2021 sustainability **report**

SPIC BRASIL

Contents

About **the report**

This is now the fourth publication of the SPIC Brasil Annual Report. Over the following pages, you will be reading about our company's most important targets, achievements and results in 2021. The content has been developed using best global management and sustainability reporting practices.

In terms of structure, this report is divided into five sections, prioritizing strategic drivers and environmental, social and governance (ESG) factors:

> **Focus on energy transition**, providing general information on the macroeconomic scenario and the main challenges of 2021. In this section, we have outlined our operating strategy, the fronts in which we are involved, and our business model, as well as our operational and financial performance.

> **Sustainability strategy**, in which we present our ESG strategies and and their deployment, the material topics, the principles of the United Nations' (UN) Global Compact, and the Sustainable Development Goals, to which we are fully committed.

> **Human energy**, presenting the mechanisms we use to guarantee ethics and integrity in our actions, including information on corporate governance, ethics channels and risk management procedures. Here, we also include a profile of our employees, our training and qualification processes, and our diversity and inclusion policies.

> **Energy that drives**, where we report on our environmental initiatives and the actions performed to ensure the varied and safe generation of energy, strengthening the transition to a low carbon economy, with the presentation of innovation strategies and our adoption of new technologies.

> **Energy that transforms**, in which we highlight our leading initiatives focusing on local development, as well as the impacts caused by our operations in the regions where we are active. We also present information on our actions with the communities located where we work and our private social investment.

This publication covers the actions and results of all our units - two wind-power parks, one hydroelectric power station, two corporate offices and our joint venture assets. The issues reported also ensure that we are able to continue updating the information presented in the report on our actions in 2020. **GRI 102-45 and 102-46**

Over the following pages, **you will be reading about our company's most important targets**, achievements and results in 2021.

Global **Reporting Initiative (GRI)**

The information collected for this report relates to our activities and results relating in the period between January 1 and December 31, 2021. In this fourth edition of our annual publication, we have expanded the comprehensiveness of our scope and, for the first time, we have decided to follow the Core Option of the GRI (Global Reporting Initiative) Standards. GRI 102-48, 102-49, 102-50, 102-51, 102-52 and 102-54

The content is based upon the different aspects of ESG, but also considers global standards and best practices, such as the principles of the Global Compact and the Sustainable Development Goals (SDGs), both UN initiatives, as well as the directives of the State Power Investment Corporation (SPIC Global) and China Power International Development Limited (CPID).

To contact us, please send an email to comunicacao@spicbrasil.com.br. GRI 102-53

We hope you enjoy the report!

The content is based upon the different aspects of ESG, whilst also considering **global standards and best practices**.

A message **from the CEO** GRI 102-14

The publication of this Annual Report is a moment for reflection upon our achievements and an opportunity for dialog, as well as providing a chance to demonstrate our advances to the stakeholders of SPIC Brasil – the shareholders, employees, clients, suppliers, partners, financiers, communities and the market in general.

The words that can best be used to describe 2021 are 'challenging' and 'resilience'.

In the first half of 2021, Brazil was at the peak of the Covid-19 pandemic, with a high number of cases and fatalities, but this was gradually overcome after vaccines became available, since they brought about a quick shift to a high level of immunization, meaning that a degree of normality could gradually be reestablished in our towns and businesses.

In 2021, we saw the terrible potential and urgency of climate change, with Brazil facing one of its most serious water crises in almost a century. During this period, we showed our resilience and ability to overcome hardship, by acting responsibly at a time when the country most needed power generation.

In September 2021, together with our partners, we began the operation of the 'Gás Natural Açu (GNA) I' thermal power plant, increasing the installed capacity of the National Interconnected Grid (SIN) by more than 1,338 MW. By means of this new project, SPIC Brasil established itself as the fifth biggest private energy producer in the country.

AN EYE **ON THE FUTURE**

Aiming to become an important player in global discussions concerning the climate, considering that the electrical energy sector plays an essential role in the decarbonization of the economy, SPIC Brasil took part in the 26th United Nations Conference on Climate Change (COP26). We believe that participation at the heart of these discussions is fundamental for our ability to be able to follow the path towards clean energy. This is what we believe to be true for Brazil and for the world.

Over the course of the year, we focused on a proactive approach to value generation for society, through business activity that was both integrated and focused on allying economic performance, the creation of opportunities for the public, and protection of the environment.

We have taken an extremely important step in this direction with the creation of our Sustainability Committee, made up of different departments and members of the senior management. As well as increasing and improving innovative initiatives focused on local development, we want to encourage other business leaders to adopt the principles of the UN's Global Compact and the Sustainable Development Goals (SDGs).

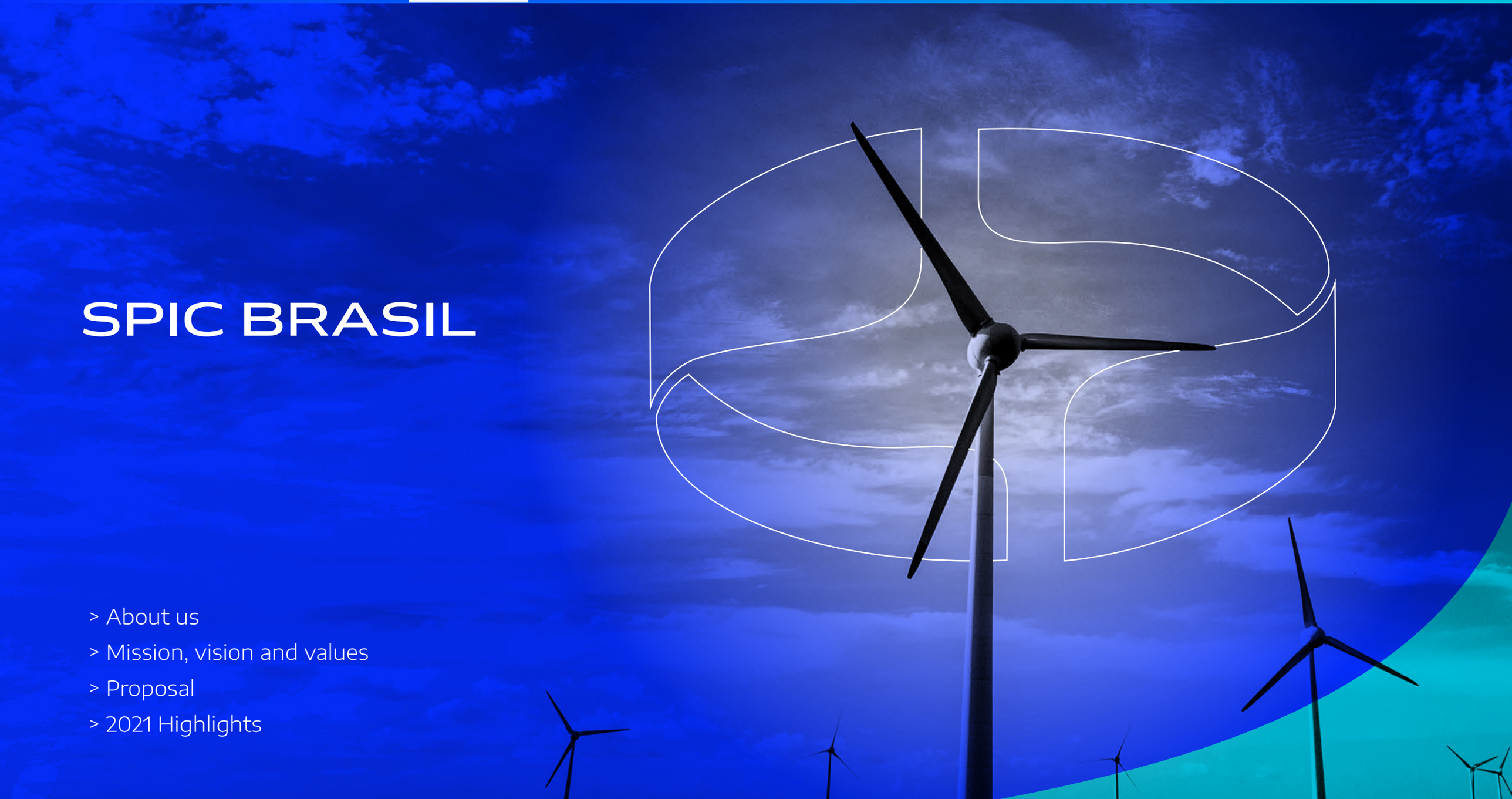
Here, in this Report, we outline the actions developed in 2021, and also present all of SPIC Brasil's main initiatives from across the year, always with a focus on demonstrating the impacts they have had on the market, the environment, and the communities in which we are active. In a special and groundbreaking move for the Company, we are reporting our results in line with the international sustainability reporting standards of the Global Reporting Initiative (GRI).

Everything that we are presenting here has only been possible because, here at SPIC Brasil, we operate in a way that is connected and unified. I would therefore like to thank each and every one of the Company's employees for their hard work and dedication to producing the energy that the country needs.

We believe that the energy resulting from our talents, our innovative ability, and our generation assets are the force that drives us and that has the power to transform.
We hope you enjoy the report!

Adriana Waltrick, CEO of SPIC Brasil

SPIC BRASIL



About **us**

We form part of the State Power Investment Corporation (SPIC Global), a company devoted to global energy generation and related projects. This is one of the five biggest companies in the world in this sector, with its international assets being managed by China Power International Development Limited (CPID), a publicly traded, private-sector company, listed on the Hong Kong stock exchange. GRI 102-1, 102-2, 102-5

Uniting the market experience of CPID with the financial strength, operational efficiency and innovative practices of SPIC Global, we focus our activities on the generation of renewable energy in an effort to reduce impacts on the environment. To do so, we are guided by the principles of integrity, ensuring a relationship with society, the market, our partners and employees, founded on respect, ethics and diversity. GRI 102-2, 102-6

We arrived in Brazil in 2016, when we acquired two wind farms in Paraíba from Pacific Hydro, the Vale dos Ventos Wind Farm and Millennium Park. One year later, we were successful in auction n° 01/2017 offered by the National Electricity Regulatory Agency (Aneel), thereby guaranteeing the concession for the operation, together with our Chinese shareholders, of the São Simão Hydroelectric Power Station (HPP). This was the moment we definitively established ourselves as SPIC Brasil. In 2018 we started operations at the unit, that lies on the border between the states of Goiás and Minas Gerais.

SPIC **Global**

Created in 2015, SPIC Global is present in 46 countries, establishing itself as one of the world's biggest energy producing groups and a world leader in the photovoltaic segment. Its installed capacity is currently 187 GW. Thermoelectric energy is responsible for 85 GW, wind and photovoltaic power for 35 GW each, hydroelectric for 24 GW, and nuclear power for 8 GW. Around the world, the company has more than 130,000 employees.

We also have 33% shareholding, together with partners Prumo Logística, BP and Siemens, of the 'Gás Natural Açu (GNA) I' (that started operations in September 2021) and 'GNA II' (currently under construction) thermal power stations, whilst we also have an investment agreement for development of the GNA III and IV expansion projects. These units are located at Porto do Açu in São João da Barra, in the state of Rio de Janeiro. Once concluded, they will form the biggest thermoelectric power generation park in Latin America - operating as an important initiative in the transition to the generation of clean energy and guaranteeing supply to the Brazilian market. GRI 102-2 and 102-7

We closed 2021 with a workforce of **254 employees.**

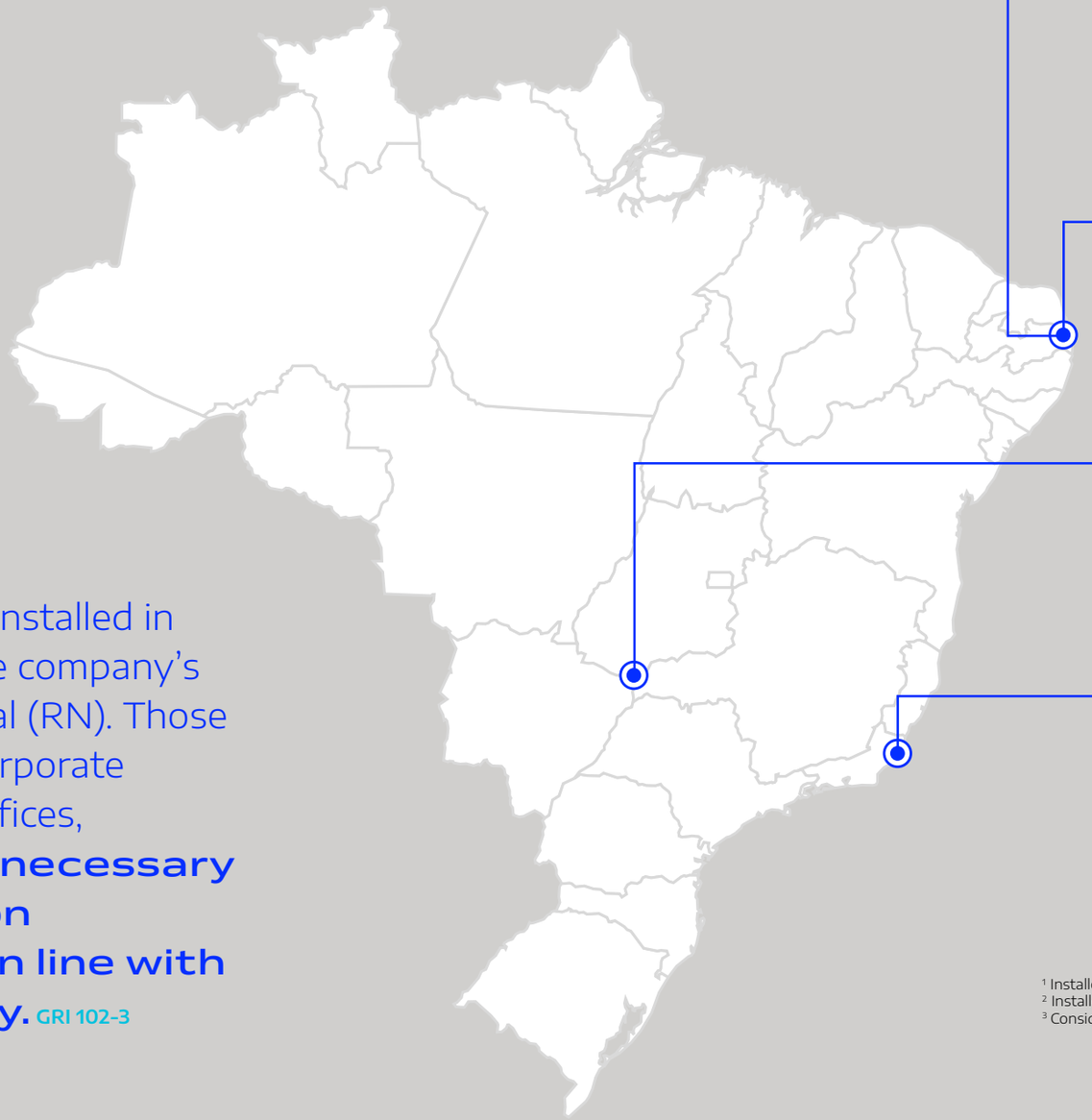
GRI 102-7

On September 16, 2021, GNA I began commercial operations, contributing to the generation of energy at a moment in history that the country was passing through a serious energy crisis. The start of this operation **helped ensure an energy supply to Brazilian society** until the reservoirs had recovered their former levels. GRI 102-10

The Gás Natural Açu (GNA) I power station, in São João da Barra (RJ)

With our current power generation complex, we have an installed capacity of approximately 3,106 MW in Brazil, which represents 0.94% of the country's total generation capacity. GRI 102-2, 102-4 EU1

We have two corporate offices installed in Brazil, one in São Paulo (SP) (the company's head office) and another in Natal (RN). Those of our employees focused on corporate activities are located at these offices, **offering all the support necessary for the power generation operations to function in line with our established strategy.** GRI 102-3



MILLENNIUM WIND FARM

Located in **Mataraca (PB)**

10.2 MW
of installed capacity

Enough energy to supply 23,000 homes for an entire year

VALE DOS VENTOS WIND FARM

Located in **Mataraca (PB)**

48 MW
of installed capacity

Enough energy to supply 90,000 homes for an entire year

SÃO SIMÃO HPP

Located between **São Simão (GO) and Santa Vitória (MG)**

1,710 MW
of installed capacity[1]

Enough energy to supply 6 million homes for an entire year

GÁS NATURAL AÇU (GNA) I

Located in **São João da Barra (RJ)**

1,338 MW
of installed capacity[2]

Enough energy to supply 6 million homes for an entire year

Approximately 2.2 million MW/h generated in 2021, the year in which operations started[3]

[1] Installed capacity of 100% of the unit. SPIC holds a 51% share.
[2] Installed capacity of 100% of the unit. SPIC holds a 33% share.
[3] Considering the commissioning period plus three months in operation.

Mission, vision **and values**

GRI 102-16

MISSION:

to be the **best private energy group** in Brazil.

VISION:

to be one of the **biggest energy generation companies in Brazil**, providing innovation, sustainability and efficiency.

VALUES:

> Health and safety
> Sustainability
> Transparency
> Collaboration
> Innovation
> Agility
> Excellence
> Recognition

Proposal GRI 102-16

In 2021, we further developed our brand positioning. The new identity reflects our DNA and culture: a young, consistent, caring, connected, innovative and open company, focused on the generation of renewable energy.

With the directive of "maximizing Brazilian energy", the new brand and positioning were presented to our stakeholders in 2022. To transform them into reality, we have defined three principles:

> **Vision fosters evolution**: Our ambition is to be one of the leading players in the country's energy market, with a greater focus on the safe generation of energy, generating value for communities and for the planet.

