hydro power. The GNA project came as an opportunity to supplement the company's matrix.

Sustainable renewable energy generation requires so-called base load power. The energy generated from gas is safe and secure for the system, and acts as a complement to the generation from renewable sources. Gas has flexibility in that it is not dependent on rain, sun or wind, i.e., it ensures energy in a constant manner to the extent of its availability.

With this acquisition, SPIC Brasil now holds 33% of the Liquefied Natural Gas (LNG) projects for energy in the GNA I and II plants, and also participates in the expansion projects of GNA III and IV.

GNA I and GNA II represent the largest integrated gas and power project in Latin America, with 3 GW of installed power with enough capacity to supply up to 14 million households. The complex also includes an LNG terminal with total capacity of 21 million m<sup>3</sup> / day. We expect GNA I, with an installed capacity of 1.3 GW, to start operating in the first half of 2021.



The Port of Açú holds the **Latin America's largest** natural gas-fired thermal power plant.



### FORECASTED START OF OPERATIONS:

- **GNA I** (1.3 GW) – first half of 2021;
- **GNA II** (1.7 GW) – 2023.

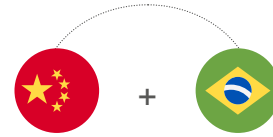


GNA.

The expansion project aims to increase the complex's production to 6.4 GW of installed power, as well as create the necessary boundary conditions for attracting and monetizing domestic offshore gas.

All these projects are part of the Açú Gas Hub, a set of private infrastructure solutions that will enable natural gas and electricity supply for the Brazilian market. Moreover, it will also bring social benefits by generating jobs and boosting the economy.

## SPIC Global and Cepel Partnership



Online event: signature of the Memorandum of Understanding (MOU).

Signed in 2020, the Memorandum of Understanding cements the important partnership between SPIC Brasil, Eletrobras' Electric Power Research Center (Cepel), and SPIC Global's State Power Institute (ISEST). The goal is to foster study and research in smart energy between Brazil and China.

The first project, Smart Energy, is already under evaluation and intends to address issues such as generation and cogeneration, super battery storage, air conditioning system management, water, lighting, electric mobility, hydrogen, and energy efficiency. Read more on page 61.

To make the partnership official, an online event was held, with the attendance of the Minister of Mines and Energy, plus the CEOs of SPIC Brasil and SPIC Global, of Cepel and Eletrobras.

The joint action entails workshops, experts exchange, studies on the application of the technologies on Brazilian soil, besides the co-participation in the research results and in the intellectual property.



### INNOVATION

Our goal is to expedite the knowledge exchange between the two countries to position SPIC Brasil as an important innovation player in the Brazilian market.

## SPIC in the News

As a result of the adaptation carried out in 2020, we have moved closer to our audiences and increased SPIC's social media presence.

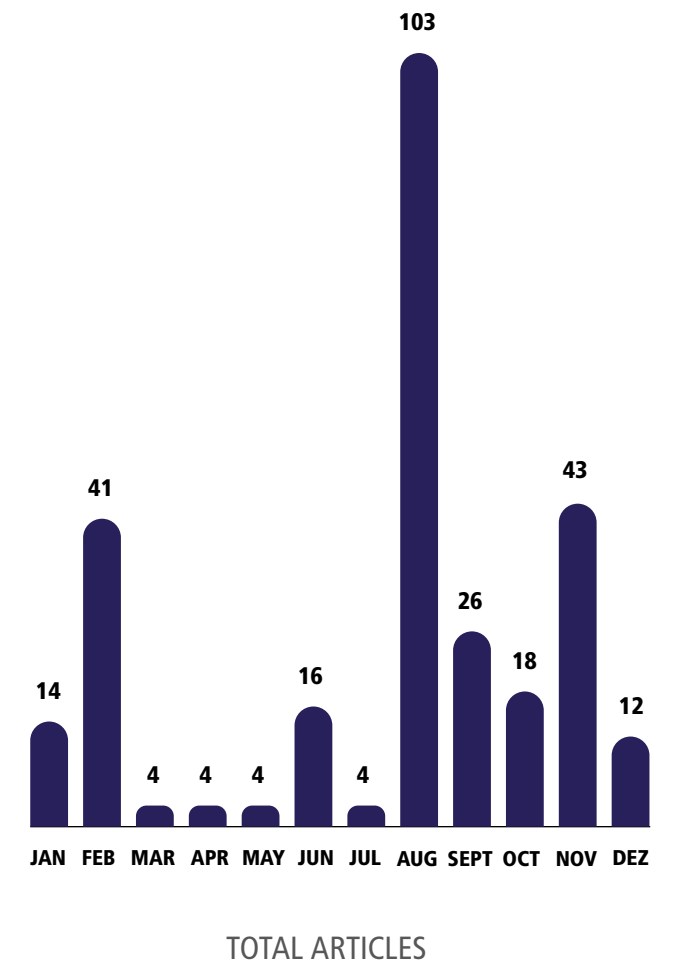
In 2020, we launched the SPIC Brasil channels on Facebook and Instagram.

Furthermore, most of our media visibility was driven by articles about the acquisition of a stake in GNA and the signing of the Partnership between SPIC and Cepel.



## GENERAL PRESS NUMBERS

TOTAL ARTICLES IN 2020  
 ▶ 289



# Management Principles

As signatories of the United Nations (UN) Global Compact, we have a public commitment to ethics across all of the Company's activities. We rely on effective and responsible management, guided by non-negotiable integrity, and we work with a focus on continuous evolution.

As part of our agenda in this regard, we are a member of the UN Global Compact's Anti-Corruption Working Group, contributing and gathering information on practices to fight illicit acts while promoting a respectful and transparent environment, in accordance with SPIC Global's culture.

Our Integrity Program and Code of Conduct and Ethics are some of the institutional tools created to ensure our objectives are met. Learn more about them below:

NÓS APOIAMOS  
O PACTO GLOBAL



## INTEGRITY PROGRAM

Launched in 2019, SPIC Brasil's Integrity Program guides our transparent and ethical actions. The guidelines cover the Code of Conduct and Ethics, the Gifts Policy, Anti-Corruption, The Ethics Channel and Training.

**The motto: "Guidance to do it the right way", summarizes the Company's culture and covers all employees, managers, board members, and business partners.**

To adapt to the context, in 2020, we launched training on the Integrity Program. Through this training, we have reinforced the observance of ethics in the Company's operations, the correct orientation in the business conduct and the robustness of internal processes. Also that year, we created the Integrity Pills initiative, a program for monthly explanations on topics related to the integrity culture and to promote the Ethics Channel.

### INTEGRITY AMBASSADORS

The Integrity Ambassadors program was implemented in 2020, with the aim of selecting and training employees to act voluntarily in building our integrity culture. During the year, ten ambassadors were appointed to act as facilitators for our Code of Conduct and Ethics and for topics of the Risk and Compliance Board.

Learn more about the Integrity Program:  
<https://bit.ly/2LhMb1f>

## Code of Conduct and Ethics

The Company's core principles are formalized in our Code of Conduct and Ethics. Through this code, we guide the actions in the workplace of all our publics.

### CODE OF CONDUCT AND ETHICS FOR OUTSOURCED EMPLOYEES

To ensure ethical conduct throughout the value chain, we also have a Code of Conduct and Ethics for Outsourced Employees. In this Code, we expand our commitment to sustainability, integrity, and transparency to all stakeholders in our value chain.

Directed toward the goal of increasingly consolidating the Company's culture of ethics and integrity with our partners, in 2020 we created and released an educational video about our Code of Conduct and Ethics aimed at these audiences.

The documents are part of our Corporate Governance and are effective for an indefinite period. Any changes are subject to the deliberation of SPIC Brasil's Board of Directors.

Learn more about the Codes of Conduct and Ethics at:

- ▶ <https://bit.ly/2D88bYr>
- ▶ <https://bit.ly/2Mx32h6>

### ETHICS CHANNEL

We have an independently managed Ethics Channel through which our employees can anonymously report any situations in disagreement with the Company's Code of Conduct and Ethics.