> **Our energy comes from working together**: we aim to value diversity. Our team is made up of people with different origins, ages and ethnic backgrounds.

> **Safety forms the basis for care**: We are proud to be reinterpreting safety, going beyond its literal meaning. With this principle, the proposal is to care for our employees and the communities in which we take part of, creating human connections and, at the same time, bringing a safer approach to the energy sector.

To the definition of the company's proposal can be added the structuring of new communication policies, that were also created in 2021. Taking a proactive stance, we wish to create a closer relationship with our stakeholders, including potential clients, whilst also preparing ourselves to act with new consumers from the free energy market in the future.

Relationship **with the press**

In 2021, with the creation of our new proposal and our brand positioning actions, we have been developing our contacts and relationships with the press. By doing so, we have expanded the spontaneity and reach of our messages, and promoted high-level discussions concerning the energy sector in Brazil.

As a direct result of these efforts, we have increased our presence in spontaneous news features, with one highlight being an interview with our CEO, Adriana Waltrick, which was the cover story for the Valor Econômico newspaper (see more on page 19). After receiving 289 press mentions in 2020, we jumped to 506 in 2021, spread across 131 different national news vehicles. We also had direct contact with the international media due to our participation in COP26 (read more on page 33).

Expansion of the SPIC Brasil follower **base on social media in 2021**

FACEBOOK: **175%**

INSTAGRAM: **157%**

LINKEDIN: **26%**

2021 Highlights

Total commercialized energy in the Regulated Energy Market (ACR): **7,370,664 MWh.**

Start of operations at GNA I: **1,338 MW of installed capacity.**

Advances in the 'Missão Futuro' (Future Mission) project **for modernization of the São Simão HPP.**

Effective and proactive collaboration in the public debates for the regulation of the implementation of hybrid energy **projects** in Brazil.

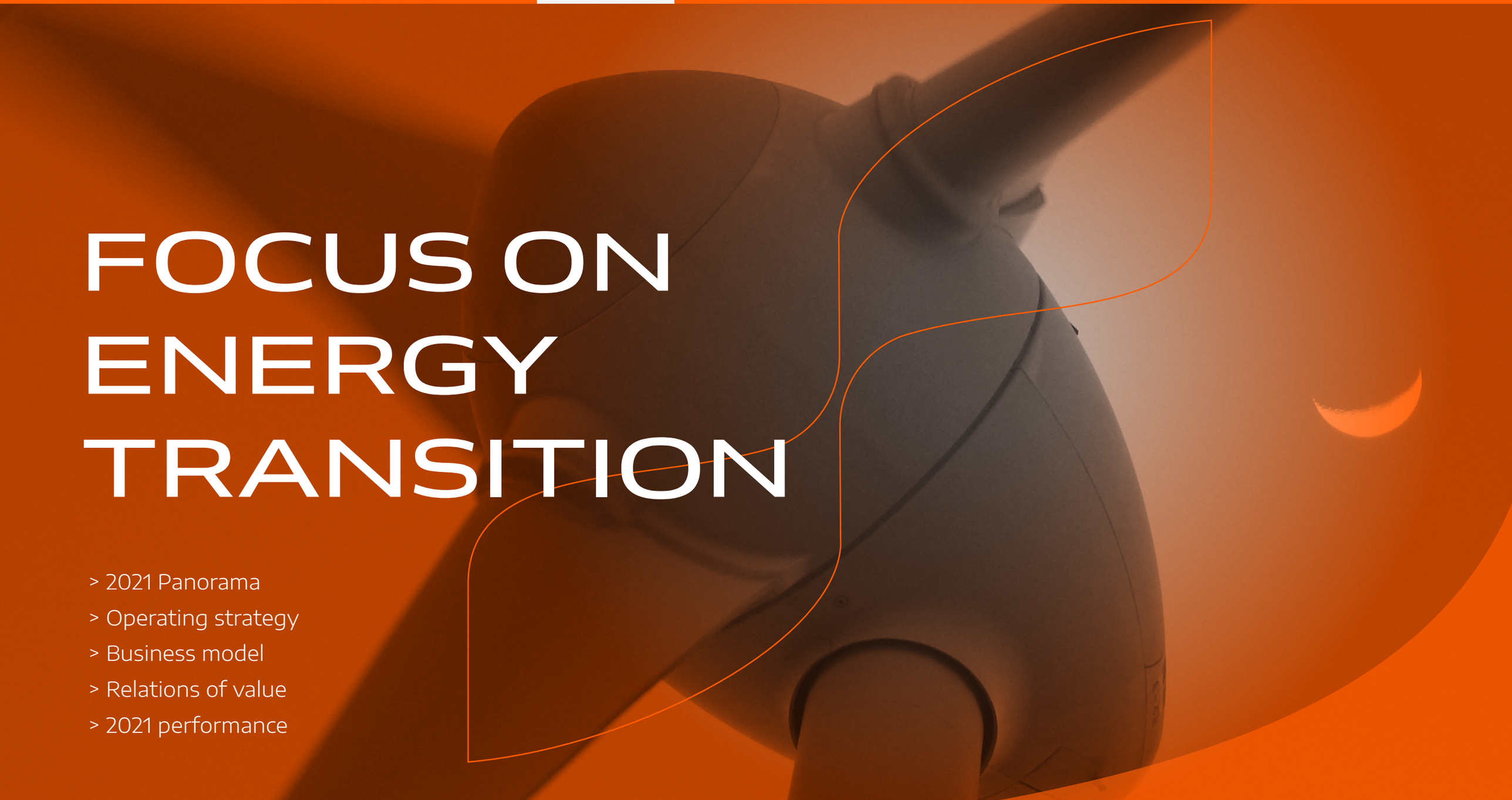
Creation of our **new positioning** and development of the new proposal: "**Powering Brazilian Energy**".

Total commercialized energy in the Free Energy Market (ACL): **2,165,188 MWh.**

Creation of **SPIC Brasil Comercializadora**.

Our CEO, Adriana Waltrick, became Impact Leader and Spokesperson for Sustainable Development Goal (SDG) 16, "Peace, justice and strong institutions", expanding SPIC Brasil's participation in the United Nations' Global Compact.

We became a signatory to the UN's Advisory Board of the Global Compact Local Network in Brazil (CORB), thus strengthening our **leadership and commitment to the SDGs**, in line with our strategic planning and long-term sustainability.



FOCUS ON ENERGY TRANSITION

> 2021 Panorama
> Operating strategy
> Business model
> Relations of value
> 2021 performance

2021 Panorama

The water shortage that devastated Brazil in 2021 was the worst historical crisis of its kind in 91 years of monitoring the country's drainage basins. Within this scenario, one of the means of guaranteeing the energy supply to Brazilian society, through the National Interconnected Grid (SIN), was the activation of thermoelectric power stations by the National Operator System (ONS), the body responsible for managing Brazil's energy supply.

To meet the distribution needs from energy based upon regular generation sources, we, together with our business partners in the Gás Natural Açu (GNA) thermal power plant, moved the project into full operation. As such, the GNA I, with 1,338 MW of installed capacity, became part of the Brazilian generation complex on September 16, 2021.

With a view to collaborating with the flow of the Paranaíba River, we followed all the directives of the National Water and Basic Sanitation Agency (ANA) and of Aneel in relation to operation of the São Simão HPP, thus fulfilling an important role for Brazilian society - in terms of the supply of both energy and water. Today, the plant's reservoir covers a maximum flooded area of 722 km^2, with the ability to store 6.7% of the total water content of the river's subsystem.

In 2021, Aneel extended our company's concession period over the São Simão plant for another 30 years on top of that which was agreed. This is a form of offsetting implemented by the agency in favor of the company, due to the HPP's water risk, referred to as the 'GSF' (Generation Scaling Factor), a formula that calculates damages caused by the project should it fail to use its installed capacity due to the need to use other energy sources, such as thermoelectric plants.

IMPACTS OF THE PANDEMIC

The ongoing situation of the Covid-19 pandemic has also affected our activities. In 2021, we followed all the health and safety protocols implemented in 2020, prioritizing the protection of our employees, partners, suppliers and communities. With these measures in place, we were able to continue operating and generating energy for Brazilian society.

Also as an effect of the pandemic, most notably as of the second semester of 2021, the world descended into a cycle of high inflation. The increase in the prices of inputs, raw materials and freight, and a rise in the prices of items such as solar panels and wind turbines, meant that even more care started to be taken in relation to decision-making, principally when this concerned the Company's decisions to start new projects.

2021 was a challenging year for Brazil, and particularly for the country's energy market. The Brazilian economy suffered with inflation, interest rates and unemployment, a devaluation of the real against the dollar, water shortages (mainly in the South and South-east regions, where the São Simão hydroelectric power station is located), as well as with the Covid-19 pandemic, that reached its peak of daily fatalities in the first half of the year.

Operating **strategy**

We operate in the energy sector, a market that is highly regulated in Brazil. The regulations and directives are established by Aneel, that also plays a supervisory role. In 2021, in order for us to be more assertive and do better business in the sector, we implemented a number of changes to our business structure. We merged two boards to create one single, integrated area named the Board of Regulation and Commercialization of Energy.

Furthermore, we also inaugurated our energy commercialization unit - 'SPIC Brasil Comercializadora' - that has become an important vector of growth for the Company, the management of our generation assets, and the commercialization of energy. These initiatives have provided our activities with a stronger base, defining clear roles and directing the focus of the different departments.

PRO-ACTIVITY IN THE PUBLIC DEBATE

In 2021, we actively participated in the discussions with the federal government and Aneel over the creation of the regulatory framework, in order to enable the implementation of hybrid energy generation projects.

For the drafting of Aneel Normative Resolution n. 954, that regulates hybrid power generation in Brazil, the Agency held public consultations and debates on the issue, in which we actively and effectively participated. We successfully argued in favor of a point considered to be important for the resolution that was created - this being the possibility of combining other energy sources with hydroelectric power stations.

By doing so, the São Simão HPP could, for example, in the medium-term, add a photovoltaic source to its hydrological form of generation, taking advantage of the region surrounding the plant to do so. This strategy is still being studied, and depends upon factors such as the technical and economic viability of the project.

This contribution to Aneel and to Brazilian society was possible due to the **expertise we have developed through research and development initiatives.**

Hybrid projects are those which combine different sources in a single project, which could mean wind or hydro-power combined with solar photovoltaic power, for instance, amongst other possible combinations

SPIC BRASIL COMERCIALIZADORA GRI 102-10

Our energy supply company, founded in November 2021, was created to offer the market products that add value for our clients and business partners, meeting their needs through the creation of a portfolio of the power generation assets of SPIC Brasil.

The creation of this unit is in line with our new brand positioning. By doing so, we are seeking to prospect, and maintain, solid and long-lasting relationships with clients and partners, through a proactive focus on communication and marketing that strengthens our client portfolio.

The management and commercialization of SPIC Brasil Comercializadora with be grounded in the global management of the portfolio, supported by tools that assess meteorological scenarios and energy prices, and perform an in-depth credit analysis of counterparties. By doing so, we are strengthening our risk management and commercialization strategy.

Allying a well-defined business structure with the use of cutting-edge technologies and investments in research and development, we are strengthening our medium and long-term objectives, thus making us one of the leading private renewable energy generation companies in the country.

The ‘Comercializadora’ positions us strategically to **operate in the Brazilian free energy market**, which may expand if the new legal framework for the sector, currently under discussion in the National Congress, is approved. It is expected that the bills of law concerning the modernization of the sector, including the opening of the market, will be approved in the next few years, if not this year.

The São Simão power plant, on the border between Minas Gerais and Goiás states

Information **Technology**

In 2021, we also created our Information Technology (IT) Board, aiming to confer more of a strategic character on the area. For the next three years, four main pillars of activity have been defined:

> **Greater proximity with the business:** optimizing delivery and solutions, with a focus on operational innovation and efficiency;

> **Digitization:** ensuring increased automation of the processes, with the result that technology is applied in the right places and in the most efficient ways;

> **Information Security:** focused specifically on Cyber Security, this seeks to establish new levels of protection and mitigation of IT risks focusing on adherence to both legal matters - such as the General Data Protection Law (LGPD) -, and compliance, continuity of operations, prevention of hacking, and data leaks;

> **Continuity of digital transformation:** development of the technological architecture to support the company's growth.

In this first year, one highlight was the creation of the Data Privacy Committee. Focused on the issue of sensitive data, this body is continuing to move forward with the Secure Data Program, the objective of which is to ensure the privacy and protection of all of our stakeholders' personal data

We also performed a complete analysis of the vulnerable areas that exist within the company, in order that they can be properly addressed. This work started in 2021 and has continued into 2022. Specifically in the area of cyber-security, we work hard to develop measures to fully safeguard our operations, as well as contingency plans to be applied in the event of failings in the effective protection of the infrastructure and our systems.

Full digitization of the operations provides security and efficiency

Business **model**

To achieve the objective of being one of the leading private energy generating companies in Brazil, we currently have projects under way in the hydroelectric, wind and gas-based thermal power generation segments. We are also continually studying the market with a view to making new acquisitions, developing projects and operating as partners in initiatives with other players.

The expectation is for the company to grow, in the medium-term, by between 5,000 MW and 10,000 MW in installed capacity, which will make us one of the three biggest private generators in the country within the next five years.

WIND-POWER EU1, EU2

Two projects, both located in the municipality of Mataraca, in Paraíba, are responsible for our wind-power generation, totaling 58.2 MW of installed capacity. These are the Vale dos Ventos Wind Farm, with 48 MW, and the Millennium Wind Farm, with 10.2 MW.

Our growth perspective was highlighted by the Valor Econômico newspaper, with a cover story in the nationally circulated news vehicle In the article, our CEO, Adriana Waltrick, revealed that we are assessing a series of opportunities for acquiring assets in Brazil, ranging from large hydroelectric power stations to wind and solar generation platforms. Furthermore, in 2021, SPIC Brasil was one of the winners in the 'Generation and Production' category of 'Energy Leaders', presented by Full Energy, whilst the same publication elected our CEO as one of 'The Decade's 100 Most Influential People in Energy'.

B2 | Valor | Quarta-feira, 1 de setembro de 2021

Empresas | Infraestrutura

Energia Chinesa mira aquisições de hidrelétricas e ativos renováveis e vê futuro para o hidrogênio verde

SPIC aposta alto para crescer em geração

Leticia Fucuchima
De São Paulo

A estratégia de crescimento da SPIC Brasil segue o que se esperava de uma empresa chinesa: apostas certeiras e ambiciosas.

Subsidiária de um dos maiores grupos de geração de energia da China, a companhia se apresenta como uma "consolidadora" e está avaliando uma série de oportunidades de aquisição de ativos no país, envolvendo desde grandes hidrelétricas até plataformas de geração eólica e solar. Por aqui, também ensaia terrenos fértil para a construção de novas usinas e desenvolvimento de tecnologias disruptivas, como o hidrogênio verde, um de seus carros-chefes em inovação.

Hoje com um parque gerador de 2,7 gigawatts (GW) de capacidade, o grupo pretende chegar até 2025 com 10 GW, tornando o Brasil a maior operação da SPIC fora do eixo China-Hong Kong. "Queremos ser um dos três principais 'players' privados de geração no país até 2025. Temos que ter escala, a gente acha isso importante", destaca a CEO, Adriana Waltrick.

A SPIC ingressou no mercado doméstico em 2017, quando comprou o portfólio da Pacific Hydro, que operava eólicas no Nordeste. Desde então, vem ampliando progressivamente seu parque gerador. Ainda em 2017, foi vencedora do leilão da hidrelétrica São Simão, o maior ativo ofertado na ocasião, pagando R$ 7,18 bilhões em outorga. Já no início deste ano, entrou no quadro de sócios do complexo termelétrico do Porto do Açu (RJ), ao adquirir fatia de 33%, por valor não revelado.

Agora, a companhia se prepara para uma nova fase de crescimento. Em breve, devem ser anunciados novos projetos, além de acordos de fornecimento de energia para clientes industriais no mercado livre. Ao mesmo tempo, o grupo negocia "ativamente" a compra de ativos de grande porte, com pelo menos 500 MW de potência.

Um dos principais pilares de crescimento para a SPIC Brasil são as hidrelétricas, que ainda oferecem o "melhor tipo de energia", apesar do risco associado à hidrologia, avalia Waltrick. "Em que pese a crise atual, essa é uma energia muito boa, a mais barata e abundante para o país. Achamos que essa é a fonte que o Brasil precisa continuar trabalhando e fomentando, e não só projeto novo, mas também otimizar o que já está aí".

A companhia já começou a estruturar a modernização da usina de São Simão, trabalho que se estenderá por nove anos e deve consumir R$ 1 bilhão em investimentos. "Estamos olhando a possibilidade de expansão e repotenciação das usinas. Será importante ter maior estímulo regulatório para isso, hoje a questão tarifária torna bem difícil achar a viabilidade econômica."

A SPIC Brasil tem interesse até no desenvolvimento de novas hidrelétricas, caso projetos "greenfield" (do zero) da fonte voltem a entrar no planejamento de médio e longo prazo da Empresa de Pesquisa Energética (EPE).

As "novas" renováveis, eólica e solar, também integram o plano estratégico da SPIC Brasil. A ideia é aproveitar o momento favorável de mercado para viabilizar novos empreendimentos, inclusive híbridos, que misturam duas tecnologias de geração no mesmo local. "Já temos alguns projetos pilotos, em São Simão e nas eólicas. Estamos bem otimistas, esperamos que ano que vem a gente já tenha a regulamentação [para parques híbridos] colocada", conta Waltrick.