The Ethics Channel is a partnership with the company KPMG. Reports of corruption, bribery, misconduct, fraud, or misappropriation can be made confidentially and securely, 24 hours a day, seven days a week through the website, e-mail, toll-free number, and P.O. Box.

To further promote the Ethics Channel, we conducted a campaign via e-mail, bulletin boards, intranet, corporate website, training sessions and other communication channels.

### ETHICS AND INTEGRITY COMMITTEE

The analysis and application of disciplinary measures related to the reports found on the Ethics Channel are the responsibility of the Ethics Committee, which is also in charge of developing and implementing the integrity culture and following up on preventive actions.



▶ **E-MAIL**  
[spicbrasil@linhaetica.com.br;](mailto:spicbrasil@linhaetica.com.br)

▶ **WEBSITE**  
<https://bit.ly/3bgctM7>

▶ **PHONE**  
 0800 713 0109  
 (available Monday through Friday, 8am to 8pm);

▶ **P.O. BOX 79518.**



## Sustainability Committee

As a result of the maturing of our sustainability strategy, in 2020 the project for the creation of the Sustainability Committee was approved.

As of 2021, the Committee will work with the guidance of an external consulting company, responsible for managing the licensing and alignment processes of SPIC Brasil's operations through actions focused on the objectives of the Global Compact, of which we are signatories. Also, it will focus on the integration of sustainability principles to SPIC Brasil's production chain, in line with the international guidelines related to the topic.

The Committee will also take the sustainability agenda to discussions with companies in the energy sector, through our membership in the Ethos Institute, an initiative that aims to mobilize, raise awareness, and help companies manage their businesses with social responsibility.



## Risk Management



São Simão Hydro Power Plant.

SPIC Brasil has adopted the best market practices for the implementation of the Risk Management process.

We have created and implemented the Risk Management Committee with the participation of members of the Executive Board, with the objective of monitoring, overseeing and ensuring the efficiency of the risk management of all the Company's operations.

We have developed and implemented the Risk Management policy in accordance with the guidelines of the risk framework (COSO 2017), in a manner appropriate to the needs, reality and specificity of the Company in all its businesses.

We have mapped the main risk factors, impact matrices and probabilities, and the necessary procedures for the full monitoring of these risks. We have also developed action plans in conjunction with the areas involved for their management and mitigation.

Additionally, in 2020 we have started the review process of our internal controls environment, with the objective of strengthening and improving our internal processes and systems, in line with our Risk Management program.

We emphasize that in accordance with the new requirements of the Data Protection Law, all information security processes were reviewed and procedures were all adopted in accordance with the current regulation.

### ZUÍ PROJECT TRAININGS (CRISIS MANAGEMENT)

In 2019, we interviewed all areas of the company to map possible risk and crisis situations from each one's point of view. We drew a risk map, evaluated who would be the people to be involved in the communication flow in case of possible crises, and finally, we presented the suggestions of the Crisis Manual and the Pocket Book. In 2020, we proceeded to the training of the main impacted teams.



#### ZUÍ TRAINING

##### Zuí Project Phase 2

- ▶ We carried out the Zuí Project's trainings. The Crisis Committee trainings qualified two groups, and about 25 people;
- ▶ Training was applied and a crisis simulation was carried out with the Committee members allocated in Natal and São Simão;
- ▶ Post-training adjustments were also made to the Crisis Manual and Pocket Book;
- ▶ The training and design will be discussed with Stakeholders.

# Corporate Governance

SPIC Brasil has a concise and dynamic corporate governance model geared toward fast and collegiate decision-making, aligned with the current SPIC Global model based on best international practices.

We have a Board of Directors, composed of two independent directors, one for the SPIC Brasil Board and one for the São Simão HPP Board, and an Executive Board, with 11 Directors.

Our distinguishing feature is the alliance between the experience of our executives in the Brazilian power sector and the knowledge of SPIC Global in its operations around the world.

It is up to the senior management to deliberate and continuously evaluate the Company's performance, besides preparing the strategic planning and monitoring its progress.

In 2020, we were working to bring our stakeholders closer to SPIC Brasil's governance area. To this end, we held workshops and created the Governance Book with information about the area and how it relates to the company's day-to-day operations.

With the purpose of simplifying low value-added purchases and speeding up document preparation and validation, we implemented Project Linte, a virtual platform accessible via e-mail in which, with the support of artificial intelligence, all employees can prepare and validate documents. Linte is a project of the company's legal department and its cornerstones are speed, fluidity, and safety.

To make access to Linte easier, in early 2020, we held a series of training sessions with our teams on the use of the platform, the Simplifica Project. Throughout the year, we have expanded the Program to prepare a broader range of corporate documents and, starting in 2021, we will work on integrating the platform with others already used by the Company, such as SAP.

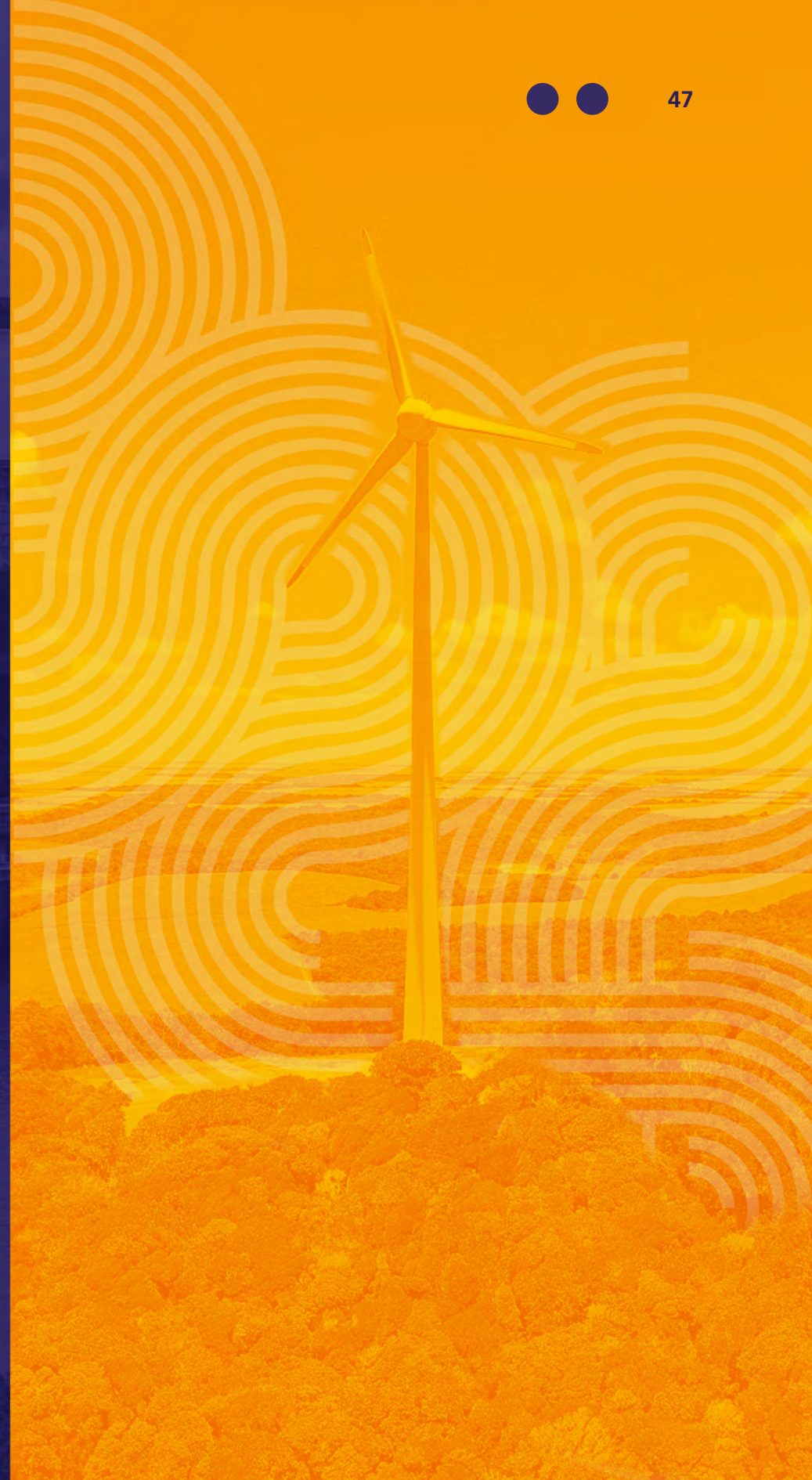
The Corporate Risk Management Committee, previously presented, was another highlight of the area's performance. In addition to mapping the risks mentioned in all of our operations and modernization, it is also the Committee's responsibility reviews the our procurement internal controls, from contracting to payment, as information technology processes.