Já no mercado secundário, a executiva diz que a companhia tem sido bastante ativa, mas não revela de quais processos está participando.

O setor elétrico oferece hoje um amplo leque de oportunidades de crescimento inorgânico no segmento de geração, principalmente envolvendo a fonte hídrica. A EDP Brasil tem três usinas à venda, enquanto a Cemig continua tentando se desfazer de sua fatia na hidrelétrica Santo Antônio (RO) — ativos que a SPIC chegou a avaliar no passado, junto à própria Cemig e a outros sócios na usina. Já do lado das privatizações, estão na fila a gaúcha CEEE-Ge a paulista Emae.

Em renováveis, as gestoras Actis e Carlyle estão colocando à venda suas plataformas de geração no país, a Echoenergia e a Bolo, segundo o Pipeline, site de negócios do **Valor**. Em ambos os casos, as transações são avaliadas na casa dos bilhões de reais.

Os planos da gigante chinesa envolvem ainda o desenvolvimento do complexo termelétrico GNA, movido a gás natural, do qual é sócia junto com Pramo, Siemens e bp. Com 1,3 GW de capacidade, a usina GNA I está prestes a entrar em operação. O segundo empreendimento, GNA II, está sendo estruturado e tem previsão para iniciar atividades no fim de 2024. Com as duas unidades, o conjunto atingirá 3 GW de potência.

"Temos ainda GNA III e VI, temos em torno de 3 GW já prontos, em termos de projetos. Estamos avaliando os leilões de setembro e de dezembro para eventualmente participarmos."

Outra aposta da companhia para o Brasil são projetos de inovação, que têm sido conduzidos em parceria com o Centro de Pesquisas de Energia Elétrica (Cepel), da Eletrobras. Em uma das frentes, o foco é o hidrogênio verde, combustível renovável que se tornou peça central na estratégia de descarbonização e transição energética na Europa e Ásia. "Somos líderes na China em hidrogênio. É uma tecnologia que produz zero carbono e pode ser muito útil para o Brasil, especialmente na produção de amônia e fertilizantes, dos quais somos grandes importadores."

Em outra frente, estão o desenvolvimento de projetos de "smart energy", uma espécie de evolução do conceito de eficiência energética para perfis comerciais e condomínios. A ideia é equipar esses estabelecimentos com um microssistema de gestão térmica e elétrica, integrando baterias e geração própria de energia a partir do lixo, por exemplo. Segundo a executiva, a proposta será testada em um prédio da gestão pública, localizado no Rio de Janeiro ou em Brasília.

"Nosso trabalho com o Cepel prevê que os engenheiros brasileiros vão para a China entender qual foi a revolução energética que aconteceu lá, e os chineses vêm para cá para entender todas as complexidades do Brasil. É um intercâmbio de tecnologia e investimentos, mas sobretudo de mentalidades e de bagagem." Segundo o anunciado na época, a iniciativa junto ao Cepel envolve aportes de R$ 20 milhões, a fundo perdido, por parte da SPIC.

Gigante chinesa
No Brasil, SPIC detém 2,7 GW em ativos das fontes eólica, hídrica e termelétrica a gás

Ativos em geração
Complexo eólico Vale dos Ventos
48 MW
Parque eólico Milennium
10 MW
Usina hidrelétrica (UHE)
São Simão (MG/GO)
1710 MW
Térmica GNA I
1338 MW
Comercialização
2.411,208 MWh de energia negociada no ambiente de contratação livre (ACL) de energia

Controlador
State Power Investment Corporation of China, um dos 5 principais grupos geradores de energia da China. Opera 176 GW globalmente.

Adriana Waltrick, CEO da SPIC Brasil: "Hidrelétricas ainda fornecem melhor tipo de energia, apesar da crise atual"

Image taken from the September 1, 2021 edition of the Valor Econômico newspaper.

In 2021, our wind-power generation reached 125.565 GWh, enough energy to supply 104,640 homes. The availability index was 98.6%.

2021 presented enormous challenges for wind-power generation at our farms. The winds recorded between May and December (a period traditionally known for the high incidence of winds) were around 13% less than expected, which had a negative impact on the result. In July especially, the level recorded was 31% less than that expected for the month, meaning that performance came in lower than that forecast.

Another challenge was the context of the Covid-19 pandemic, meaning that many different in-person activities at the wind farms had to be readdressed to bring them into line with quality, health and safety standards. The care we took along with our management of the risk ensured that there were no accidents whatsoever registered at these projects during 2021.

VALE DOS VENTOS **WIND FARM**

Inaugurated in 2009

60
turbines

48 MW
of installed capacity

Generation target for 2022:

106.786 GWh

MILLENNIUM **WIND FARM**

Inaugurated in 2007

13
turbines

10.2 MW
of installed capacity

Generation target for 2022:

27.231 GWh

Investing **in improvements**

We have continued our work with ongoing improvements and investments designed to ensure that wind-power generation registers its best ever performance levels. These efforts meant that high rates of efficiency and low levels of losses were recorded. Wind-power generation therefore closed the year producing around 94% of the planned total, despite the incidence of wind having been 7% less than expected.

In relation to the maintenance initiatives and management of the wind-power assets, special mention should be made to the control, as well as reduction of production costs, the revision of the integrated management system, the absence of regulatory non-compliance, and the reduction of operational risks.

To achieve this, we invested in important projects over the course of 2021, with the exchange and modernization of the equipment at the Millennium substation, involving the implementation of new sensors; the installation of high-resolution security monitoring cameras; and the improvement of the transformer ventilation systems at those individual substations experiencing high temperatures, through the installation of wind exhaust systems designed to reduce the temperature and increase the assets' lifespans.

We also implemented a maintenance management software, allowing for broader and more consistent control of activities and indicators. By means of this tool, the operators are now able to perform maintenance work on the assets using smartphones, sending information in real time. As such, operations are now more assertive and streamlined, with a reduction in both the use of paper and the risk of error.

We also implemented a maintenance management software, allowing for broader and more consistent **control of activities and indicators**.

Our wind-power assets received investments to increase generation efficiency.

SÃO SIMÃO **HPP**

Inaugurated in 1978

6 turbines
of 285 MW each

1,710 MW
of installed capacity

HYDROELECTRIC-POWER EU1, EU2

The São Simão plant is located on the border between the states Minas Gerais and Goiás. It has an installed capacity of 1,710 MW and, in 2021, produced 6.132 TWh of energy, registering an availability index of 92.57%.

Despite the water crisis recorded in the country, this HPP operated without interruption to supply Brazil's power generation needs. We performed all the planned preventative maintenance work at the generation units and kept availability above the expected level for the year and above the level of 92.29% established in the concession agreement.

Power generation in Brazil is controlled by the National Operator System (ONS), responsible for determining the centralized decisions on power stations forming part of the National Interconnected Grid (SIN) (of which the HPP is a part), depending upon the supply and demand scenario. The serious drought of the last few years, with rainfall and the river water flow lower than the historic average, has led to a reduction in the volume of energy generated. In 2021, the river water flow was recorded at 52.14%, compared to the long-term average of this data.

For 2022, the expectation is for net energy production in the order of 8.096 TWh and availability of 92.1%.

In 2021, **we concluded the São Simão power plant risk mitigation plan**, which was started in 2019, and continued with the modernization strategy of the HPP, in compliance with the planning and targets established for the "Missão Futuro".

Socio-environmental **accountability actions**

One important point to note for the operation of the São Simão HPP is the work we develop in fighting the golden mussel, a mollusk that, without natural predators, is prolific in the region and can cause blockages in the pipes of the hydroelectric power stations' refrigeration systems. In 2021, we started using a system that injects a chloride-based solution, in small, safe quantities, to reduce the proliferation of these pests and prevent them from attaching themselves to the pipes. The initiative was approved by the Brazilian Institute for the Environment and Renewable Natural Resources (Ibama);

In addition to this, the environmental license for operation of the São Simão plant should be renewed by Ibama in 2022. For this to occur, we have an internal Environmental Licensing Committee, that involves different areas within the company and is led by our Environmental team. For the renewal to take place as smoothly as possible, the negotiations with the environmental body were started back in the first half of 2021. GRI 103-2, 103-3 |304

The contracting of 'package 5' has also boosted the specific IT actions for the project 'Missão Futuro'. Actions connected to Cyber Security and the revision of components of technology focused on meeting the security requirements for this area, applied to the operation of the HPP, are being implemented.

'MISSÃO FUTURO'

We took over the operation of the São Simão HPP in 2018. As this is a plant that has been in operation for more than 40 years, much of its equipment has reached the end of its useful life, meaning we are therefore replacing a lot of it and doing a great deal of modernization work, thus meeting the requirements of the concession agreement. Along these lines, in 2019 we created the project 'Missão Futuro', focusing on the modernization and digitization of the HPP. The action was split into seven 'packages'.

In December 2021, the contracting of 'package five' was completed, this being intended to modernize the plant's entire powerhouse, involving six generating units (turbines and generators). This package alone accounts for around 70% of the total of more than R$1 billion in investment that will be directed to the modernization program.

In the first stage, we started the planning and executive project activities, so that it would be possible to start manufacturing the new equipment and the acquisition of the package five materials and systems. The modernization of each one of the six generators will last around 10 months, with the first shutdown starting in July 2023 and the last one being concluded in 2029.

Modernization of São Simão is a priority project for SPIC Brasil

OTHER HIGHLIGHTS OF THE YEAR

As well as the procurement that forms part of package five, 2021 was notable for the conclusion of package one, that consisted of the modernization of the load lifting equipment, including the HPP's overhead cranes and gantries. A transformer was also installed in unit three and modernization work was undertaken on the water intake emergency floodgate activation system. Finally, construction work was completed on the plant's access gate, located in Minas Gerais.

Throughout the São Simão HPP modernization process, we worked hard to involve the local communities, prioritizing the contracting and training of workers from the surrounding region. By doing so, as well as creating job opportunities, we sought to stimulate the local economy.

2022 will be remembered for the continued implementation of packages two to five. Two main transformers will be changed (package two), the spillway floodgates will be modernized (package three), the work site forming package five will be implemented, and the engineering and procurement activities that also make up package five will be further developed.

GÁS NATURAL AÇU (GNA)

With a 33% share in the joint venture composed of Prumo Logística, BP and Siemens, we are partners in the Gás Natural Açu (GNA) thermoelectric power plant. Located in Porto do Açu, in the municipality of São João da Barra in the north of Rio de Janeiro state, the project confirms our strategy of development, implementation and operation of energy and gas structuring and sustainable initiatives. The project is set to be the biggest natural gas-powered thermoelectric complex in Latin America, and will be complementing the company's current renewable energy grid, that involves wind and hydro-powered operations.

The GNA I, the first plant to be ready, with and installed capacity of 1,338 MW, became operational in September 2021. During the same year, we also signed the "Notice to Proceed", a document that formally authorizes the start of construction work on the GNA II, which will have an installed capacity of 1,673 MW, with operations expected to begin in 2024. Together, the plants will have an installed capacity of approximately 3,011 MW, sufficient to supply the power needs of 14 million families.

Some stages of the GNA II are already underway, such as the preparation of the land and mobilization of the teams that will work on construction of the plant, and it is expected that approximately 3,000 workers will participate in the construction.

The project also expects to involve the expansion of the complex, with construction of GNA III and GNA IV. The lands for these projects have already been selected. The project is now moving into the adjustment phase. The two plants contribute an installed capacity of more than 3.1 GW to the Brazilian power grid, whilst also contributing to the stabilization of the national electricity system and creating new jobs and opportunities.

GNA I started operations in 2021

Relations **of value**

GRI 102-12, 102-13

We have connected the strength of SPIC Global and CPID with the knowledge that our team has in order to perform at a high level of excellence in Brazil. By basing our approach on integrity, ethics, sustainability, health and safety, and through investments in research and development, we aim to transform ourselves into one of the leading players in the renewable power generation segment of the Brazilian market.

To ensure that we can move forward with this aspiration, we have established long-lasting ties and connections with our priority stakeholders, as a means of contributing with our results and creating a long-term sustainable business environment. Along these lines, in 2021, we became a signatory to the Advisory Board of the Global Compact Local Network in Brazil (CORB) and committed ourselves to the United Nations' (UN) Sustainable Development Goals.

We also participated in the World Hydropower Congress, hosted by the International Hydro-power Association (IHA), an international institution that represents organizations that are committed to the responsible and sustainable development of hydroelectric operations. At the congress, our CEO, Adriana Waltrick, took part in the panel staged to launch the Hydroelectric Sustainability Standard, that is designed to assess and certify hydroelectric projects committed to good sustainability practices, for which the the São Simão HPP is currently in the final stage of assessment.

In partnership with the Ethos Institute, we have committed ourselves to the "Business Proposals and Recommendations for the Brazilian NDC" letter, that states the intention to reduce the emission of greenhouse gases; to the Recife Declaration, in the fight against climate change; and to the Business Pact for Integrity and Against Corruption, aimed at promoting a more integrated and ethical market and eradicating bribery and corruption.

At the end of 2021, we joined the Ethos Institute to **promote corporate ethics and transparency**, and we are following the principles of the San José Declaration.

In 2021, we maintained our relationship with institutions, association, regulatory bodies and companies in the energy sector. Amongst these entities, special mention should be made of: GRI 102-13

- Ministry of Mines and Energy(MME);
- National Electricity Regulatory Agency (Aneel);
- Energy Research Company (EPE);
- Electricity Commercialization Chamber (CCEE);
- National Electric System Operator (ONS);
- Brazilian Association of Electricity Companies (ABCE);
- Brazilian Association of Electricity Sector Commercialization Companies (Abraceel);
- Brazilian Association of Electricity Companies (ABCE);
- Acende Brasil Institute;
- Brazilian Hydrogen Association;
- Brazilian Association of Corporate Communication (Aberje);
- Brazilian Association of Institutional and Government Relations (Abrig);
- River Paranaíba Basins Committee.

PRINCIPAL STAKEHOLDERS GRI 102-43 GRI 102-44

One of our biggest concerns involves establishing permanent and valued relations with our principal stakeholders. As part of this, we have defined a number of priority channels to allow us to communicate with each of them, considering the specific characteristics of each group.

Our primary forms of engagement and communication with our stakeholders are: GRI 102-40

- **Internal public (employees):** engagement campaigns with calls to action, communications and newsletters via e-mail, monthly live broadcasts with the participation of employees via chat, and on-line studies, amongst others.
- **Communities:** meetings with community leaders, training sessions and contact via Whatsapp groups. We also make the Ethics Hotline and Programa Portas Abertas (Open Doors Program) (contact via telephone or e-mail) available.
- **Those affected by the program 'Ilha da Imaginação' (Island of Imagination)** (read more in the "Actions with local communities" section): an annual study (adapted to be performed by telephone, due to the Covid-19 pandemic).
- **Clients:** we offer flexible power supply products and solutions, with all the safety and solidity expected of a large power generation company.
- **Shareholders:** ordinary (monthly) and extraordinary meetings of the Board of Directors.
- **Government:** through participation by the Company in the sector's leading associations, and, whenever necessary, through direct and occasional contact with the relevant body.
- **Opinion makers:** through communication plans with actions focused on the issues that we identify as being strategic, such as the manufacture and delivery of products to the company, interviews and participation of our executives in relevant events within the sector, designed to strengthen our positioning and key-message.

2021 performance

OPERATIONAL EU1, EU2

VALE DOS VENTOS WIND FARM

108 GWh
of annual installed capacity

98.96 GWh
generated

Availability index of
98.8%

MILLENNIUM WIND FARM

28 GWh
of annual installed capacity

26.605 GWh
generated

Availability index of
97.69%

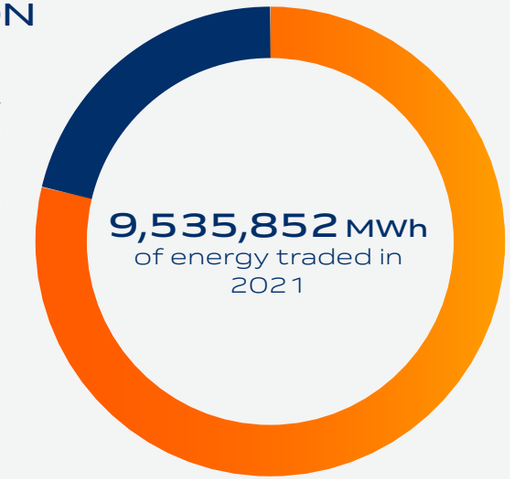
SÃO SIMÃO HPP

6.132 TWh
generated

Availability index of
92.57%

COMMERCIALIZATION

Total energy commercialized in the Free Energy Market (ACL):
2,165,188 MWh.



Total energy commercialized in the Regulated Energy Market (ACR):
7,370,664 MWh.

FINANCIAL

We closed 2021 with positive financial results when compared to those from the previous year. Even in a year in which we all experienced such a complex macroeconomic scenario (the pandemic, high inflation and interest rates, and devaluation of the real), we achieved a revenue that was 20% higher than that achieved in 2020, registering R$ 2.06 billion in net revenue. The positive impact was possible due to the rise in the IPCA, an index that updates the regulated portion of the remuneration we receive through the São Simão HPP concession agreement, that corresponds to 70% of the total. Also of great importance was the management of the sale of energy to the free energy market (ACL), which is responsible for 30% of the revenue generation capacity in the hydroelectric market, where we recorded a good result.

Our costs and expenses, that rose as a result of the high level of inflation, were offset by the extension of the São Simão HPP concession (GSF), coming in at R$ 372.8 million, in line with the previous year.

The net income obtained (adjusted considering the equity interest in the assets) of R$ 211.5 million, was also in line with the previous year. The main positive impact was the result of the São Simão HPP, partially offset by the equity interest of the GNA project, which is still in development.

The sale of energy on the ACL contributed to our **positive results.**

In 2021, with the aim of efficiently distributing our funds, we implemented the budgeting system commonly known as a rolling forecast. By means of this approach, quarterly committees were created, involving all of the Company's departments, to perform monitoring of the forecast budget. This process allowed for a **dissemination of the culture of cost control, increasing the discipline involved in spending and improvement of department planning**. We believe that our good outcomes are the result of the efforts of all our employees.

We recorded a net income of R$ 2.06 bn,
20% more than 2020.

The São Simão HPP continued achieving good financial results (even in a year of unfavorable economic and financial scenarios), with strong and stable figures, which allowed for a renewal of its risk classification with S&P, one of the world's leading investment ratings agencies, and the awarding of a brAAA rating. This position shows that the company is a solid and safe company in which to invest.

Also in 2021, S&P included SPIC Brasil in its report of notable companies in relation to ESG. Our featuring in the publication is considered to be extremely positive, recognizing our efforts to act responsibly, positively influencing the Brazilian business environment and acting in line with the principles of the 2030 Agenda and the UN's Sustainable Development Goals (SDGs).

Financial digitization

In 2021, we continued the process of improving the digitization of our financial department. We moved forward with the distribution throughout the Company of the use of agile tools that enable improvements in quality, increased productivity and the sharing of information. By doing so, documentation procedures (signature-gathering) and the monitoring of data became part of 'Power BI', a tool that is easily accessible to all and increases business efficiency, whilst also being important to the continual monitoring of the quarterly committee's accounts.

OPERATIONAL AND ECONOMIC-FINANCIAL INDICATORS

(R$ millions)	São Simão HPP		Wind Farms		SPIC Brasil	
	2021	2020	2021	2020	2021	2020
Net Operating Revenue	1,992	1,571	69	60	2,061	1,642
Ebitda	1,667	1,254	45	39	1,58	1,367
Expenses and operating costs	-331	-344	-32	-30	-372	-382
Income for the year	**716**	**495**	**20**	**17**	**212**	**226**

SUSTAINABILITY STRATEGY

> Global Compact and SDGs
> Sustainability and ESG Strategy Committee
> Material topics

Global Compact **and SDGs**

GRI 102-12

We operated in line with the best practices guidelines established by the United Nations Organization (UN), through the 2030 Agenda and the Sustainable Development Goals (SDGs). We are also signatories to, and actively and ardently participate in the Global Compact's 'Rede Brasil', as members of the Advisory Board of the Local Network (Corb), a group providing support to the initiative's Board of Directors.

Furthermore, we are committed to the Women's Empowerment Principles (WEPs), a joint action developed by UN Women and the Global Compact, created to promote gender equality in the labor market and society in general. The initiative involves a guide for companies wishing to adhere to the movement, as well as seven pillars providing guidance on how to act to engage in the insertion of women and in their recognition in business spaces and in communities.

We actively and ardently participated in the Global Compact's 'Rede Brasil', as members of the Advisory Board of the Local Network.

Good sustainability **practices**

In 2021, our CEO, Adriana Waltrick, was elected Leader of ImPacto, an initiative of the ImPacto Leadership Program, part of the Global Compact's 'Rede Brasil', joining other representatives of companies from different sectors. She also took on the role of spokesperson for SDG 16, defending and encouraging actions on behalf of peace, justice and decisive institutions. This means that she, along with SPIC Brasil, have become important figures in the defense of this issue, as well as being active influencers in encouraging companies to operate in line with the global sustainability principles, leading to good business and values for society. GRI 102-11

We took part, as sponsors, in the 26th United Nations Conference on Climate Change (COP26), which was held in Glasgow, Scotland, between October 31 and November 12. Our CEO took an active part in three panels, explaining how we are parting in the transition of the Brazilian energy matrix. Everyone took part in the Blue Zone, a space within the event where delegates from the 197 participating countries and organizations could meet to negotiate.

The panels were: "Sustainable innovation for a sustainable future", "Supporting the energy transition on the road to net-zero", and "Energy & energy transition and Its Impact on Economic Growth – A Case Study: Brazil".

Adriana Waltrick presented what we have done to contribute to the energy transition. She also spoke about renewable energy projects, such as green hydrogen and smart energy, areas in which we already have projects and partnerships under way (see more on page 73).

Our participation in COP26 was a multi-disciplinary project that involved various areas of the Company, including the creation of a strategy and communication materials specifically for the event.

Sustainability and **ESG Strategy** Committee

In 2021, we reaffirmed our commitment and consolidated our position as a company recognized as a benchmark in sustainability. Our practical application of projects, programs and actions in each one of the ESG pillars (environmental, social and governance) displayed positive results.

The year was also notable for the creation of our Sustainability Committee, made up of employees from different departments within the company and the direct involvement of the senior management. By means of this committee, we have started to manage and guide all of our actions and operations based upon the principles of the UN's Global Compact and the SDGs.

By doing so, our ESG strategy now has a structure for the planning and monitoring of our initiatives and our production chain. As a result, international directives relating to this issue can be disseminated by the interested parties, and thus have a positive impact.

The Sustainability Committee will, together with other companies from the energy sector, through our association with the Ethos Institute, of which we are signatories in the Corporate Movement in the Fight Against Corruption, be working to promote discussions and raise the awareness of players concerning the socially responsible management of their businesses.

Material **topics**

In 2021, our Sustainability Committee created the Company's Sustainability Strategy, involving an action plan that seeks to develop different initiatives until 2030. Based upon conversations with our internal public, we were able to list ten strategic material topics with which to operate. GRI 102-42 and 102-47

Under the maxim of "human energy that drives transformation", our ESG strategy is divided into three pillars, with our strategy directives and material topics distributed across each of them:

HUMAN ENERGY: INTEGRATED AND INCLUSIVE RELATIONS, AS WELL AS THOSE WHICH RECOGNIZE THE POTENTIAL OF OUR EMPLOYEES AND PARTNERS.

Strategic directives:

- Ethics and integrity;
- Labor relations:
- Health and safety;
- Sustainable procurement.

ENERGY THAT DRIVES: DIVERSIFIED AND SAFE GENERATION OF ENERGY TO SUPPORT THE TRANSITION TO A LOW CARBON ECONOMY.

Strategic directives:

- Energy transition;
- Climate resilience;
- Eco-efficiency;

ENERGY THAT TRANSFORMS: RESPECT FOR, AND COMMITMENT TO, PEOPLE AND THE ENVIRONMENT.

Strategic directives:

- Local development;
- Biodiversity and land use;

- ESG governance

The ten material topics listed by our Sustainability Committee for the monitoring and implementation of actions are: GRI 102-47

Energy transition: to lead the transition to a low-carbon economy, contributing to energy safety, with a diverse portfolio in wind, solar, hydro and gas powered generation.

Biodiversity and land use: to guarantee the conservation of local biodiversity, supporting forest restoration and the management of ecosystem services.

Occupational health and safety: to ensure a sound culture of health and safety, with top level processes and rates.

Local development: to transform the social reality of the communities where we operate, contributing to local development.

Sustainable procurement: to incorporate socio-environmental criteria into the management of suppliers, mitigating risks and contributing to the development of the chain.

Climate resilience: to guarantee the supply of energy in a scenario of greater physical risk, related to more frequent and intense extreme climate events.

Operational eco-efficiency: to guarantee a level of excellence in the environmental management of our operations, reducing the consumption of non-renewable resources, emissions and generation of waste.

Labor relations: to develop, appreciate and ensure people's wellbeing.

Ethics and integrity: to be recognized as a corporate benchmark in ethics and integrity practices.

ESG governance: to integrate the ESG variables into our core business.

Each of the topics has its own specific action plan, which includes market drivers, benchmarking, and the challenges and paths to be taken to achieve our aims by 2030.

MATERIAL TOPICS AND THEIR BOUNDARIES GRI 103-1

Material topic	An explanation of why the topic is material	Where the impacts occur	The organization's involvement with the impacts	Any specific limitation regarding the topic Boundary
Local development	To act directly in encouraging the development of the neighboring communities, with the aim of transforming realities and contributing to local development	Outside SPIC Brasil	We transfer non-reimbursable resources into the areas of education, health care and the generation of employment and income	Mapping of opportunities for local development
Energy Transition	To lead the transition to a low-carbon economy, contributing to energy safety, with a diverse portfolio in wind, solar, hydro and gas powered generation.	Inside and outside SPIC Brasil	We develop research and innovation projects involving renewable energy sources	The socioeconomic, political and climate context
Climate resilience	To guarantee the supply of energy in a scenario of greater physical risk related to more frequent and intense extreme climate events	Outside SPIC Brasil	A wide range of renewable energy sources ensures the generation of energy regardless of climate variations	Socioeconomic, political and climate context
Biodiversity and land use	To guarantee the conservation of the local biodiversity and support forest restoration and the management of ecosystem services	Outside SPIC Brasil	Fulfillment of the environmental determinants and actions of social accountability that complement these initiatives	No limit
Operational eco-efficiency	To guarantee a level of excellence in the environmental management of our operations, reducing the consumption of non-renewable resources, emissions and generation of waste	Inside and outside SPIC Brasil	Commitments signed with international and domestic entities focused on the principles of sustainability of our operations in a global context	No limit

Material topic	An explanation of why the topic is material	Where the impacts occur	The organization's involvement with the impacts	Any specific limitation regarding the topic Boundary
Occupational Health & Safety	To ensure a sound culture of health and safety, with top level processes and rates.	Inside and outside SPIC Brasil	A strong organizational culture focused on health and safety, involving the Senior Management in all the actions.	No limit
Labor relations	To develop, appreciate and ensure people's wellbeing.	Inside SPIC Brasil	Company certified with the GPTW (*Great Place To Work*) seal	No limit
Ethics and integrity	To be recognized as a corporate benchmark in ethics and integrity practices	Inside and outside SPIC Brasil	Projects focused on certifications in the area and training of internal and external stakeholders	No limit
Sustainable procurement	To incorporate socio-environmental criteria into the management suppliers, mitigating risks and contributing to the development of the chain	Inside and outside SPIC Brasil	Tracking of the supply chain and development of the training and qualification of internal and external stakeholders	Difficulty in finding suppliers that are aligned with our principles
ESG governance	To integrate the ESG variables into the businesses of SPIC Brasil	Inside and outside SPIC Brasil	Creation of the ESG Committee and planning of objectives and targets connected to the material topics	No limit

HUMAN ENERGY

> Ethics and integrity
> Labor relations
> Occupational health and safety
> Sustainable procurement

Ethics **and integrity**

GRI 103-2, 103-3 | 205

Ethics and integrity are priority issues for the management of SPIC Brasil, forming an integral part of our business strategy. This commitment is reflected in internal actions, with the adoption of regulations, instruments and tools that ensure we stay true to our proposal. We have also adopted external actions, working directly and pro-actively with the chain of suppliers and the neighboring communities.

The work starts with directives from the Senior Management and should run through all the employees' activities. To achieve this, we offer training to the internal public to ensure their understanding of the Integrity Program, the Code of Conduct and Ethics, and the compliance regulations. We also work hard to raise awareness on the importance of the issue throughout the market and with society as a whole.

As signatories to the Global Compact and members of the Advisory Board of the Local Network, we successfully address the challenge of combating corruption in all its forms. Through participation in working groups, such as that focused on anti-corruption, we help to articulate discussions on taking a stand against illegal actions.

In 2021, we were also involved in important international discussions on this issue. Adriana Waltrick, for example, was a member of the round tables organized by the Global Compact, an initiative that hosts events designed to encourage dialog on different topics, such as the combating of corruption, between the CEOs of global companies.

We also adhere to the 'Movimento Transparência 100%' (100% Transparent Movement), a commitment also established by the UN's Global Compact, which aims to encourage Brazilian companies to adopt anti-corruption measures. The idea is that the members assume the goal of being 100% transparent by 2030, in line with the Sustainable Development Goals (SDGs). **GRI 102-13**

100% Transparency

We were one of the pioneer companies that signed the 'Movimento Transparência 100%' (100% Transparent Movement), launched by 'Rede Brasil' in 2021. As part of this, we are making a public commitment to the following targets:

> Target 1
100% transparency in our interactions with the Government;

> Target 2
Remuneration 100% integral Remuneration of top management;

> Target 3
100% of the value chain considered to be high risk **trained in integrity**;

> Target 4
100% transparency of the **Compliance and Governance structure**;

> Target 5
100% transparency of the **complaint hotlines**.

By signing this public commitment, we are undertaking to define the deadlines by which we will achieve each one of the targets, in line with the following schedule:

- One target achieved by 2023;
- Two targets achieved by 2025;
- Three targets achieved by 2027;
- Five targets achieved by 2030.

All of the initiatives reaffirm our aim of incorporating an ESG strategy that includes the issues of Ethics and Integrity into our business model. As part of this agenda, by 2030, we expect **to have expanded these directives to all the third-party companies with which we operate**. Also on our radar we aim to obtain the 'Pro-Ethics' seal, conferred by the Ethos Institute and by the General Controllership of the Union, by 2025.

INTEGRITY PROGRAM

GRI 103-2, 103-3| 205

Launched in 2019, our Integrity Program involves a set of regulations and guidelines on ethics and compliance issues, and is designed for employees, managers, board members and business partners.

INITIATIVES WITH THIRD PARTIES

In 2021, the efforts were focused on engagement of the production chain with the Integrity Program. Over this period, we developed a specific tool and a policy to direct and facilitate the reputational analysis of third parties, thereby increasing the reliability of our market relations.

We also implemented a training program, in the form of an educational video aimed at third parties who work directly with our operational units, with the aim of spreading our culture of integrity. Now, in addition to training on safety, these professionals participate in training sessions on integrity, covering our values and providing guidance on the use of the bad conduct complaint hotlines.

We also provided additional training on this issue, that involved the participation of 43 third parties and 13 suppliers. Adding this to guidance provided by the educational video shown during the training sessions provided to the units, improving the activities of 336 workers, we provided a total of 33 hours of training.

Our Integrity Program includes a **set of regulations and guidelines** on the issues of ethics and compliance.

Policies that **make a difference**

As well as the Code of Conduct and Ethics, the fight against corruption is regulated by internal policies such as: The Anti-corruption Policy; Policy of Consequences, Disciplinary Measures and Sanctions; Policy of Corporate Investigation; Policy of Gifts, Presents, Entertainment and Hospitality; and the Policy of Conflict of Interests.

In 2021, we found no significant risks or accusations of corruption, whilst no operations were subjected to risk assessments related to corruption. Neither were there any confirmed cases of corruption during the period covered by the report. **GRI 205-1, 205-3**

Our workers are prepared to deliver everything they have to offer in the company's operations

EMPLOYEE TRAINING GRI 205-2

The company's employees participated in 125.5 hours of training, involving 200 individuals, covering subjects such as conflict of interests, moral and sexual harassment, and discrimination. The meetings were also used as a means of explaining the Ethics Hotline. We also distributed 14 internal communications designed to reinforce the culture of integrity - 11 of the monthly newsletters covered integrity issues, and three provided information on the Ethics Hotline.

With the aim of making the practices relating to the issue a reality and bringing them together into a single moment for the internal public, we organized the 'Integrity Week'. At this event, educational activities were developed and videos on the subject were presented to the entire Company. There was also a talk, presented in partnership with the Ethos Institute, which was attended by 115 employees. Amongst the issues discussed were moral and sexual harassment, discrimination and the gifts policy.

In addition to this, in 2021, participation in the e-learning program on integrity remained a basic requirement for all new employees at the company.

All of our employees receive training to learn about and understand the aspects covered in the Integrity Program and the Code of Conduct and Ethics. The company's direct employees and those of third parties involved in the operational units are all provided with training on moral and sexual harassment, discrimination and the Ethics Hotline. During the pandemic, all training was performed on-line.

Integrity **ambassadors**

In 2021, we trained a new group of integrity ambassadors - voluntary employees who work to create and spread the culture of integrity in the company. More than 10 hours of training were provided for the eight employees who got involved in this action during the year. We now have 17 ambassadors, from many different departments, helping to spread the culture of integrity throughout the Company.

Ethics
Hotline GRI 103-2

We make an Ethics Hotline available for the employees and third parties to report situations of non-compliance with the Code of Conduct and Ethics. This tool is managed independently by KPMG, and allows any type of ethical irregularity (or similar behavior) to be reported via the company portal, e-mail, a '0800' telephone number, or by mail. The Hotline allows the person making the complaint to remain anonymous.

The investigation process has been structured to provide security for all the parties involved, since the process involves complete confidentiality and a counter-retaliation procedure.

In 2021, with all employees and third parties having been made aware of its existence and how to use it, 17 reports were made, all of which were properly addressed and resolved.

Complaints to the Ethics Hotline GRI 103-2

	2019	2020	2021
Number of complaints identified by means of the mechanism	1	7	17
Number of complaints addressed	1	7	17
Number of complaints resolved	1	7	17
Number of complaints registered prior to the period covered by this report and resolved over the course of this period	0	1	8

The complaints received through the Hotline mainly concerned: bad conduct, physical aggression, moral harassment, matters relating to Covid-19, sexual harassment, conflicts of interest, praise, retaliation/reprisals, and violations of the labor laws.