## SPIC Brasil Organizational chart



# HOW WE CREATE VALUE

## CHAPTER 4





# Wind Power

Our operations are centered in two wind assets, the Vale dos Ventos Wind Complex and the Millennium Wind Farm, both located in Mataraca (PB). With an installed capacity of 58.2 MW, altogether, the assets were able to supply around 104 thousand households (with an average monthly consumption of 100kWh) in the year 2020.

## VALE DOS VENTOS WIND COMPLEX



- › Inaugurated in 2009;
- › 60 wind turbines;
- › Mataraca (PB).
- › Generation capable of serving **82 thousand** households;
- › **48 MW** of installed capacity;
- › **98 GWh** generated in 2020;
- › **98.81%** availability index.

## MILLENNIUM WIND FARM



- › Inaugurated in 2007;
- › 13 wind turbines;
- › Mataraca (PB).
- › Generation capable of supplying **22 thousand** households;
- › **10.2 MW** of installed capacity;
- › **26 GWh** generated in 2020;
- › **97.42%** availability index.



Despite having been a challenging year, we continued the maintenance and modernization projects of our assets, always ensuring the safety of our employees. As a result, we reached 98.56% total availability index. With at least two preventive maintenance services carried out per year on the assets, in 2020 we have adapted to prevent possible crowding of people and thus maintain a continuous and safe operation for everyone. This year, we also made adjustments to the maintenance service of the wind turbine blades at the Millennium Wind Farm, completed in 2019, to ensure high operational and safety performance, as well as automated the new 69kV disconnecting switch at Vale dos Ventos.

Our new wind projects in Rio Grande do Norte are still in the development and optimization phase, aiming to compete in high performance with the current market projects.

In generation, however, we had atypical first months of the year, with results below the planned due to unfavorable wind weather conditions. Still, we acted with the already recognized excellence of SPIC Brasil, to ensure the best possible results within what we can control. To support the operation's automation, with the provision of accurate reports, in 2021 we will begin the transition of our Power BI, the improvement of the Global Operational System (GOS) and implementation of a maintenance management system (CMMS).



## INNOVATION AND DEVELOPMENT

### Other innovation initiatives in our wind farms:

- Automation of the new 9KV selector switch at Vales dos Ventos;
- Improvements in the communication system with websites through the implementation of fiber optic links, adding more reliability and connection speed;
- Implementation of the CMMS - Maintenance Management System;
- Use of the portable device for field use: Hand Held;
- Emergency implementation of ventilation/forced exhaustion system in unit substations;
- Integration between asset management system and HSEQ management system;
- Installation of the new operations server;
- New firewalls, new switches and increased network monitoring;
- CCTV project: expansion of the external area through the 360° angle camera.

# Hydroelectric Power

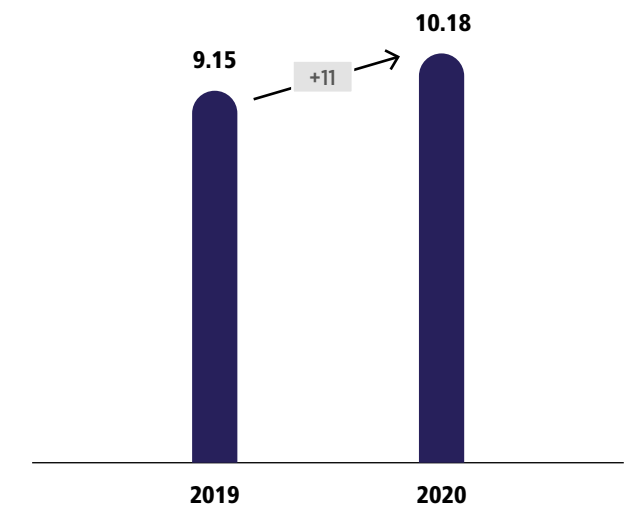


## SÃO SIMÃO HPP



- › Inaugurated in 1978;
- › Six turbines;
- › Border between Minas Gerais and Goiás states.

### ANNUAL GENERATION (TWH)



Our hydroelectric asset, the São Simão Hydroelectric Power Plant (HPP), is located on the border of the states of Minas Gerais and Goiás and accounts for more than a half of SPIC Brasil’s installed power.

**In 2020, we achieved exceptional results in the asset, reaching production of 10.18 TeraWatt hours, with an availability index of 91.88%, exceeding the goal set for the year.**

The electric energy production activity, being an essential activity to the country, did not have its production interrupted on account of the pandemic. Even so, we established a crisis committee for the Operation and Maintenance (O&M) of São Simão HPP, with the objective of establishing contingency measures to mitigate contamination by the Covid-19 virus, so as to preserve our employees.

Even with the hardships imposed by the pandemic, the Operation and Maintenance challenges were totally met: there were 42,507 hours of production in 2020. As an example, we can mention the annual preventive maintenance of the generating units 01 to 05, the general preventive maintenance of the UG06, better detailed below, and the compliance with the Risk Mitigation Plan, this goal being established by the company’s Board of Directors.

- › 1,710 MW installed power;
- › The installed capacity of the São Simão HPP is capable of serving six million households;
- › 91.88% availability index.

# Missão Futuro

A SPIC Brasil cresce com você.

Even in the challenging scenario of 2020, we continued with our project to modernize the plant, the **Missão Futuro (Future Mission)**, achieving success in the actions carried out in 2020.

To learn about the seven packages planned for Missão Futuro and the stages that will be completed over the next few years, check out page 19 of the:

► [SPIC Brasil's 2019 Annual Report.](#)

We have prioritized to work on essential equipment for the plant: we have installed new digital protections in all Generating Units, a new operational telecommunication system, a new control system for the voltage and speed regulator in UG06 (the parts that were removed are kept as spare parts for the other generating units), we have modernized seven of the ten load lifting equipment and we have replaced the main transformer of Unit six.

It is worth recalling that in long duration start-ups and shutdowns of generating units, we have developed careful and innovative



Modernization of São Simão HPP.

planning, capable of mitigating the potential risks of impact on the ichthyofauna downstream of the plant.

To control the Golden Mussel (Mexilhão Dourado), an invasive species of mollusk that has been spreading in Brazilian rivers and causing biodiversity loss and fouling, we have painted the power plant's water intake grids with anti-fouling paint and installed a water treatment system for the generators' cooling circuits and the heat exchangers in the generating units' bearing housings.

Learn more about the Mexilhão Dourado (Golden Mussel) project on page 64.

To make the dam's safety even more robust, as planned, in 2020 we will start package three for modernizing the spillway and water intake hydraulics system. The field work begins in March 2021 and by the end of that same year we will have the first spillway chute and the first intake hydraulic unit modernized.

Package five, on the other hand, focused on the technological complex of generating units, auxiliary systems, supervision and control system, protection system, speed and voltage regulators, etc., whose contracting was scheduled for 2020, had its planning postponed due to the pandemic conditions, and will start in the second half of 2021

## UG6 MAINTENANCE

This year, we carried out the General Scheduled Preventive Maintenance of the Generator Unit 06 (UG6), lasting 60 days. Among the activities, we carried out inspections of equipment, electrical and mechanical tests, repairs and cleaning of the turbines, besides the conclusion of the activities related to the implementation of the actions of the already mentioned Risk Mitigation Plan for the Unit, with the replacement of the main transformer.