Members of the governance body who were contacted and received instruction on anti-corruption policies and procedures, by region GRI 205-2

Region	Members of the governance body	2019		2020		2021	
		Communicated	Instructed	Communicated	Instructed	Communicated	Instructed
São Paulo	number	10	10	10	10	12	11
	%	100	100	100	100	100	91.67
Natal	number	1	0	1	1	1	1
	%	100	0	100	100	100	100
São Simão/Santa Vitória	number	1	1	1	1	1	1
	%	100	100	100	100	100	100
Mataraca	number	0	0	0	0	0	0
	%	0	0	0	0	0	0
Total	number	12	11	12	12	14	13
	%	**100**	**91.67**	**100**	**100**	**100**	**92.86**

Employees communicated who were contacted and received instruction on anti-corruption policies and procedures, by region GRI 205-2

Region	Employees	2019		2020		2021	
		Communicated	Instructed	Communicated	Instructed	Communicated	Instructed
São Paulo	number	162	126	198	8	215	186
	%	100	77.78	100	4.04	100	86.51
Natal	number	14	8	15	0	19	16
	%	100	57.14	100	0	100	84.21
São Simão/Santa Vitória	number	0	0	0	0	0	0
	%	0	0	0	0	0	0
Mataraca/PB	number	0	0	0	0	0	0
	%	0	0	0	0	0	0
Total	number	176	134	213	8	234	202
	%	**100**	**76.14**	**100**	**3.76**	**100**	**86.32**

CORPORATE GOVERNANCE GRI 102-18

Our growth is based upon good practices of corporate governance. The ESG aspects form an integral part of our strategic planning and take physical form through actions and targets that ensure the sustainability and longevity of the business. The governance structure involves a decision-making model connected to SPIC Global's own requirements and the best international practices of business management.

The Board of Directors includes two independent members - one of them works at SPIC Brasil itself, and the other at the São Simão HPP. There is also an Executive Board, made up of 13 representatives. The senior management is responsible for deciding upon the activities of the Company as a whole, developing strategic plans and targets, and monitoring the fulfillment of these objectives.

2021 was notable for the creation of two new committees - 'Personnel' and 'Risk Management' - that report directly to the Board of Directors. The decision-making structure already involves the 'Sustainability', and 'Ethics and Integrity' committees. The company's trading policy was also revised to improve the flow of sales approvals and strategies (a fundamental element within the context of the creation of the 'Comercializadora') which has ensured that the market decision processes are that much more streamlined.

We also published a 'Governance Book', and have been distributing it, through internal workshops, to all of our employees. Through this publication, we have been able to inform and guide the internal public on the company's governance decision-making model and the flows of approval, thus ensuring more efficiency in the processes and handling of organizational projects.

Individuals participating in the governing bodies GRI 102-8

	2019	2020	2021
Members of governing bodies	11	12	9

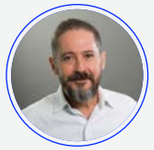
Transparency in corporate governance is essential to the performance of the company

Adriana Waltrick
CEO

Miguel Saad
Technical and O&M Director

Paulo Dutra
CFO

Carlos Longo
Regulation and Commercialization Director



Wanderley Fernandes
Legal Director

Marcela Pacola
Business Development Director

Wagner Ferreira
Thermal Operations Director

Sueli Hudson
Human Resources Director

Marcos Adam
IT Director

Odair Oregoshi
Risks and Compliance Director

Roberto Monteiro
Communications Director

Ricardo Siufi
Procurement Director

Leandro Alves
Renewable Operations Director

The governance structure involves a decision-making model connected to SPIC Global's own requirements and the **best international practices of business management**.

RISK MANAGEMENT

GRI 403-7

We follow best business and market practices in the risk mapping and management process, including the 'Coso 2017', an international benchmark model for companies, incorporating the issue in our strategic planning. As part of this, we have impact and likelihood rules that help us evaluate the levels of exposure to the risk events mapped out for the Company and to define the issues that are of primary importance to the senior management. The aim is to develop action plans so that these events can be mitigated and continually monitored.

Due to the creation of the Internal Audit Department, in 2021, our Risk Management Committee, that was founded in 2020, received the new title 'Risks and Audit Commission'. Its objective is to decide upon the risk management directives, monitor the evolution and effectiveness of the mitigation action plans, contribute to the understanding of possible risks and their impacts for the Company, and ensure efficiency in the handling of this issue in the operations and business. The strategy developed for creation of a specific body for management of this issue extended also to the São Simão HPP, and the activities of this group started in June.

In 2021, we mapped out the Company's corporate risks. With the full involvement of the Company's executives, we mapped the risks of Package Three of the Modernization of the São Simão HPP and its Operation and Maintenance, as well as the Company's seven critical processes.

Modernization of São Simão monitored by a rigorous management of risks

Internal **audit**

In April 2021, we created the Internal Audit Department, which responds directly to the Risks and Compliance Board. The actions designed to strengthen our governance led to results including the implementation of the International Risks and Audit Committee, the definition and approval of the department's operations methodology, and the execution of the audit plan. The construction of the policy that guides the work was based upon best market practices..

For the coming years, the challenge is to strengthen the integrated model of the area of risk management and control, and to automate the work with methodologies concerning self-assessment of controls and continuous monitoring.

CULTURE OF SAFETY

GRI 103-2, 103-3 | 403

The total safeguarding of health and human life is an integral part of our culture. As such, we are constantly monitoring any risks to our operations that could affect the safety of our workers. **GRI 403-2**

All the employees at our facilities, whether they are contracted or outsourced, are encouraged to immediately communicate any hazards relating to health and safety or risks to the environment. We are committed to investigating these hazards and formally documenting the actions taken in response.

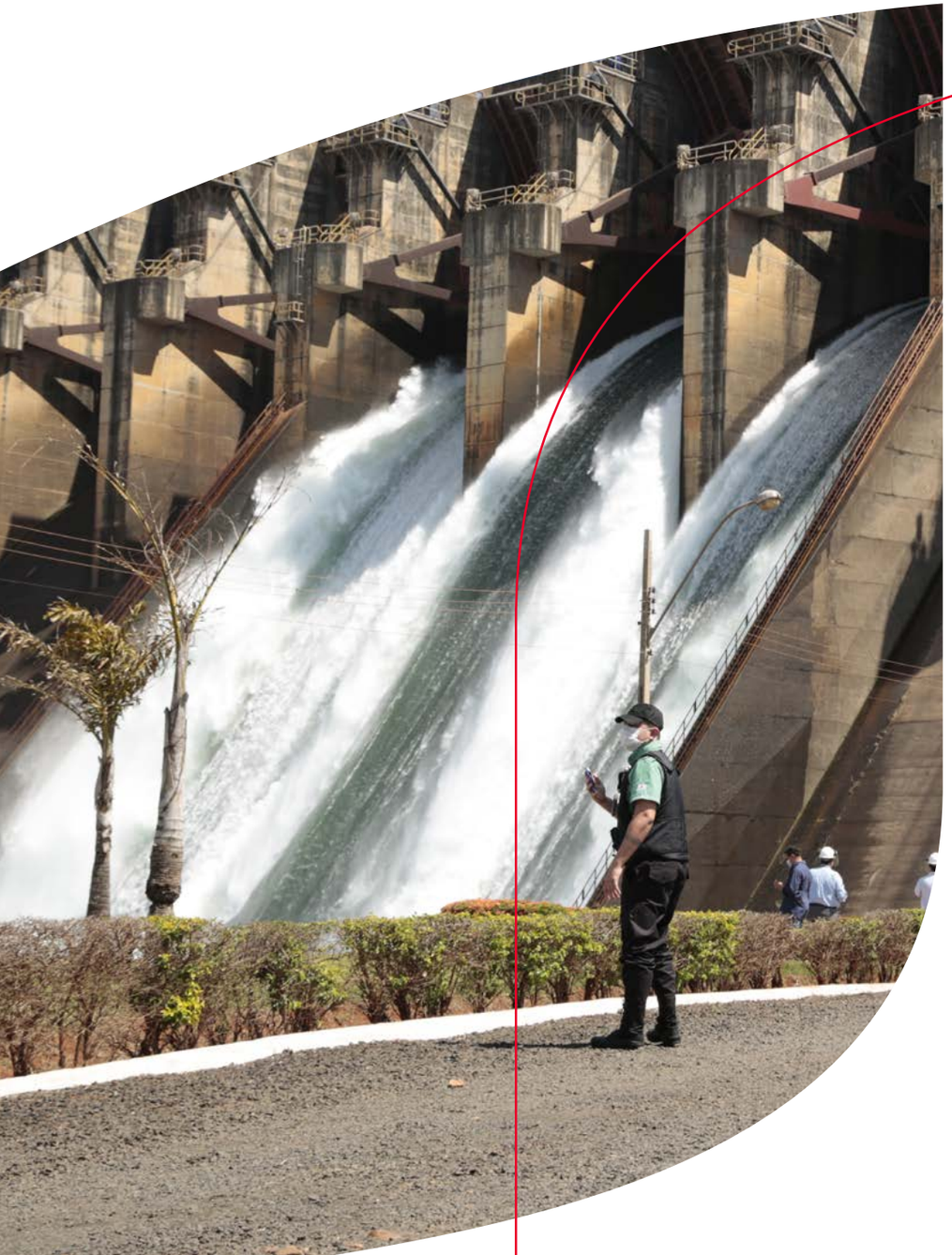
In the event of imminent risk of injury, illness or environmental impact, the person responsible for the activity should take action to ensure the safety of the space and immediately report the situation to their superior or the health and safety department.

We also have an established a procedure for the investigation of incidents. The objective is to establish, implement and maintain a system for the registration, investigation and analysis of events occurring on the Company's premises. **GRI 403-4**

Our employees are culturally engaged in processes such as: **GRI 403-5**

- identification of hazards, aspects and impacts;
- risk assessment;
- determination of control initiatives;
- investigation of incidents;
- definition of objectives and targets;
- registration of non-compliance;
- changes that could affect safety and which contribute to the performance of the System for the Management of Occupational Health and Safety, Environment and Quality of our Company.

We produce monthly reports containing all the information and data concerning the identification of risks and the occurrence of any possible incidents or accidents. Based upon the collection of this information, we develop a report for our CEO, Adriana Waltrick, who monitors the actions with regard to this area.



Labor **relations**

Our care for people is one area of our labor relations of which we are extremely proud. We take great care to guarantee the wellbeing and quality of life of our employees and their families. Along these lines, we work hard to ensure a top-quality, ethical, diverse and healthy workplace, promoting human resources actions that are implemented at all our units - from the administrative offices to the generation plants.

2021 will be especially remembered for the consolidation of the process of transformation of our internal culture. Once our mission, vision and values had been defined in 2020, 11 'culture ambassadors' were chosen, these being employees representing our different business units, who work organizing workshops with the other employees and on the construction of an action plan designed to align and strengthen our values. In total, around 50 initiatives, developed and guided by the different departments within the Company, are being executed and around 15 high-impact actions which needed to be implemented quickly have already been delivered.

In 2021, we conducted our annual Workplace Environment Survey for the first time, using the specialist, internationally-recognized 'Great Place to Work' (GPTW) methodology. Once our final average engagement had been established, we were awarded the 'Great Place to Work' seal, which allows us to compete in important market rankings relating to recognition of practices related to this issue.

Our personnel and the organizational climate, due to the empathy, respect and confidence, were the reasons most commonly cited by our employees in the study performed to obtain the certification.

The Workplace Environment Survey is helping us identify the perspectives our employees have regarding **our personnel management actions**. We also run campaigns to demonstrate how we are reacting to the information collected, with a view to engaging the internal public and demonstrating that their demands are indeed being heard to. In relation to the concerns raised about the pandemic, we regularly broadcast live events and made explanatory materials and videos produced by our resident specialist in infectious diseases available, due to the urgency of the matter.

EMPLOYEE PROFILE GRI 102-8

Collaborators by type of employment contract and gender

Type of contract	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	128	50	178	157	58	215	171	64	235
Temporary	7	6	13	8	4	12	11	8	19
Total	**135**	**56**	**191**	**165**	**62**	**227**	**182**	**72**	**254**

Employees by type of employment contract and region

Region	2019			2020			2021		
	Determined period	Indeterminate period	Total	Determined period	Indeterminate period	Total	Determined period	Indeterminate period	Total
São Paulo	8	103	111	10	111	121	14	119	133
Natal	1	11	12	0	12	12	2	16	18
São Simão/Santa Vitória	3	61	64	2	89	91	2	97	99
Mataraca/PB	1	3	4	0	3	3	1	3	4
Total	**13**	**178**	**191**	**12**	**215**	**227**	**19**	**235**	**254**

Employees by type of employment

Type of employment	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	128	50	178	157	58	215	171	64	235
Total	**128**	**50**	**178**	**157**	**58**	**215**	**171**	**64**	**235**

* We have no employees contracted on a part-time basis.

Employees by age group

	2019	2020	2021
Under 30	17	18	20
30 to 50	136	168	179
More than 50 years old	25	29	36
Total	**178**	**215**	**235**

* We do not include here apprentices or third-parties.

Employees by employment category

	2019	2020	2021
Board of Directors	6	6	6
Senior Management	8	8	9
Middle Management	26	29	37
Technicians/Supervisors	55	61	74
Administrative Staff	83	111	109
Total	**178**	**215**	**235**

* In 2019 and 2020 we had five employees contracted under team agreements, located at two companies within the group. And, in 2020, we had four managers contracted in this manner. In this report, we are considering only one of the agreements to avoid duplication.

Workers by employee category and gender

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Apprentices	2	1	3	1	1	2	3	1	4
Third parties	5	5	10	8	4	12	9	8	17
Total	**7**	**6**	**13**	**9**	**5**	**14**	**11**	**9**	**21**

Personnel Management System

GRI 103-2, 103-3 | 401

In 2021, we launched 'Conexão RH' (HR Connection), a new SPIC Brasil management tool designed to support all the Human Resources subsystems. This is a single online platform that concentrates information such as vacations, clocking in, wage slips, payrolls, e-learning training, performance evaluation, recruitment, and selection, amongst other services. The tool aims to fully digitize our personnel department, contributing to making it stronger and more strategic, in order to ensure the operational efficiency and security of data in all our operations.

'Conexão RH' was launched in modules over the course of the year, providing sessions involving 100% of the company's employees, to train them in the mechanisms and the ways the system is to be used in different modules.

TRAINING AND QUALIFICATION

GRI 103-2, 103-3 | 404

We have a Training and Development Policy that coordinates the actions focused on the development of our employees. We offer assistance in graduate, post-graduate, extension and language courses, with the language courses focusing on English and Mandarin, the latter being specifically for directors, to facilitate and strengthen the senior management's direct relationship with investors.

In line with our personnel development strategy, the SPIC University, our corporate university, and 'SPIC Brasil e-learning', a platform providing short courses, remained 100% online in 2021, with all the courses recording a high level of participation.

The SPIC University works around four main themes: behavior, providing courses aligned with the needs established in the company environment and culture diagnoses; business, with subjects aimed at providing an in-depth exploration of the energy sector; technical studies, based upon an array of training sessions developed depending upon the needs and functions of each employee; and management, involving the Leadership Academy, launched in 2021.

The Academy is a partnership with the Dom Cabral Foundation (FDC), with the target public being the senior management. Training and discussions have been offered on issues including business strategy and personnel management. In total, 13 executives have participated in this initiative. This is an annual program and it is expected that, in 2022, a second group of students will be welcomed, composed of management level employees.

Each year, we define targets that establish the minimum number of hours of training for each employee. **The monitoring of the training is performed every month by the Human Resources department**.

In 2021, in a partnership with the São Simão HPP operations department, a study was performed to better understand the training that already exists and the demands necessary for the training of our employees who perform technical jobs at the unit. Following this, **an array of technical training activities was created allowing us to develop specific skills inherent to each position** and develop a medium-term training planning schedule for training.

Following the behavioral training, as a means of monitoring the efficacy of the actions, the employees fill out an evaluation to express their perceptions of the course. For the technical training, we distributed an efficacy questionnaire to the manager of the participating employee, thus allowing them to explain the improvements that have arisen from the learning processes.

Also, in 2021, a Mentoring Program launched aimed at management employees. Lasting six months, this program was offered in partnership with an external consultancy, covering issues such as personnel management, team management, employee engagement, resilience in the workplace, emotional intelligence and effective communication. In total, 20 employees participated in theoretical and practical workshops, as well as individual mentoring sessions.

Average number of employee training hours by gender GRI 404-1

	2019	2020	2021
Men	28.99	30.7	38.56
Women	38.32	31.86	44.05
Total	31.61	31.02	40.05

Average number of employee training hours by employment category GRI 404-1

	2019	2020	2021
Senior Management	23.81	9.75	39.33
Middle Management	16.98	14.21	15.67
Administrative Staff	36.19	35.92	46.33
Total	31.61	31.02	40.05

*The average number of training hours for board members and technicians/supervisors has not been recorded over the last three years.
*The average number of training hours for workers such as apprentices and outsourced workers has not been recorded over the last three years.

In total, the SPIC University concluded an **average of 36 hours of training per employee** in 2021.

REMUNERATION AND BENEFITS POLICIES

In 2021, the performance evaluation process was expanded to a 360° model involving all the employees and adhering to the best personnel management practices available in the market. Based upon our corporate values, each employee evaluates themselves, their peers and their manager, as well as members of their team, if they occupy a leadership position, thereby strengthening the sense of joint construction, and of partnerships, to be able to achieve better results.

Also in 2021, we launched 'Ciclo de Méritos' (Merit Cycle), a new salary analysis and readjustment policy directive to be applied to all employees. The strategy is connected to the performance evaluation process, and is a means of recognizing the positive results of the internal public over the course of the year. We also continued with our Profit and Results Sharing Program (PLR), providing benefits for the employees depending upon the extent to which the targets are achieved.

In 2021, we made improvements to our pension plans, which also received a new name - 'SPIC Prev'. The new structure implemented practices in line with the market and we began offering a plan with an investment fund portfolio offering options for all investor profiles.

Energy **working together**

Our recognition program was restructured in 2021 with the intention of strengthening the value of collaboration between teams and between different areas of SPIC Brasil. In this process, each of them reached an agreement to nominate an employee from another sector, considering the positive impact they have had across the year. This year, 18 people were recognized as part of this program, receiving a voucher for R$ 1,500 and a trophy. The awards were presented at our annual staff party which was held online.

Also in 2021, we launched 'Ciclo de Méritos' (Merit Cylce), **a new set of salary analysis and readjustment policy guidelines** to be applied to all employees.

DIVERSITY AND INCLUSION

GRI 103-2, 103-3 |405

From the perspective of ESG, one of our strategic fronts for the coming years is connected to the promotion of biodiversity and inclusion in the workplace. We believe that hard work and commitment to this issue will ensure improvement in the organizational environment and greater productivity in all areas of our business - both operational and corporate.

In 2021, we took great steps forward in our aim to increase gender diversity amongst our leaders, with women forming an average of 26% of our senior management - ranging from the CEO to coordinators and supervisors. With these results, we have already achieved the target of 25% which had been set for 2025. It is expected that, by 2030, this number will have risen to 31%.

In the short-term, through a partnership with an external consultancy, we are analyzing the diversity and inclusion of SPIC Brasil, in order to identify which pillars are in line with the culture that we are aiming to continually strengthen and, by doing so, establish an action plan to prioritize deliveries in 2025 and achieve the targets established for 2030.

Considering the importance of having an increasingly diverse environment, we are already one step ahead of the diagnosis and have defined two pillars that we will be working with in 2022: “Gender”, involving awareness-raising actions; and “Generations”, based upon the launch of our first internship program.

The energy of this team inspires us, **improves our work and drives us forward.**

Individuals within the organization’s governance organs, by gender (%) GRI 405-1

		Members of governing bodies
2019	Men	90.91
	Women	9.09
	Total	**100**
2020	Men	91.67
	Women	8.33
	Total	**100**
2021	Men	88.89
	Women	11.11
	Total	**100**

Individuals within the organization’s governing bodies, by age group (%)

		Members of governing bodies
2019	30 to 50	54.55
	More than 50 years of age	45.45
	Total	100
2020	30 to 50	58.33
	More than 50 years of age	41.67
	Total	100
2021	30 to 50	55.56
	More than 50 years of age	44.44
	Total	**100**

* The number of individuals under 30 years of age participating in the organization’s governing bodies has been zero for the last three years.
* The number of under-represented groups participating in the governing bodies is also zero.

Employees, by employment category and gender (%) GRI 405-1

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Board of Directors	83.33	16.67	85.71	14.29	83.33	16.67
Senior Management	62.5	37.5	57.14	42.86	77.78	22.22
Middle Management	76.92	23.08	79.31	20.69	78.38	21.62
Technicians/Supervisors	94.55	5.45	93.44	6.56	93.24	6.76
Administrative Staff	55.42	44.58	60.36	39.64	55.96	44.04
Total	**71.91**	**28.09**	**73.02**	**26.98**	**72.77**	**27.23**

Employees, by employment category and gender (%) GRI 405-1

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Apprentices	66.67	33.33	50	50	75	25
Third parties	50	50	70	30	52.94	47.06
Total	**53.85**	**46.15**	**66.67**	**33.33**	**57.14**	**42.86**

Employees, by employment category and age range (%) GRI 405-1

	2019			2020			2021		
	Under 30	30 to 50	More than 50 years old	Under 30	30 to 50	More than 50 years old	Under 30	30 to 50	More than 50 years old
Board of Directors	0	16.67	83.33	0	42.86	57.14	0	33.33	66.67
Senior Management	0	87.5	12.5	0	71.43	28.57	0	55.56	44.44
Middle Management	73.08	26.92	0	0	75.86	24.14	0	75.68	24.32
Technicians/ Supervisors	7.27	83.64	9.09	8.2	80.33	11.48	8.11	79.73	12.16
Administrative Staff	15.66	75.9	8.43	11.71	80.18	8.11	12.84	77.98	9.17
Total	**20.22**	**69.66**	**10.11**	**8.37**	**78.14**	**13.49**	**8.51**	**76.17**	**15.32**

Employees, by employment category and age range (%) GRI 405-1

	2019			2020			2021		
	Under 30	30 to 50	More than 50 years old	Under 30	30 to 50	More than 50 years old	Under 30	30 to 50	More than 50 years old
Apprentices	100	0	0	100	0	0	100	0	0
Third parties	0	40	60	10	90	0	11.76	64.71	23.53
Total	**23.08**	**30.77**	**46.15**	**25**	**75**	**100**	**28.57**	**52.38**	**19.05**

Employees from under-represented groups, by employment category (%)[1] [2] GRI 405-1

	2019	2020	2021
	Black and Mixed race	Black and Mixed race	Black and Mixed race
Administrative Staff	2.41	1.8	1.83
Total	**1.12**	**0.93**	**0.85**

[1] The number of Black and mixed race employees amongst the Board, Directors, Managers, Technical/Supervisory roles is zero.
[2] The number of under-represented groups such as Disabled and the LGBT community is zero.

Employees from under-represented groups, by employment category (%)[1] GRI 405-1

	2019	2020	2021
	Black and Mixed race	Black and Mixed race	Black and Mixed race
Apprentices	100	100	100
Total[2]	**23.08**	**16.67**	**19.05**

[1] The number of outsourced workers from under-represented groups is zero.
[2] Total compared to the total number of workers.

Occupational **health and safety**

GRI 103-2, 103-3 | 403

We work hard to promote a safe and healthy environment for our employees, outsourced workers and suppliers. By adopting best corporate and market practices, we provide the proper conditions for all our professionals to be able to safely perform their functions to a high standard, minimizing potential risks and guaranteeing good operational productivity. GRI 403-1

In this sense, one of the targets established for the coming years, as part of our ESG strategy, is to increase the level of awareness of our employees in relation to the reporting of near-accidents and conditions of risk. To achieve this objective, we are seeking to strengthen the culture of safety by providing training and communication and awareness-raising programs.

Furthermore, we also intend to develop a specific digital inspection system to ensure the safety of the operations, aiming to reaffirm the importance of a safe environment for our professionals and guarantee that the processes and activities are aligned with our standards of quality and safety.

BEST WORKING CONDITIONS GRI EU16

To ensure the health and wellbeing of all our employees, we have implemented an internal procedure that identifies and highlights the necessary skills for each position working with activities that affect the occupational health and safety, environment and quality management systems. By means of this procedure, we have established working standards, including:

- improvement of personal performance, and;
- identification and training associated with the dangers and risks involved in each activity. This procedure is designed to work in tandem with our Training and Development Policy.

There is also another process that concerns the management of protection items, with the aim of establishing a system for the definition, approval, use and maintenance of collective and individual protective equipment (CPE and PPE respectively) to be used by our employees and professionals employed by contractor companies who perform work at our units.

We work hard **to promote a safe and healthy environment** for our employees, outsourced workers and suppliers.

A safer environment

We map, monitor and mitigate all the risks involved in our operation, reiterating our commitment to guaranteeing safety in the workplace. Along these lines, we ensure that our employees are continually trained in the best preventive health and safety practices. Our aim is to achieve the target of zero accidents and full compliance in our activities by 2030.

Focusing on the continued improvement of our occupational health and safety management systems, we hold the ISO 45.001 certification at all our units - meaning we have already achieved the target adopted for 2025. In 2021, SPIC Brasil recorded one accident, which did not require sick-leave, at a wind-power generation plant, and another, which did not require sick-leave either, at the São Simão unit. There were no accidents requiring sick-leave at our operations. EU25

To protect the workers of third party companies or service providers, and ensure their health and safety, we have an internal regulation called “HSEQ Directives for Contractors”. By means of this document, we aim to eliminate danger and minimize risks, whilst always being regulated by our risk matrix. We also implement specific regulations at each of our operational units, depending upon the specific characteristics of each location. GRI 403-2, 403-7

Through all these actions and initiatives, we are able to promote a conscientious culture of occupational health and safety, the environment and quality within SPIC Brasil.

Work-related injuries GRI 403-9

	2019		2020		2021	
	Employees	Workers who are not employees, but whose work and/or location of work is controlled by the organization	Employees	Workers who are not employees, but whose work and/or location of work is controlled by the organization	Employees	Workers who are not employees, but whose work and/or location of work is controlled by the organization
Number of hours worked	351,948	354,308	277,530	440,113	251,552	453,032
Number of recorded work-related injuries (including fatalities)	0	5	0	1	0	1
Rate of recorded work-related injuries (including fatalities)	0	14.11		2.27	0	2.21

* The base for the number of hours worked is 1,000,000 hours.
* The number of fatalities or serious accidents has been zero over recent years.

PROMOTING QUALITY OF LIFE

Our employees enjoy a health care plan and the Be Healthy health program that brings together initiatives and benefits that encourage the practice of physical exercise, healthy eating and the promotion of mental health, aiming to encourage everyone to take good care of themselves. Through this initiative, everyone has guaranteed access to a psychologist, with up to six free sessions, and a nutritionist, who develops tailored dietary regimes. GRI 403-6

We also make the program 'Conta Comigo' (Count on Me) available to our employees, this being a support channel that provides psychological counseling and support from financial and legal professionals. These tools are provided 24-hours a day by telephone. All information concerning employees' health is confidential, in line with the SPIC LGPD Guide, and only health care professionals or occupational physicians have access to these data. GRI 403-3

We also offer benefits such as a 'Gym-pass' and 'Run&Fun'. In locations where there are no gyms available, we have signed agreements with health clubs and sports spaces, showing that we always have our employees' health in mind. We also provide yoga and meditation classes.

To show our support for the engagement of this group of stakeholders, we have created an award for employees with high levels of participation in these actions. Amongst the awards are gift-vouchers and smart watches. **These incentives have greatly contributed to the rise in participation, with 80 enrolled individuals**. As part of our ESG strategy for the coming years, we expect engagement to rise to 50% by 2025 and 65% by 2030.

Programs encourage the practice of sports amongst employees

WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM GRI 403-8

Numbers and percentages of workers

Employees		2021	
		Other workers[1]	
Total number of individuals	Nr.	244	244
Individuals covered by an occupational health and safety management system based upon legal requirements and/or recognized standards/directives	Nr.	244	244
	%	100	100
Individuals covered by an occupational health and safety management system based upon legal requirements and/or recognized standards/directives, that has been audited internally	Nr.	45	8
	%	18%	4%
Individuals covered by an occupational health and safety management system based upon legal requirements and/or recognized standards/directives, that has been audited or certified by an external party	Nr.	244	224
	%	100	100

1 Workers who are not employees, but whose work and/or location of work is controlled by the organization.

Parental leave GRI 401-3

		2019	2020	2021
Employees who have the right to take leave	men	135	165	182
	women	56	62	72
Employees who have taken leave	men	4	4	4
	women	1	2	2
Employees who returned to work, during the period covered by the report, following the end of the leave	men	4	0	4
	women	1	2	2
Employees who returned to work following the leave and who continued to be employed 12 months after their return to work	men	4	4	0
	women	1	2	0
Rate of return	men	1	0	1
	women	1	0.67	2

* The retention rate for the last three years is zero.

FIGHTING THE PANDEMIC

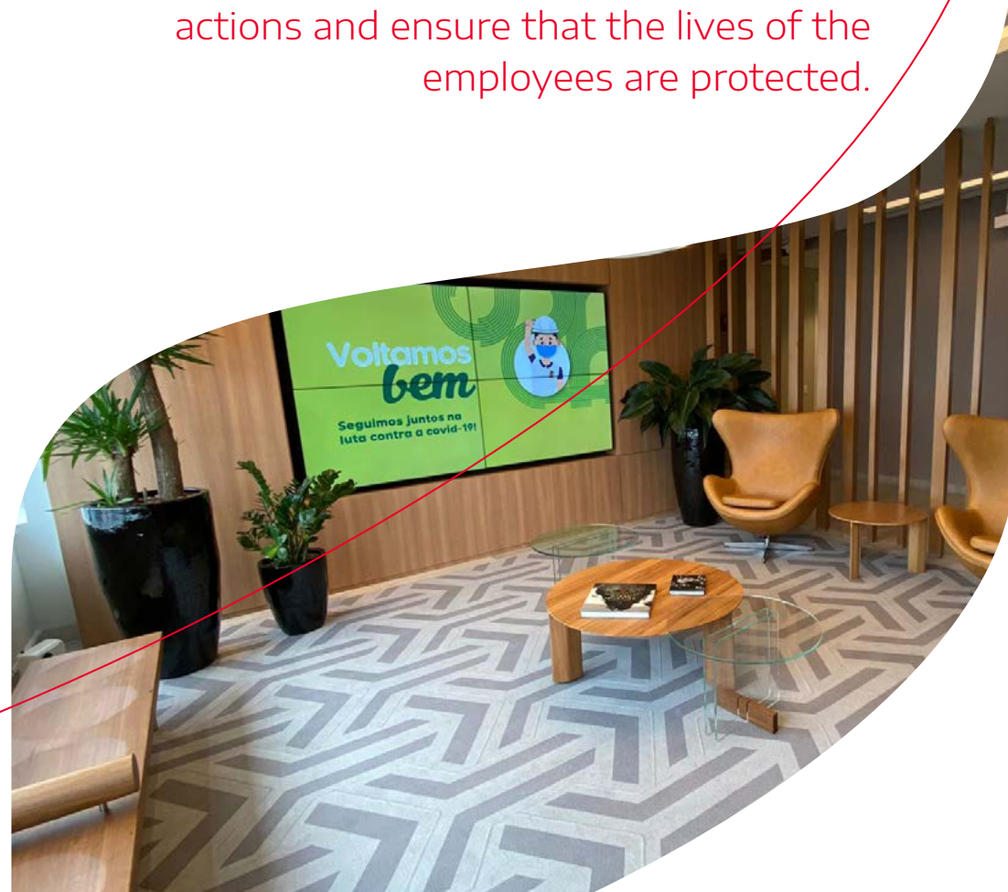
2021 was notable for the continuation of the pandemic, that reached its peak fatality rate in Brazil in April. We continued with the *'home office'* model (for employees whose activities allowed it) until September, when it was replaced by a hybrid system, which involved people working three days at the office and two days from home. We also established a rotation system to reduce the number of people present at our facilities.

In these two models, we maintained strict protocols of health and safety for our employees and outsourced workers. The return to work in person at the office was only permitted for those who had completed the full series of vaccinations. Once 15 days had passed since the final dose, our employees could start to migrate to the hybrid working model, with three days being spent in the office and two days working from home.

The work stations were prepared in line with distancing regulations and protocols established by the Ministry of Health. In support of the health care of our employees, we distributed welcome-back kits containing hand sanitizers and a wash-kit. In addition to these measures, we also signposted the work stations and limited the use of collective spaces.

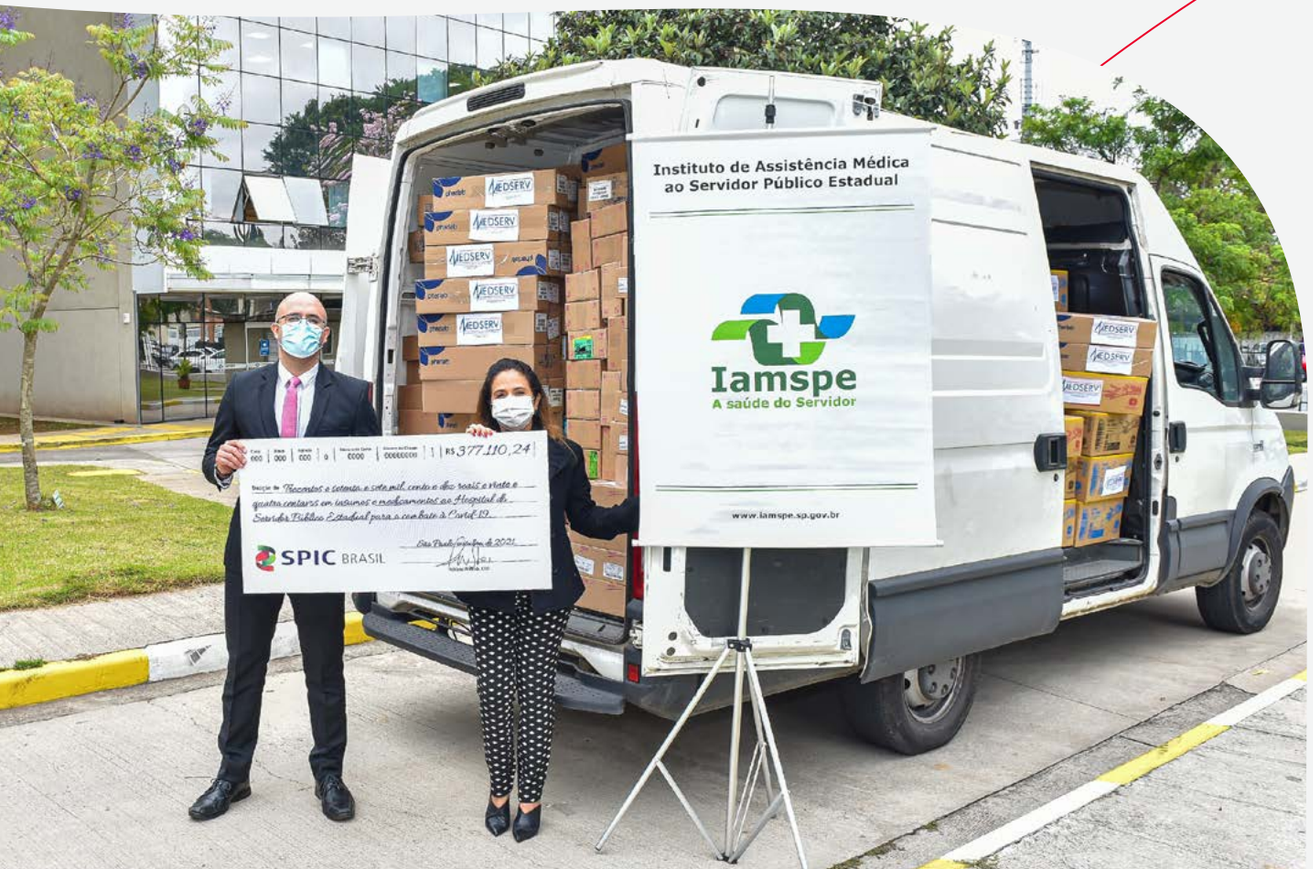
In 2021, we started consultations with a specialist in infectious diseases, Dr. Carlos Rosenthal, as a means of establishing our sanitary guidelines. We also brought in doctors to care for each one of our facilities, with the aim of closely monitoring all of our employees and their families. Furthermore, we performed Covid-19 testing on our employees every 11 days, using the most effective detection method - RT-PCR.