We must emphasize that this result was only possible due to the planning of all of SPIC Brasil's areas, which made a scheduled and safe shutdown possible.

# Sales



With a consolidated energy sales operation, we went through the challenging year of 2020 with positive financial results, reflecting successful sales strategies and the soundness of the trading partners chosen by the Company, which were **derived from a rigorous selection through a proprietary model of counterparty credit risk assessment**. There were 2,411,208 MWh of energy sold, in line with the goals established in 2019.

Throughout 2020, meteorological studies were improved and a **proprietary** methodology for projecting the hourly **energy** price was implemented, which came into effect on January 1, 2021 in **Brazil**. The **implementation** of the hourly price for the short-term market is an initial step towards the **modernization** of the Brazilian energy market and SPIC Brasil is ready for new business opportunities that will arise.

Furthermore, we have developed a sturdier model for credit analysis of our counterparties so as to minimize the risk of non-payment of contracted volumes. We have business partners in the consumption, generation and energy commercialization segments that have a high credit rating, which guaranteed us revenue stability in a very adverse year such as 2020.

The diversification work of the customer portfolio continues with great dynamism and has already begun to yield results, with the first volumes of power being negotiated to major industrial consumers.

Given the growing market demand for sustainable energy solutions, we have all the conditions to offer attractive products to our customers based on one of our strategic pillars, which is renewable energy generation. **It is worth mentioning that we already operate in the free energy market with 100% renewable energy.**

# Information Safety & Data Protection

Following our global Cyber Security guidelines and in accordance with Law No. 13,709/2018, referring to the General Law of Data Protection (LGPD), which came into force in the sector in 2020, we kicked off SPIC Brasil's **Digital Transformation Program**.

Among the actions, we constantly share newsletters with safety tips internally, and we started using the One Drive Corporate to ensure the protection of information during data transfer among employees or external users. We also launched the **Safe Data Program**, aiming to

ensure the privacy and protection of personal data of all our stakeholders.

To present the Law in a simple and brief way, making it easier to understand its application in people's daily lives, we held training sessions for the entire Company and created the **LGPD Made Simple** video series.

We have nominated a Data Protection Officer (DPO) and created the Data Privacy Committee, which is multidisciplinary in nature and composed of the DPO and the directors and managers of the areas most impacted by LGPD, thus forming the governance structure in Privacy and Data Protection at SPIC Brasil.

Furthermore, to align ourselves with the requirements of the law, we mapped our data processing activities, considering issues such as volume and criticality, and built clauses to adjust new and previous contracts to the LGPD.



# Sustainability

In 2020, with our focus on value-generating and responsible action, we restructured our socio-environmental vision with the approval for the creation of the Sustainability Committee, which will start its activities at the end of the first half of 2021. The Committee will rely on an external consulting company to assist in the construction of the Company's sustainability strategy.

Even though we were influenced by the pandemic, all our projects followed their rhythm throughout the year. In our activities, which integrate the economic, social and environmental dimensions, we seek to reinvent ourselves and face the challenge of the pandemic together with the communities.

The community activities continued to be greatly encouraged by SPIC Brasil, embroidery and improvement courses were made available to the craftswomen of Barra de Camaratuba. As an environmental education initiative we carried out live broadcasts on the subject with the communities near the plant.



## LAUNCH OF THE HSEQ PORTAL

We have launched the HSEQ Portal, where you can find SPIC Brasil's policies, indicators, and initiatives in the Health, Safety, Quality, and Sustainability areas.

Learn more at:  
<https://bit.ly/35y46Z1>

## Wind Farms



From the beginning, SPIC Brasil's operation in wind farms is defined by the preservation and monitoring activities for the local environment. In the activities, we analyze both the positive impacts, such as the preservation of green areas, and the potential negative impacts caused, for example, by machinery installation.

In 2020, we have continued the monitoring of avifauna and bats, with the purpose of understanding the influence caused by landscape modifications on the local fauna. The data collected is crucial for species management operations, such as the implementation of ecological corridors and interventions to recover and preserve the diversity of local flora and fauna.

**The wind power generation at the Vale dos Ventos Wind Complex avoided the emission of 44,509 tons of CO<sub>2</sub>, equivalent to 0.45 tons of CO<sub>2</sub>/ MWh.**

**The generation from the Millennium Wind Farm avoided the emission of 11,701 tons of CO<sub>2</sub>, equivalent to 0.45 tons of CO<sub>2</sub>/ MWh.**

**A total of 62 tons of CO<sub>2</sub> was emitted in SPIC's wind operations, equivalent to 0.0005 ton of CO<sub>2</sub>/ MWh generated.**

## Hydroelectric Power Plant



### SÃO SIMÃO HPP ICHTHYOFAUNA MONITORING PROGRAM

The Program is part of our concession at the São Simão Hydroelectric Power Plant, its goal is to monitor the changes in the fish, larvae, and egg communities of the Paranaíba River that have occurred as a result of the HPP operation.

The local ichthyofauna diversity and composition is evaluated from the reservoir, through the Paranaíba River, to its tributaries. We maintain a database with information on the species present in the biome, to record the evolution and behavior of these communities.

The data collected can be related to fishing bank and water quality data collected by the Water Quality Monitoring Program.



### WATER QUALITY MONITORING PROGRAM

Complying with CONAMA Resolution 357/2005, which classifies and establishes environmental guidelines for surface water bodies, the Program aims to diagnose changes in water quality resulting from the HPP's operations.

The water's physical, chemical, and biological data are related to the observations on aquatic communities measured in the Ichthyofauna Conservation Program, and the unified data support our conservation and restoration actions in the biomes monitored by the programs.



### RIPARIAN REFORESTATION PROGRAM

Created with the aim of recomposing the vegetation around São Simão HPP, transforming them into Permanent Preservation Areas (APP), the Program has planted 89,393 native species seedlings - among them mastic, cedar, and ipê (yellow and purple) - distributed over 80 hectares.

We also installed 47 km of fences in the surrounding areas and carried out the maintenance of another 89 hectares of reforested areas, recovered by the former concessionaire.



### CONTACT CENTER

In 2021, we will implement a contact center by phone to inform and encourage citizens to act as environmental conservation agents.

**Phone:**  
➤ 0800 200 0204

# Innovation

We promote development guided by innovation, with a focus on social and economic growth in all sectors of society. With this in mind, we have developed the innovation area, fully focused on new technologies and processes, through projects that ensure our business and our sector's growth.

In 2020, we expedited the Company's digitalization process and realized many advances in the speed of processes, while maintaining quality.



## INNOVATION AT SPIC BRASIL

- ▶ Involvement in the creation and development of the **Sustainability Committee**, which will be active as of 2021; (Learn more on page 40);
- ▶ Structuring of the **public notice** for Research and Development (R&D) projects with the solution of challenges linked to the São Simão HPP demands;
- ▶ **Independence of our IT network from the Australian and Chilean subsidiaries**, bringing to Brazil anti-spam, antivirus and Wi-Fi network control technologies;
- ▶ New **Customer Service Software** was implemented in the Service Desk;
- ▶ **Implementation of Data Classification (AIP)** in the Microsoft environment, aiming to increase security for all the Company's documents;
- ▶ New centralized Human Resources (HR) system (learn more on page 63).

## Smart Energy Solutions

Developed in partnership with the Electric Energy Research Center (Cepel), the two-year project aims to develop innovative solutions in the energy sector, as well as generate an exchange of experiences between Brazil and China.

The initiative was formalized in 2020 through a Memorandum of Understanding (MOU).

### PHASE 1: INTEGRATED ENERGY SOLUTION - SMART ENERGY

#### Smart Energy Management:

- ▶ Generation/Cogeneration;
- ▶ Materials development (Graphene);
- ▶ Storage (lithium battery, hydrogen);
- ▶ Electric mobility (car, motorcycle, bicycle);
- ▶ Gas/Heating;
- ▶ Rational use of water (heating, irrigation, reuse).

### PHASE 2: APPLICATION OF SMART ENERGY PILOT PROJECT IN PUBLIC BUILDING

- ▶ Provide energy and enable thermal comfort in buildings and households with clean, smart, low-carbon solutions.
- ▶ Implementation in high-end commercial buildings, offices, hotels, hospitals, village areas and small communities.
- ▶ Integration of different sources for energy supply (natural gas, electricity, cooling and heating, distributed combustion engine, power supply for large networks, photovoltaic storage, geothermal, among others).

## Hybrid Generation

Highly relevant to the current national energy sector modernization scenario, the program aims to implement hybrid projects in the National Interconnected System (SIN), with the objective of expanding energy generation in Brazil.

The two-year initiative, with an investment of more than R\$ 2 million, intends to optimize the existing transmission systems, besides allowing for tariff reductions due to the modernization of the systems.

### WITH THIS PROJECT, WE INTEND TO:

- › Conduct a study on the optimal regulatory framework for hybrid projects;
- › Foster technical solution discussions, such as usage amount of transmission systems, installed capacity and guaranteed energy for hybrid plants;
- › Determine the best formats for the energy to be guaranteed;
- › Provide guidance for hybrid energy contracts.

### AND AS A RESULT...

- › We will create a model for domestic production of hybrid renewable energy projects

## Golden Mussel Project

Carried out in cooperation with companies in the sector and the partners Biobureau and Hubz, the Project intends to structurally tackle the growth of the Golden Mussel in Brazil.

An invasive species that causes great diversity loss in our hydrographic basins, the Mussel is present in 38% of the Brazilian HPPs, causing blockages in grids, pipelines, and heat exchangers, causing annual losses estimated at US\$ 120 million.

Among the 2020 actions, we highlight the progress of the genetic induction study of mollusk infertility, which will create genetically modified and sterile specimens. We also signed a contract for the construction of a study laboratory where we will conduct tests and evaluate the insertion of prototypes in the environment.

To enable ideas exchange and establish the future phases of the project, we held two workshops: one with the Brazilian Institute for the Environment and Renewable Natural Resources (Ibama), and another with international experts.

Find out more:

- › <https://bit.ly/3rlyJJ5>

## Transformer Gas Monitoring

Developed in partnership with the University of São Paulo (USP), the project integrates telecommunication tools for online analysis and monitoring of gases inside the transformers at São Simão HPP.

Our goal is to conduct a study of the benefits of extracting the gases in a more convenient, safe, and electromagnetic interference-free location.

## Free Market Project

The project's goal is to develop a Decision Support System for the sale of electric energy, which allows for the definition of strategies, in short-, medium-, and long-term horizons. In the future, we intend to improve energy price predictability, as well as increase margins in the Free Contracting Environment (ACL).



### DIGITAL TRANSFORMATION

The year 2020 was the starting year for the Human Resources (HR) Digital Transformation at SPIC Brasil.

Driven by the remote work demand and to better meet the Company's, its managers', and employees' needs, SPIC Brasil invested in tools to make the everyday routine easier.

More responsive, more connected and safer, the new HR system will gather all the demands related to people in a single portal that will be launched in the first half of 2021. Payroll, Electronic Time Card, Performance Evaluation, Recruitment Database, and Personnel Budget are some of the facilities that can be accessed in the new portal by the HR team as well as by managers and employees within each of their roles.

By taking this new action, the HR area will play a more strategic role together with the SPIC Brasil team to support the Company's business and growth, while contributing to the speed and independence of our managers in the important role of leading and engaging their teams.



# RELATIONSHIPS

## CHAPTER 5

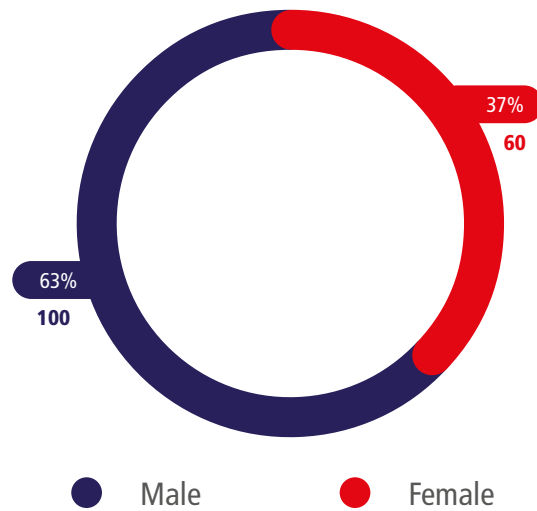


# Our People

More than ever, the year 2020 demanded the ability to adapt and seek the best results from our team, who responded with resilience, and performed their duties according to SPIC Brasil's new health and safety protocols. We embraced the challenge of adapting all our processes to the online format while remaining close to our people.

## Profile

### OUR EMPLOYEES



\* Photo taken before the Covid-19 pandemic.



## Projeto Transformação Cultural (Cultural Transformation Project)

We understand the need to develop and consolidate our internal culture to value talents and retain them at SPIC Brasil. For this reason, in 2020, we have adapted to continue the "Cultural Transformation Project", in which we reflect and define objectives and important competencies about the Company's way of being and acting. After the first stage was completed, the Culture Diagnosis in 2019, meetings were held with the Board to build the mission, vision and values for SPIC Brasil.

As next steps we will update processes to conform to our values and behaviors, and through the Culture Ambassadors we will start the Action Plan phase supporting the strengthening of our culture in all locations where we operate.

## Development



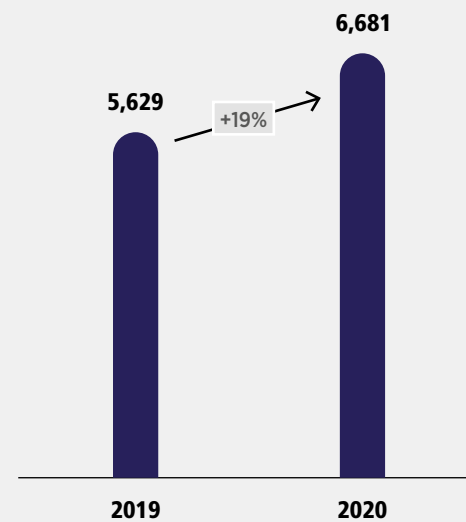
In 2020, SPIC University, our corporate university, went digital. With the slogan **“Knowledge that moves today and tomorrow”**, the university aims to foster knowledge to develop our employees and has offered courses such as Fundamentals of the Electricity Sector and Feedback and Recognition.



During the year, we have also launched SPIC Brasil e-learning, our online training platform. Through this platform, we make training available to employees, with access via computer or cell phone, according to the Rapid Learning methodology, which covers short duration content and varied themes.

To encourage the development and prominence of our teams, we continued with our training needs survey front, in which the leaders of each area identify the development needs of their teams together with the human resources area. The training sessions took place at external institutions with logistical support from the company’s human resources area.