We continued with the activities of the Covid-19 committee, created in 2020, with the participation of the CEO, the board of directors and senior management. The committee is designed to monitor actions and ensure that the lives of the employees are protected.



All in-person work was governed by clear distancing rules and health guarantees

As a means of supporting the fight against Covid-19, **we donated around R$ 120,000 to the São Simão Health Department and R$ 380,000 to the Hospital do Servidor Público** in São Paulo.



We monitored the developments in the vaccinations against Covid-19, advising and encouraging employees to complete the full course of immunization. We also **continued to distribute triple-layer, surgical face masks** and to perform actions intended to encourage employees and their families to stay at home, thus avoiding crowds and risks of contamination.

We performed a wide-reaching campaign for vaccination against influenza, including H1N1.

We donated more than R$ 500,000 to initiatives designed to fight Covid-19.

Sustainable **procurement**

GRI 102-9

In line with the Company's global rules, in 2021 we implemented new guidelines for the procurement processes. We always aim to work with suppliers who value ethics, integrity, transparency and sustainability.

With the changes that are being made, the majority of our acquisitions is now being made by the Procurement Department. The aim is to centralize all the chain management procedures in a single department, and also to increase the control and economic efficiency of the contracts established.

Added to the new policy are the changes made to the Procurement Portal, which has expanded and enabled access for new suppliers, who can now register themselves using an online tool. This strategy ensures that the data relating to these stakeholders is more streamlined and more secure.

As part of our ESG activities, we have set a target for developing small and medium-sized suppliers and increasing the participation of the local regions in our purchasing portfolio, stimulating the economies in those areas where our operations are located.

We always aim to work with **suppliers who value ethics, integrity**, transparency and sustainability.

We have approximately **500 regular suppliers**, with 11% being located in the region of the São Simão HPP, 8% in the regions surrounding our wind farms, 62% in the state of São Paulo, and 19% in other states of Brazil. Of this total, 91% of the supplies relate to service provision, whilst the majority of purchases are in the areas of modernization, O&M and engineering.

ANALYSIS OF SUPPLIERS

In 2021, we continued with the process of mapping and analyzing our critical suppliers: as a whole, criteria such as reputation, sustainability, environment, human rights, security, health and safety, and quality were used to evaluate our partners. The critical suppliers represent 65% of our annual procurement expenses. The aim is to expand this evaluation process to 100% of the chain by 2030.

All of our purchases are in accordance with our Code of Conduct and Ethics. The application of the requirements contained in this document encourages the adoption of an irreproachable culture throughout our chain of suppliers and contributes to the improvement of the business environment in Brazil.

ENERGY THAT DRIVES

> Energy transition

> Climate resilience

> Operational eco-efficiency

Energy **transition**

The energy transition forms part of the material topics covered in the planning of our ESG actions. We are committed to working towards the expansion of the regulatory framework on the issue, both in Brazil and elsewhere, supporting changes in consumer behavior.

We aim to neutralize our emissions of greenhouse gases (GHG) and invest in projects focused on innovation in the area of renewable energy (read about this in "Working on new alternative energy sources", on page 73).

In 2021, we started the process of calculation of GHG emissions in all our operations, with a view to neutralizing all these gases. From the results, we will be producing an inventory, which will act as the first step in our ability to identify and define targets for offsetting all of our emissions by 2030.

INNOVATION STRATEGY EU8

Promoting innovation forms part of our strategic vision and is one of the pillars of our work. Since 2018, we have invested more than R$ 10 million in research and development (R&D) projects focused on energy efficiency, sustainability, and the commercialization and regulation of energy.

In 2021, we invested R$ 4.73 million in R&D and restructured the department responsible for guiding projects in the sector, bringing together the innovation and strategy departments under the same business umbrella.

Our CEO Adriana Waltrick works actively in support of energy transition in Brazil, targeting renewable generation initiatives

Innovation **Week**

In 2021, we held our first 'Innovation Week', a four-day event, for the internal public, focused on encouraging everyone to engage in the issue. Under the slogan "Innovation by all for all", we introduced the participants to the basic principles of the concept of innovation and how to propose innovative actions.

The Week was an important moment for internal innovation. With talks and a high level of employee engagement, it demystified the subject, showing that everyone can be innovative in their processes. The focus was to explain, in a simple fashion, that in order to innovate, one does not necessarily need to develop new technologies. It is possible to create ways of working that are more efficient and deliver better results, at all stages of the work. The idea was to show that innovation is not a thing, but a mindset. Everyone can be innovators, and this is one of SPIC Brasil's values.

Advertising developed for the 'Innovation Generation' project

INNOVATION GENERATION PROGRAM

In 2021, we created the program 'Geração Inovação' (Innovation Generation), transforming the issue into a project that unites and consolidates all of SPIC Brasil's innovation actions. We began investing in projects that have a direct connection with the core activity of power generation and which provide short-term practical results. The aim is to simultaneously establish a centralized directive (that guides, standardizes and aligns our activities with our innovation strategy) and encourage the company's different departments to think in an innovative manner.

The program 'Geração Inovação' also allows us to form a closer relationship with the world of startups and research centers. Through this program, we have begun a new phase in our connection with this market, gaining visibility with these stakeholders, as well as with society, through proactive work with the communication vehicles that address the issue.

Joint solutions

Once we had investigated the principal opportunities for improvement in the areas of operation, maintenance and modernization, through the program 'Geração Inovação', we issued a public call for R&D, with the intention of selecting projects focused on new technologies applicable to the activities of the São Simão HPP. Eligible initiatives from startups, research centers, universities and companies, included those involving the following themes:

- Remote visualization of information and operational parameters in real time to assist specialists in analyses and decisions when they are not on-site;
- Solutions for predictive maintenance that guarantee the plant a high level of availability;
- New technologies that assist in simulations of the operation of the plant for training and refreshing the skills of workers;
- Online monitoring of the compression of the wedges of the stator slots of hydro-generators.

We developed an exhaustive cycle of evaluation, ultimately selecting 43 proposals, the majority of which were submitted by startups or university research centers. Of most importance were originality, adherence to the matter at hand, the developers' technical capacity, and the level of technological maturity of the proposals. Of the ten projects chosen for the final stage, that involved a 'pitch day' and presentation of the ideas, eight were created by startups.

The final phase involved prioritizing the selected projects considering the funds available. The criteria of originality, applicability, relevance and reasonableness of costs were considered in reaching the final decision. Based upon this analysis, three winning projects were chosen, which will now be developed to provide solutions in relation to the HPP's operational eco-efficiency.

Each of the three winning companies (AQS, Solution IPD and Sense) are eligible to receive up to R$1 million, with funding being provided through 'Programa de Pesquisa e Desenvolvimento Tecnológico do Setor de Energia Elétrica' (Electricity Sector Technological Research and Development Program). The initiatives are expected to be implemented in 2022.

Each of the winning companies **is eligible to receive up to R$ 1 million**.

THE SOLUTIONS **TO BE DEVELOPED IN 2022 ARE**:

Sense+:

a solution for assistance in the operation of hydroelectric equipment, performed remotely and in real-time, using a smartphone or augmented reality equipment.

AQS Tecnologia:

use of virtual reality for training and refreshing the skills of workers.

Solution IPD:

application of artificial intelligence in the analysis of multiple variables for improvement of the predictive maintenance of the plant.

Working on **new alternative sources**

Another important R&D project focuses on the development of a green hydrogen manufacturing plant based upon photovoltaic solar energy, to be installed on the premises of the São Simão unit. The initiative is being developed together with Centro de Pesquisa de Energia Elétrica (Eletrobras' Electricity Research Center), and SPIC Global's State Power Institute (Isest), a partnership entered into via the Memorandum of Understanding, signed in 2020 to promote the study and research of smart energy, between Brazil and China.

The strategic concept was approved by SPIC Global in 2021. It is now expected that Cepel will be developing the details of the project, seeking to incorporate the technological advances of Isest, so that the studies rise out of knowledge that already exists, thus encouraging an exchange of technology.

We are an important player that is interested in the market and in constant dialog with the government and with the Brazilian Hydrogen Association to develop alternative ideas on the issue.

SPIC Brasil's development of **green hydrogen is performed using solar and hydroelectric energy on the premises of the São Simão HPP.**

Climate **resilience**

Combating climate change forms a significant part of our actions within the material topic of climate resilience. Along these lines, we primarily invested in the generation of clean and renewable energy, contributing to the reduction of the planet's greenhouse gases (GHG).

The aim is to adapt Brazil's power generation to the new realities brought about by climate change, especially the shift in the rain patterns in the country. Due to this situation, our strategy involves diversifying the production of energy, ensuring that the Brazilian grid is resilient in the face of the heightened and prolonged periods of drought.

In our ESG planning we have incorporated investment in projects concerning the conservation of hydro-resources and biodiversity, as well as initiatives designed to combat climate change. We have also included the development of tools designed to detect large-scale climate events, such as intense rainfalls and atmospheric discharges, that could affect power generation in Brazil.

Operational **eco-efficiency**

We work hard to **increase efficiency in our use** of natural resources.

We work hard to increase efficiency in our use of natural resources, principally those that are non-renewable, thus contributing to the conservation of the environment and making our business more profitable in the sense that we reduce unnecessary costs and waste.

Along these lines, as part of our strategic planning, we have collected data that will allow us to establish targets for a reduction in our use of oils, fuels and lubricants, as well as the consumption of water and energy in our operations. We also take measures to mitigate the emission of greenhouse gases (**read more in "Energy transition", on page 70**).

Our initiatives also involve the beginning of 'circular economy' projects, with the implementation of reverse logistics in our procurement of materials and equipment.

CONSUMPTION OF WATER, ENERGY, MATERIALS AND WASTE

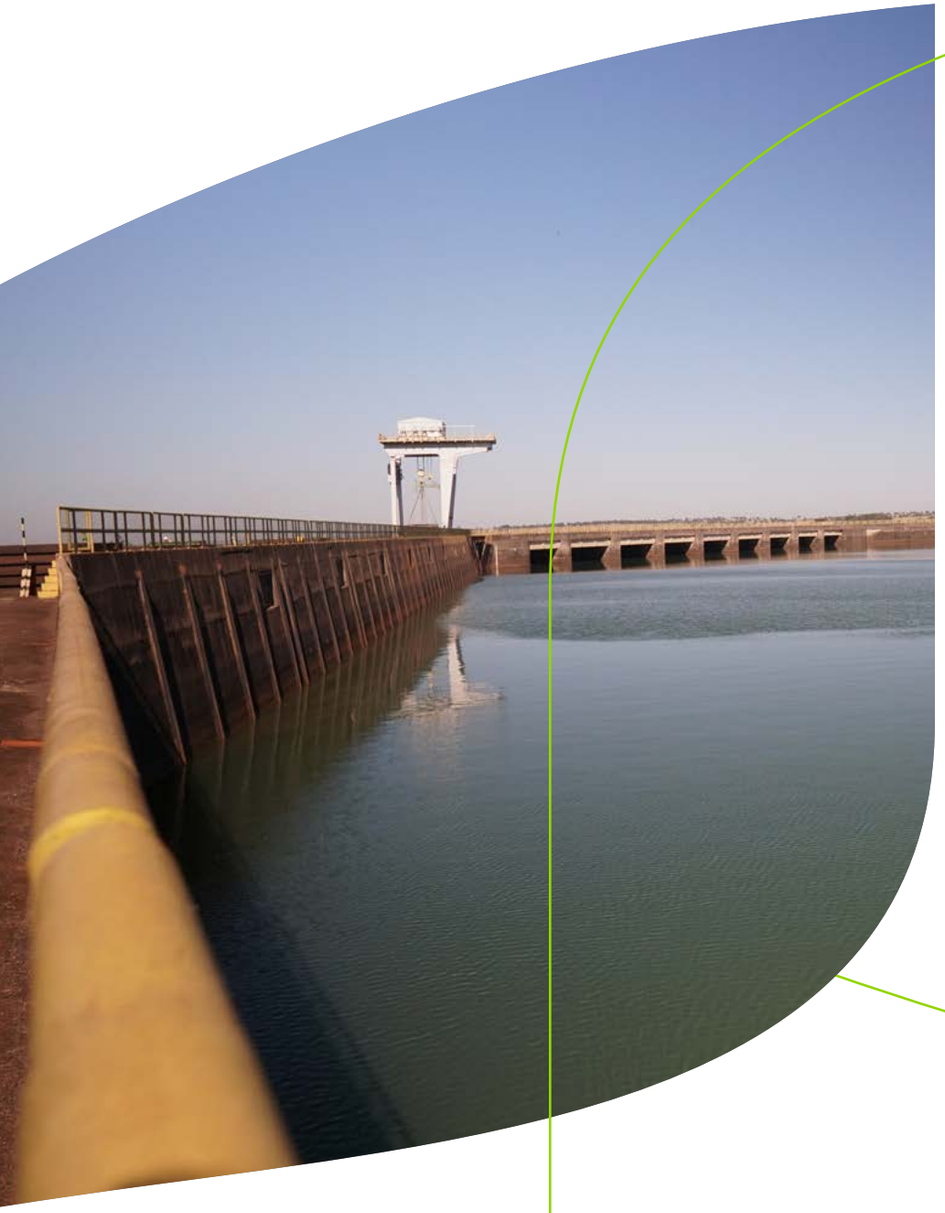
WATER GRI 103-2, 103-3 | 303, 303-1

The responsible use of water forms an integral part of our core business. Even though the water used for power generation at the São Simão HPP (which is granted by the national Water Agency [ANA]) is not actually consumed by SPIC Brasil, we take care to maximize the conservation of this vital resource and use it conscientiously. Furthermore, we act responsibly when using it in our administrative activities.

We take monthly hydrometer readings to check the water consumption at our assets. The amount observed is recorded in the 'Environmental Measurement and Monitoring' form. With the same frequency, we also assess usage and compare it against the same month in the previous year, with the aim of controlling annual consumption and implementing actions for reduction and conscientious use.

At the São Simão HPP, we withdraw water for our administrative activities from wells located in Goiás and in Minas Gerais, since the project is located on the border between the two states. We also have our own Water Treatment Plant (WTP). We treat the water consumed and discharge it downstream from the plant. We also have three biodigesters and a septic tank.

At our wind-power farms, in Paraíba, we withdraw water for human consumption from a well. Our supply is granted by the 'Agência Executiva de Gestão das Águas do Estado da Paraíba' (Executive Agency for the Management of Waters of the State of Paraíba). All the effluents are duly treated, in accordance with technical specifications and conditions contained in the authorizations for the use of water. The final disposal is performed by a specialist company, which performs biological treatment at a Wastewater Treatment Plant (WTP), using the system of stabilization ponds. GRI 303-2



WASTE GRI 103-2, 103-3| 306

Power generation activities do not produce significant amounts of waste. The wells that we manage are the result of the maintenance of equipment and management systems, building maintenance and administrative activities. In addition to running an Environmental Management System to best address this issue, we have committed to the Declaration of Recife, the Proposal Letter, and the Business Recommendations for Nationally Determined Contributions (NDC), in partnership with the Ethos Institute. **GRI 306-1**

The waste that we generate is packaged, labeled, transported and shipped for final treatment by outsourced companies. They hold all the relevant environmental licenses for the activities and documentation necessary for the transportation and controlled disposal of waste using systems approved by the responsible environmental organs. Furthermore, they also have to abide by our health, safety and quality guidelines, to which they agree to when signing the service agreement.

We also require that suppliers which execute activities within our concession areas follow all the relevant environmental guidelines relating to the activity. We monitor this activity on site and perform periodic checks on the licenses and documentation by means of internal audits.

Waste **Management Plan**

GRI 306-2

All of our power generation units have implemented the Waste Management Plan. This document, based upon environmental legislation and the best practices relating to the matter, establishes directives for all our employees to understand how to act to ensure a reduction in the generation of waste.

In 2021, we reviewed the Waste Management Plan at the São Simão HPP, with the aim of assessing its impacts and adopting strategies to ensure the correct disposal.

The Class 1 waste generated by the wind-power and hydro-electric operations is handled by a specialized company that collects the waste and applies the proper treatment to each type of material.

The sanitary effluents from the São Simão HPP are treated at a Waste Treatment Plant located on the premises and released into the Parnaíba River. To perform this process, a license has been granted by the ANA.