TRAINING HOURS



### HOURS OF TRAINING BY FUNCTIONAL CATEGORY

#### WIND FARMS AND SÃO SIMÃO HPP

- › Board: **71 hours;**
- › Management: **412 hours;**
- › Employees: **6,178.5 hours;**
- › **Total of 6,661.5 training hours.**



### SUMMER EXPERIENCE

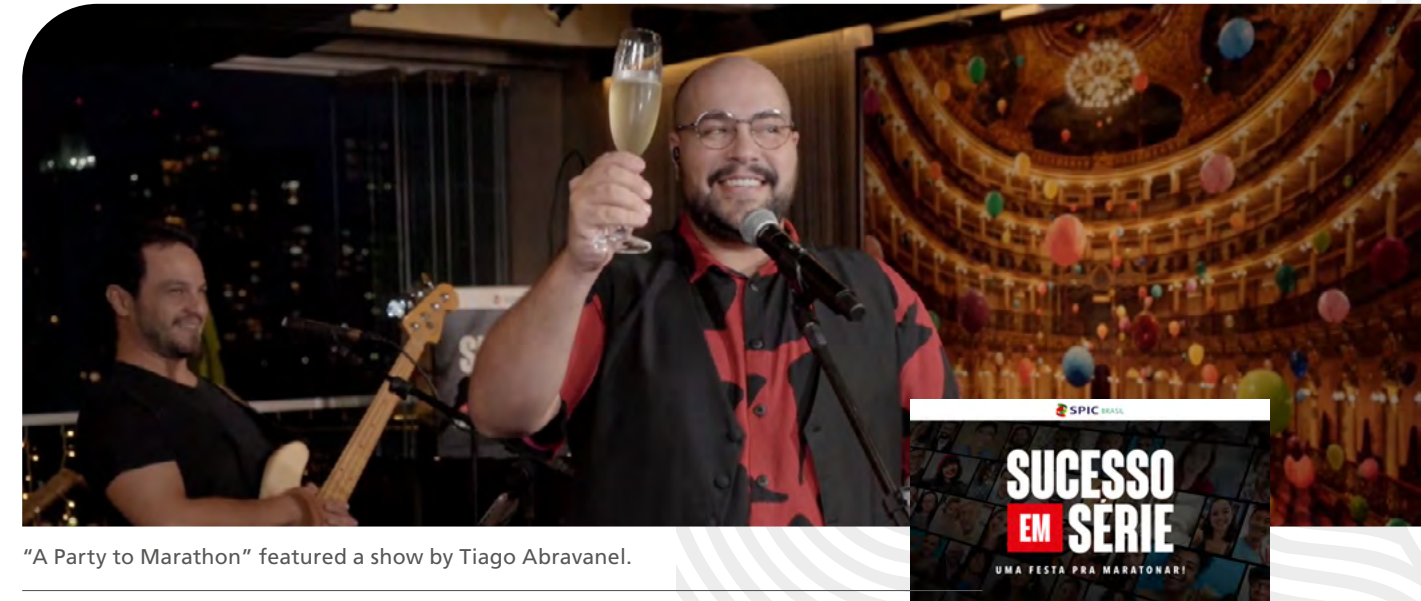
Our vacation internship program, designed for Electrical Engineering and Mechanical Engineering students with an interest in the energy sector, took place in January. The program provided a job rotation among the areas of the São Simão Hydroelectric Power Plant to closely observe the operation and modernization project of the unit.

The selected intern was guided by a SPIC Brasil manager as a mentor and, at the end, presented a learning project as a conclusion. The Summer Experience is an initiative to attract talent to the Company and provides development and entry into the labor market for early career students.

## Recognize and Celebrate

Locally, to maintain an ongoing dialogue with our employees, we conduct a climate and engagement survey online and confidentially. In 2020, we achieved a participation level 14% higher than in 2019, with 88% participation. The survey showed a favorable result, with a positive emphasis on the company's communication and support during the pandemic. All employees participated in focus groups, facilitated by the human resources area, to discuss the results and design an action plan that will be implemented in 2021.

We have the SPIC Award Program, in which employees from all units who stood out during the year for the results presented and for their participation in strategic projects are recognized, nominated by colleagues for their exceptional performance. The nominations are conditioned to performance and behavior and are analyzed by the People Committee. This year, due to travel restrictions, we awarded our employees with vouchers worth R\$3,000 each. The award result was announced at our online party, attended by employees from all over the company.



"A Party to Marathon" featured a show by Tiago Abravanel.

Also as recognition for the performance and resilience of our people, we closed the year 2020 with an online party that allowed us, for the first time, to have the participation of all locations. At that moment, we sent party kits with vouchers and accessories so that everyone could enjoy the party and, at the end, we closed with a show to make our employees and their families happier.

# Safety and Quality

Safety is the main pillar of SPIC Brasil's operations. We work to maintain excellence in risk management in all the Company's processes.

Our eyes are focused on people, whether employees, communities or partners, as well as on the environment, which we care for in order to ensure a positive impact through potential risk management.



## SAFETY OBSERVATIONS

- ▶ **Wind farms:** 342 observations reported, the target was 338.
- ▶ **HPP:** 3,002 observations, the target was 1,950 observations.
- ▶ **SPIC Brasil:** 35 reported observations, the target was 13 observations.



## SAFETY ENGAGEMENT ACTIONS IN 2020

- ▶ **80 hours of training** for the wind power plants and **178 hours** for the hydroelectric power plant.
- ▶ **243 safety dialogues** in the wind power plants, a total of **7,370 hours!**
- ▶ **Online Safe Driving Week:** event to raise awareness and reduce risks in traffic, with drivers Sérgio Berti and Stockcar driver Átila Abreu.

We foster a safety culture in our daily routine, engaging our employees with continuous activities based on the best Occupational Health and Safety (OHS) practices.

**As a result of our team's efforts and engagement, we achieved our goal of zero work accidents in our wind power plants, with about 136 thousand hours worked.**

**In our hydroelectric power plant, there was one accident with lost time in 582 thousand hours worked, an improvement of 66% when compared to the previous year.**

## CERTIFICATION ISO-9001

## Certifications

As a result of our commitment to an integrated system ensuring unique management in quality, environment, and health and safety, we hold several certifications on our wind assets. Among them, ISO 55001, which deals with asset management, was recertified in 2020.

We also have ISO 9001, which attests to quality management, ISO 14001, which guarantees correct environmental performance, and OSHAS 18001, which guarantees a safe and healthy operation for professionals.

These accomplishments are part of our goal to certify SPIC Brasil's entire operation, including the administrative offices, to achieve a stronger and more comprehensive management.



# Health, Safety & Quality



\* Photo taken before the Covid-19 pandemic.

We work towards the continuous engagement of our employees to improve our safety culture, with campaigns, training sessions, and day-to-day actions.

In 2020, we made available a booklet about the Occupational Health and Safety Management System (OHS), besides videos and webcards, addressing the potential accident risks in our operations and occupational safety standards and practices.

As a complement, we also have the Safety Observations program, which works with annual goals for employees, with the aim of reducing possible situations that involve risks. By doing so, we engage our teams and ensure a safe performance for everyone.



## RISK MANAGEMENT

We strive to mitigate and reduce risks and impacts on the environment and the communities surrounding our facilities from the beginning to the end of all our processes. Our Risk and Compliance Department is responsible for evaluating and implementing new processes and procedures in line with the best risk management practices.

Our safety culture goes beyond compliance with the standards required by law and is conducted through a four-step policy:

### INTEGRATE

The knowledge and practices about risks in the activities and facilities are shared through training courses in which the Risk Management policy is also disclosed.

During these moments, we present the procedures of all areas, apart from the accident and disease prevention programs and the wellness promotion practices, always in accordance with the Brazilian legislation.

### RAISE AWARENESS

Employee awareness is maintained through weekly safety meetings at the operational units.

During the meetings, employees' questions and concerns are addressed and procedures are passed on with a focus on the goal of zero occupational accidents during the year. On these occasions, we reinforce the senior leadership's role in the engagement and as multiplier of information, committed to internal communication campaigns, preparation and sharing of booklets and informative materials on the subject.

### MANAGE

Our system, certified by ISO 9001, ISO 14001 and OHSAS 18001, deals with multidisciplinary aspects focused on risk management involving crises and emergencies that may affect our people, suppliers, communities, and the environment.

### RECOGNIZE

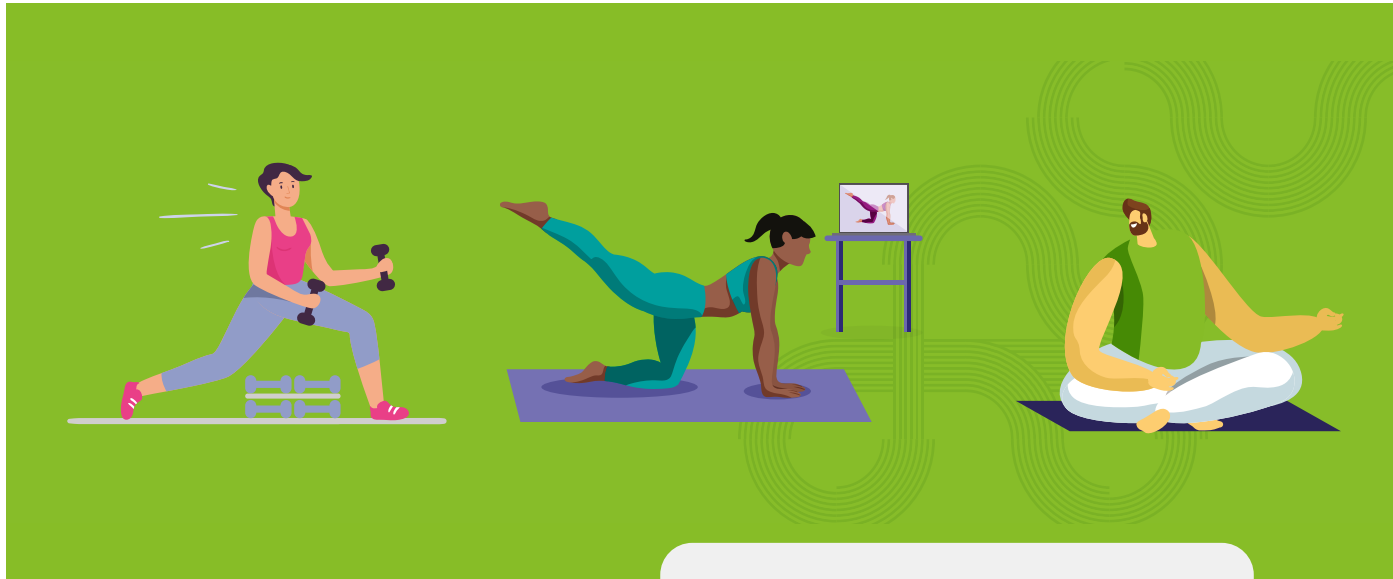
We understand that safety at work is a collective responsibility. Therefore, we encourage the responsibility of all employees to comply with and adopt best practices in the work environment at all hierarchical levels of the Company.

### HOME OFFICE



This year, to adapt to the home office system, we carried out campaigns for our employees addressing the risks of this system, as well as practices to improve the quality of work at home. We also sent equipment and ergonomics kits so that the activities could take place properly, even if they were far from our facilities.

## HEALTH AND QUALITY OF LIFE PROGRAM



Our Health and Quality of Life Program is designed to encourage the adoption of healthy habits, focusing on nutrition, sports practices, mental health care, and other habits to ensure that our employees' quality of life is improved.

Representatives from the Health, Safety, Environment and Quality (HSEQ), Communication, and Human Resources areas make up the Committee responsible for the program.

Learn more about the HSEQ Portal, launched in 2020, at:

➤ <https://bit.ly/3buKOrh>

➤ Learn more about the **Safety Observation Program**, an integral part of our Risk Management culture, on page 74.

We offer an individual nutritional monitoring program for employees, with bioimpedance evaluations, healthy eating suggestions and massage for employees located in Natal (RN) and São Simão (GO). In São Simão there is also a partnership with a leisure and sports club for the team to practice physical activities, while the offices in Natal and São Paulo receive a number of actions aimed at health, sports and leisure, such as Gympass.

# #SPIC2you

BE HEALTHY BE HAPPY

SPIC2you is a program to promote lightness at the workplace with moments of integration and relaxation. The intention is to stimulate pride and belonging among employees, as well as to increase participation in the quality-of-life activities that the Company offers.

In 2020, we met the challenge of adapting the on-site activities to the online format.

We made available a menu with online activities, such as yoga and meditation trainings, live broadcasts about the impacts of the pandemic, plus the continuity of the Conte Comigo Program, our employee support initiative that provided free, confidential, and professional psychological, legal, and financial support 24/7.



## Suppliers

In 2020, the Procurement area was strengthened with the approval of the New Procurement Policy, aligned to the SPIC Global policy. The procedures were revised and we developed new and automated forms, to increase speed at all stages and ensure the processes' isonomy and compliance.

As defined for this year, we developed internal norms to define rules and procedures for the relationship with our suppliers for which we also created and published an educational video about our Code of Conduct and Ethics, making progress in extending SPIC's culture of integrity and ethics to our entire business chain.

Despite the atypical year, in which our activities were carried out by videoconference, the contracting for the Modernization Plan of the São Simão HPP and the Operation and Maintenance (O&M) activities of the Wind Farms followed the planned schedule. We will continue evolving and aiming to improve processes in 2021, a year full of perspectives of new challenges and major contracts.



\* Photo taken before the Covid-19 pandemic.



# Communities

Although the pandemic has impacted our face-to-face contact with social projects, we have not moved away from the communities around our facilities.

Aware of our responsibility as development actors, we have worked to spread information about care related to the new coronavirus among this public and have supported the fight against the pandemic with communication campaigns, face mask donations, and actions together with shopkeepers and the local government.



In 2020, we also have redesigned our strategy to expand SPIC Brasil's positive social impact. Our participation in the Ethos Institute has reached a new level: not only did we renew our membership, but we also increased our visibility and the scope of our work in the working groups. As a result, we have proved our commitment to make SPIC Brasil increasingly sustainable and socially responsible.



► We work paying attention to the Sustainable Development Goals (SDGs). With this in mind, in 2020 we expanded our initiatives focused on **SDG 11: Sustainable Cities and Communities**.

Learn more about the Institute:  
 ► [www.ethos.org.br](http://www.ethos.org.br)



\* Photo taken before the Covid-19 pandemic.

## Community Fund

Created with the goal of promoting development in the communities where we operate, our Community Fund has been active since 2014 in Mataraca (PB). In all, over 50 projects have already been supported, bringing impact to over 1,000 people.

In 2021, we intend to remodel the Community Fund, increasing the initiatives' sustainability and expanding the action to the rural community of Uruba, Mataraca (PB). We also have the perspective of establishing partnerships with the government to work together to qualify the communities' labor force, besides expanding tourism investments in Mataraca (PB).

Get to know our 2020 highlights:

## MÃOS QUE CRIAM NA QUARENTENA (HANDS THAT CREATE IN QUARANTINE)

In 2020, the permanent project “Hands that Create”, held in Barra de Camaratuba, Mataraca (PB), was adapted to an online format during the pandemic period. We fostered professional qualification, entrepreneurship, and empowerment for a group of 20 women, and shared protection measures against Covid-19 through workshops and consultancies that resulted in the making of facemasks by the community’s own women artisans.

The face masks, besides protecting against the virus, were sold and boosted the income of women whose activities were affected by the pandemic. We encouraged embroidery and crochet through technical training sessions focused on updating products, with colorimetry and new product design classes. In 2019, the Project also supported the participants in taking professional certification exams by the Crafts Federation. We are adding up actions to expand the professional prospects of women artisans in our communities!

Moreover, online activities on mental health, cooking, ecology, and vegetable garden incentive were carried out, aiming at environmental education and improvement in the quality of life.



\* Photo taken before the Covid-19 pandemic.

- The **Tapera** handicraft store, opened in 2019, is now being run by the women from “**Hands that Create**”. The Tapera store is located in the tourist center of Barra de Camaratuba.
- **R\$ 24,500** was invested, with a total of **24** people served in the Happy Child and Hands that Create in Quarantine projects.



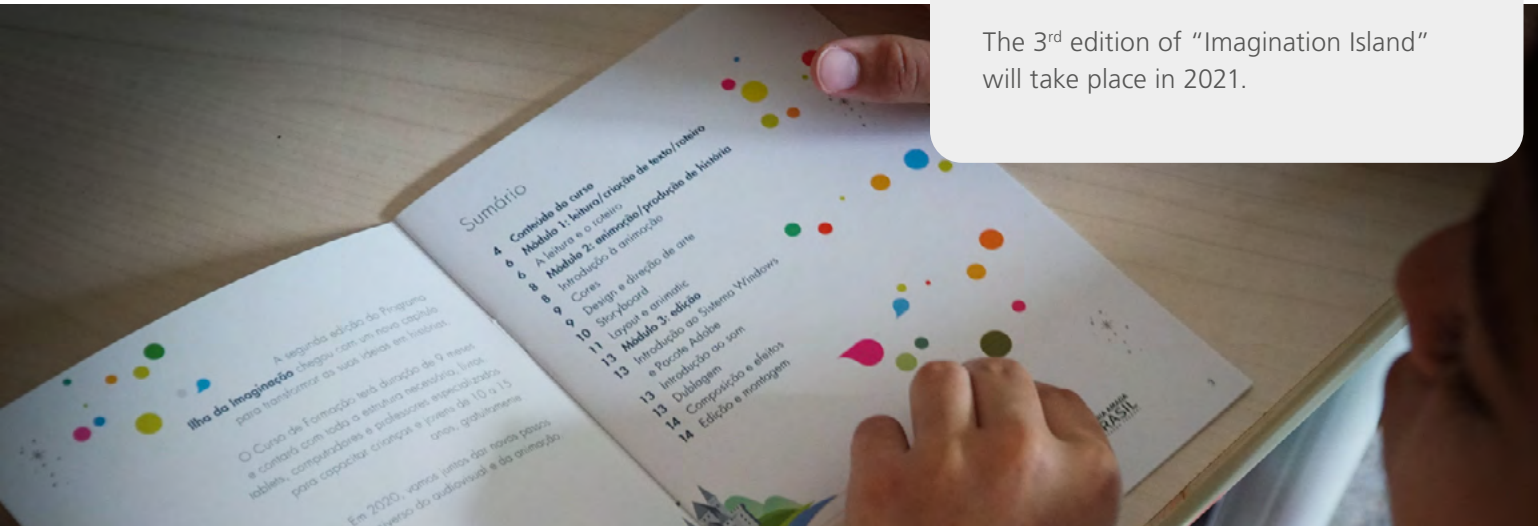
## Projeto Quintais Produtivos (Productive Backyards Project)

The project “**Productive Backyards**” combines an environmental vision with life quality improvement in the communities where we have assets. To encourage healthy eating, we create organic vegetable gardens in the communities and provide guidance on how to plant and grow these foods, as well as providing information on safety, health, and the environment.

In 2020, due to the pandemic, the initiative happened together with the project **Mãos que Criam na Quarentena** (Hands that Create in Quarantine), releasing booklets about horticulture to the project’s members.



## Ilha da Imaginação (Imagination Island)



Learn about the project's productions at:  
 > [2020.ilhadaimaginacao.com.br](https://2020.ilhadaimaginacao.com.br)

The 3<sup>rd</sup> edition of "Imagination Island" will take place in 2021.

The Imagination Island is a project approved by the Federal Culture Incentive Law, sponsored by SPIC Brasil since 2019, conducted by the Maker Institute, Aktuellmix, Special Secretariat of Culture, Ministry of Tourism and the Federal Government, which provides reading and audiovisual courses for young people from São Simão (GO) and surrounding areas. The classes of the training course to the advanced had full classes, with 110 students enrolled.

As the pandemic advanced and the quarantine began, the initiative was adapted to the online format and the classes continued to be held remotely for young people between the ages of eight and 17, with the support of the Google Classroom platform to create more interaction.

The students in the training to advanced classes worked reading and produced two series of

eight episodes each, totaling 16 short films. Additionally, live broadcasts were held and WhatsApp groups were created to answer questions and send activities. The entire new interactivity dynamic was designed taking into account the accessibility of the Project's audience.

The on-site workshops were also adapted to a web-based format and sent to all participating schools and secretaries in four municipalities, impacting more than 12,290 public school students.

In the second edition of the project, in 2020, the project has been expanded with the new Advanced Reading Course, aimed at students who participated in the first edition and at children and teenagers who have previous knowledge in reading and animation.

As a Formative Action, was provided a chat between art-educators of the Imagination Island Project, aimed at students, teachers, pedagogical coordinators and school principals, about the importance of reading and its role in the individual's formation and in society, as well as the importance of the audiovisual product in today's society. The video was sent to Secretariats of Education and Culture, surpassing the proposed audience of 900 spectators, reaching 1,500 people.

All videos created are on the project's YouTube channel. For content accessibility, all cultural products had audio description and "libras" interpreter. To reach a public with cognitive disabilities, a copy of the video was sent to Machado de Assis Municipal School of Education Infantil, Elementary and High School, which serves children with special needs. The videos are on the project's [Youtube channel](#).

Our Closing Festival also needed to be adapted. We made a video with the testimonial of Júlio Quinan and Marco Túlio, Art educators, Roberto Monteiro, Communication Director of SPIC Brasil, Juliana Pileggi, Business Director of Maker Institute, Sérgio Martinelli, Pedagogical Coordinator, and the current São Simão Mayor, Wilber Floriano Ferreira. They talked about the project, its importance, and the challenge of carrying it out in such an atypical year.

**In 2021, the Imagination Island will be entering its third edition with the new 3D training course.**



### 2020 RESULTS

- > Training Course: production of a series with 8 episodes of 1 minute each - Tatá and the Cerrado's Gang Series;
- > Advanced Course: production of a series with 8 episodes of 1 minute each - 100Medos;
- > **110 students** subscribed: full classes;
- > Virtual Workshops: video classes with a dynamic format, about reading and producing live action videos, interspersing explanatory content, with film clips, animations, images, and vignettes explaining in a playful way the whole production process. More than 12,290 children and adolescents served;
- > For content accessibility, all cultural products had audio description and "libras" interpreter. To reach a public with cognitive disabilities, a copy of the video was sent to Machado de Assis Municipal School of Education Infantil, Elementary and High School, which serves children with special needs.

\* Photos taken before the Covid-19 pandemic.

# Asset Management

SPIC Brasil's **Asset Management Program** is a condition of the São Simão HPP Operation License and one of the obligations of the Concession Contract for this asset, issued by the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama). Its objective is to implement procedures and actions for the conservation of our land assets, linked to the concession.

To ensure the maximum useful life of the enterprise, while caring for the environmental quality of its surroundings, we completed in 2020 a full mapping of our reservoir margins, started in 2019, to monitor and mitigate inappropriate or non-permitted uses and occupations.

Our work is focused on the safety of the population around our hydroelectric assets, the environmental compliance of the concession areas, and, whenever possible, the legalization of existing uses and occupations in the reservoir and its surroundings, as

provided for in the environmental law in effect, in the Environmental Plan for Conservation and Use of the Artificial Reservoir Surroundings - PACUERA of the São Simão HPP, and in the operating rules of the unit. The use and occupation legalization of the reservoir and its margins has been the main line of the Asset Management Program, supported by topography and geodesy work and the management of systematized geographic information.

In our field work, in which we also adopted all the Covid-19 related safety protocols, we count on a georeferenced asset management and mapping system via tablet integrated to the database, increasing our information management efficiency.

Following the trend of digitalizing and automating solutions, we are studying the use of drones to assist in field data collection starting in 2021.



## CHAPTER 6

# CREDITS

### COORDINATION

SPIC Brasil Communication

### EDITORIAL PROJECT: CONSULTING, WRITING AND TRANSLATION

**RICCA Sustentabilidade**

› [riccari.wixsite.com/sustentabilidade](http://riccari.wixsite.com/sustentabilidade)

### GRAPHIC DESIGN: LAYOUT, DESIGN AND ARTWORK

**RICCA Sustentabilidade**

› [riccari.wixsite.com/sustentabilidade](http://riccari.wixsite.com/sustentabilidade)

### PHOTOS AND ILLUSTRATIONS

SPIC's image bank

Freepick