The amount of waste generated by the offices in Natal and São Paulo offices is not calculated. The waste generated by outsourced companies is the responsibility of each individual company. In Santa Vitória, we have signed a partnership with the municipal government to send waste to the region's licensed landfill.

For that waste that can possibly be recycled or reused, the guidance concerning reverse logistics is applied.

One item of concern in the São Simão HPP modernization plan relates to the generation of waste that can be reused and/or recycled. These are the result of the substitution of machinery and equipment in which parts are being replaced. To do this, **we have signed agreements with companies that acquire materials like as scrap metal and oil that can be re-refined**, such as Nova Logística, Maxiligas and Pró Ambiental. We have also contracted Ernst & Young to audit the process of collection and disposal of the waste arising from the "Future Mission".

Total waste generated, by composition (t)* GRI 306-3

		2021
Category	Type (hazardous or nonhazardous) (complementary information)	Amount generated (t)
Class II	Wood[1]	214.165
Class II	Unseparated	25.18
Class I	Hazardous	71.603
Class I	Empty, hard packaging	88
Class I	Light bulbs[2]	481
Class II	Recyclable materials	228,709
Total		**1,429.66**

* The data reported here relate to the waste disposed in 2021, and do not apply to waste generated by third parties with activities in operation at the São Simão HPP, which they manage themselves.
[1] Included in this list is waste that was discharged in its final instance at the plant itself, wood waste disposed of in accordance with the relevant legislation, and hard packaging waste used for pesticides.
[2] The light bulbs and hard packaging waste used for pesticides are calculated by unit (not by ton).

Total waste destined for final disposal, by composition, in metric tons (t) GRI 306-5

	2021
Composition	**Amount directed to final disposal (t)**
Light bulbs	481
Other contaminated waste	17.489
Construction materials containing asbestos	0.270
Contaminated materials (swabs, cloths, PPE)	6.466
Electrical equipment with PCBs	0.107
Used or contaminated insulating oil	15.154
Insulating oil	28
Paint waste and chemical products	0.947
Organic/unseparated waste	25.18
Electronic waste (cell phones, computers, electronic products and their components)	1.547
Total	**562.16**

Total waste destined for final disposal, by operation, in metric tons (t) GRI 306-5

	2021
Hazardous waste	Outside the organization/Offsite	Total
Landfill	23.12	23.12
Screening and overflow	26.48	26.48
Screening and overflow (unit)	321	321
Decontamination (unit)	160	160
Co-processing	1.759	1.759
Total	**532.36**	**532.36**
Nonhazardous waste (t)		
Landfill	12.99	12.99
Screening and overflow	1.022	1.022
Pits	9.03	9.03
Total	**23.04**	**23.04**
Total waste directed for final disposal	**562.16**	**562.16**

* Hazardous and non-hazardous waste not discharged within the grounds of the organization.
* The waste management is performed internally using the Waste Control Operations Form. The issue and control of Waste Transportation Declarations is performed using the 'Sinir Platform' or the state 'MTR' ('Waste Transportation Declaration'), whilst the company is required to issue the Final Disposal Certification.

Total waste diverted from final disposal, by composition, in metric tons (t) GRI 306-4

	2021
Composition	Weight diverted from final disposal (t)
Wood	214.17
Lubricant oil	14
Recyclable materials	5.12
Scrap metal	222
Hard packaging (units)	88
Total	**543**

Total hazardous waste diverted from final disposal, by composition, in metric tons (t)

	2021
Operation	Outside the organization
Recycling	88
Re-refining	14
Total	**102**

ENERGY GRI 103-2, 103-3 | 302

The energy intensity within and outside the organization was not significant in 2021, since we are power generators and use a very small percentage of the amount generated to be able to perform our activities. The administrative offices draw their energy from the local concession operators. GRI 302-3

Our internal energy consumption was 110.28 KWh, whilst externally it was 369,856 KWh. As such, the organization's total energy consumption was 369,966.28 KWh. The types of energy used for the calculation of energy intensity were fuels and electricity.

We perform **regular energy-saving campaigns**, encouraging the use of low-consumption light bulbs and equipment. . GRI 302-4

Consumption of fuels from non-renewable sources (GJ) GRI 302-1

	2021
Petroleum (fuel)	469,950,921
Total	**469,950,921**

* The consumption of energy from non-renewable sources in previous years was not included in the calculations.

Consumption of fuels from renewable sources (GJ)

	2021
Wind Power	248.50
Total	**248.50**

* The consumption of energy from renewable sources in previous years was not included in the calculations.

Energy consumed (GJ) GRI 302-1

	2021
Electricity	369,846
Total	**369,846**

* The consumption of energy in previous years was not included in the calculations.

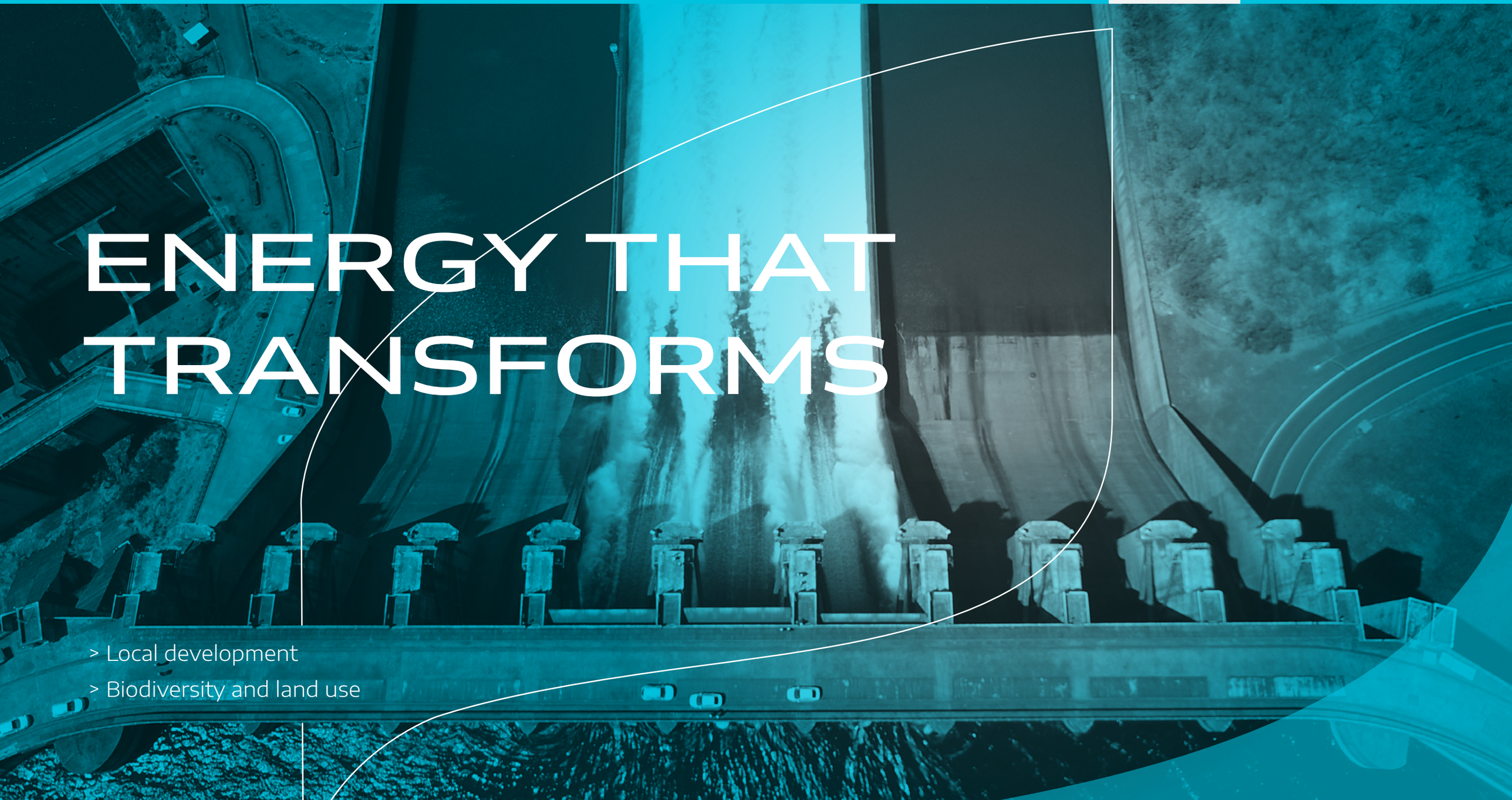
Energy sold (GJ)

	2021
Electricity	20,989
Total	**20,989**

* The amount of energy sold in previous years was not included in the calculations.

Total energy consumed (GJ). GRI 302-1

	2021
Fuels from non-renewable sources	469,950,921
Fuels from renewable sources	248.5
Energy consumed	369,846
Energy sold	20,989
Total	**470,300,026.50**



ENERGY THAT TRANSFORMS

> Local development

> Biodiversity and land use

Local **development**

One of our basic principles involves the adoption of initiatives that have positive socio-environmental impacts on the communities neighboring our operations. In relation to this, we always aim to work as partners in local development, practicing social accountability without profit motives. Through voluntary initiatives, we have committed ourselves to local understandings of the region and to the land development of the regions where we are located.

2021 was an especially challenging year due to the continuation of the Covid-19 pandemic. The necessary social distancing meant that in-person activities had to be performed remotely. Despite these difficulties, we realized that supporting the communities and helping to raise their awareness about the importance of health care could be an opportunity.

As such, we distributed materials and erected billboards with important information, whilst we also installed a "vaccinometer" in the town of São Simão (GO), to count the number of people who had been vaccinated. We have also distributed and donated sanitary mats, masks and hand sanitizer dispensers to local guest houses, restaurants and schools. In Mararaca (PB), dispensers, sanitary mats and hand sanitizers were distributed to the seven schools in the town.

We also developed a campaign called 'Aguenta só um pouco mais' (Hang on just a little longer), aimed at not only the regions around the HPP, but also those around our wind parks. Through this campaign, we raised the communities' awareness that, through sanitary hygiene and social distancing, we can beat the pandemic.

With all these initiatives, we have continued **being able to protect both our employees and the communities** in which we are located.

The project 'Mãos que Criam' (Hands that Create) returned to in-person activities, with social distancing measures, as more and more people were vaccinated against Covid-19.

ACTIONS WITH LOCAL COMMUNITIES

GRI 103-2, 103-3 | 413, 413-1

We have voluntarily developed and operated a Community Fund designed to invest in the development of local communities. In Mataraca (PB), where our wind parks are located. The Fund has been in existence since 2014, but was only created at the São Simão HPP in 2021, to support the 'Quintais Produtivos' ('Productive Backyards') project.

So far, more than 50 projects have already received funds, with a total of R$ 1 million being distributed to social actions, impacting more than one thousand people. All of the initiatives promoted (and outlined below) have received financial resources from the Fund. For 2022, we plan to listen to the communities in even more detail, in order to better understand the public's concerns, how we can act, and the improvements we can make in relation to our local actions. GRI 102-44

In 2021, all the actions involving neighboring communities were adapted so that they could continue through the pandemic. Amongst them, some of special note are:

'MÃOS QUE CRIAM' (HANDS THAT CREATE)

This project, developed with craftspeople from the Barra de Camaratuba community in Mataraca (PB), continued for one more year in the form of online courses, and with a structure of communication being developed using social media. This action was named "Separate, but connected".

Two 30-hour courses were offered, one focused on handmade soap and another on fabric painting, attracting 18 women participants. These courses were chosen by the group after we asked about the types of skills that would be of most interest to them for 2021. We donated the basic materials for the workshops, and after the courses the participants started commercializing the products created, thus generating income and opportunities for the local community.

With steps forward being taken in vaccinations, we started planning the return of in-person activities of the project activities to return to being in-person, whilst always respecting the health and safety protocols.

"The project 'Quintais Produtivos' (Productive Backyards) was created in Mataraca (PB) and is also being developed in São Simão (GO)

'QUINTAIS PRODUTIVOS' (PRODUCTIVE BACKYARDS)

We took the project 'Quintais Produtivos', an initiative focused on the cultivation of vegetable gardens that had initially been created in Mataraca (PB), to the region neighboring the São Simão HPP. The initiative involves people from the community near the power plant who have space in their backyards, have fertile soil, and are interested in growing vegetables and greens, thus encouraging healthy and organic eating.

For the pilot version of this project, six families in socially vulnerable situations were selected to participate. They were identified with the help of the São Simão Social Welfare Reference Center, in partnership with local religious institutions.

BEE KEEPING

In 2021, SPIC Brasil started providing support to a group of bee keepers from the rural community of Uruba, in Mataraca (PB), which was already breeding honey bees. We donated 13 sets of clothing including overalls, gloves, boots and personal protective equipment (PPE), 13 fumigators, and 65 hives to assist in the increased production of honey.

Taking advantage of local knowledge, we encouraged the bee keepers to enter into a market niche involving the breeding of endemic bees. We provided 44 hours of practical training, with the participation of ten student members of the Bee Keepers Association, with the aim that they should provide more information on the breeding of this species typical to the region. The honey and byproducts arising from the production have enormous market value, and the breeding of these creatures does not require the purchase of expensive equipment, making it very secure and profitable.

‘Ilha da Imaginação’ (Island of **Imagination**)

Approved under the Federal Cultural Incentive Law, by the Ministry of Tourism, SPIC Brasil has been sponsoring this project since 2019, supporting its intention to provide reading and audiovisual courses for the young people of São Simão (GO) and the surrounding regions. We provided ‘Ilha da Imaginação’ (Island of Imagination) in partnership with the Maker Institute (creator of the initiative), Aktuellmix, the Special Department of Culture, the Ministry of Tourism, and the Federal Government.

In 2021, the third edition of the project took place online, due to the Covid-19 pandemic. The initiative is intended for young people aged between 8 and 17. Around 20,000 students participated, all of them lived in São Simão, Quirinópolis, Inaciolândia and Paranaiguara, in Goiás, as well as Ituiutaba, in Minas Gerais.

The aim of the action is to awaken the young people’s creativity, in line with the innovation and technology trends being seen in the cultural sector. One example is the area of digital content production, which is expanding and needs more and more creativity amongst those who wish to develop along with the sector.

The project provides a suitable infrastructure and trained professionals to allow the students to learn the concepts of animation. In 2021, audiovisual courses were offered in graduate, advanced skills and reading and audiovisual 3D techniques, as well as traveling reading workshops and stop motion pixilation.

In its most recent edition, in 2020, the students from the graduate and advanced skills groups produced two 8-episode animated projects, totaling 16 short films. The results were the series “Tatá e a Turma do Cerrado” and “100 Medos”. The short films are available on the project’s YouTube channel.

We perform an annual study with participants from the “Island of Imagination” to evaluate the public perception of the action. In 2021, the results were extremely positive, with 87% of those interviewed finding SPIC Brasil’s presence in the region to be highly positive, against just 58% in 2020. Furthermore, 99% felt that our activities are not disadvantageous to the region, against 89% when surveyed in 2020. The principal points which led to this improvement in the indicators were the perceptions concerning the creation of jobs, the courses offered to children and young people, development of the town, social accountability and environmental protection.

All of the respondents felt that the ‘Ilha da Imaginação’ (Island of Imagination) program brought benefits to the municipality of São Simão.

‘Portas Abertas’ (Open **Doors**)

An ‘Open Doors’ biannual event invites the communities neighboring the São Simão plant (which includes 13 municipalities in the states of Minas Gerais and Goiás) to find out more about our work.

The occasion is also an opportunity for us to understand a little more about the demands and expectations of the community, which serves as a base for the planning of future socio-environmental actions.

In 2021, the event took place online. Even with the challenge of holding an event like this, due to the difficulties of accessing the Internet in the region, we welcomed a record public and a record level of engagement in the participating municipalities. We presented information on past environmental programs, the São Simão HPP Community Fund, updates on the projeto ‘Missão Futuro’, and the Emergency Action Plan (EAP), as well as data on control of the level of the reservoir and about heritage actions designed to take care of the areas surrounding the reservoir.

Find out more about ‘Portas Abertas’ (Open Doors) in our newsletter about the event, available on our institutional website.

The event ‘Portas Abertas’ at the São Simão HPP forms part of the operating conditions that we have established with Ibama, the plant’s licensing authority. However, we also voluntarily offer the opportunity to pay visits to the wind farms in Mataraca (PB) throughout the year. During the Covid-19 pandemic, however, these visits were suspended.

As part of the action ‘Portas Abertas’ (Open Doors) action, the community has an exclusive channel through to the company, in the form of the telephone number 0800 200 0204 or email portasabertas@spicbrasil.com.br, by means of which it is possible to clarify doubts, and make requests or suggestions.

EMERGENCY ACTION PLAN (EAP)

We keep the Emergency Action Plan (EAP) at the São Simão HPP constantly updated, in accordance with Brazilian Dams Legislation. The EAP sets forth actions that should be taken by the Company and by the public occupying specific areas downstream from the dam and the power plant, in the event of an incident or if the dam bursts. This is an obligatory legal requirement for any dam in Brazil.

Should any type of displacement within the context of the EAP become necessary, this will be temporary and will take place only if normal operations of the dam are interrupted. **EU21**

Due to the Covid-19 pandemic, that prevented in-person training events with the communities in the regions surrounding the plant and the dam, we held online meetings to spread important information to the public. Open meetings were held with the municipal governments and departments with jurisdiction over the HPP, in São Simão (GO) and Santa Vitória (MG), as well as specific training sessions for teachers from the public school system, and for community leaders identified by the Company - with whom we also maintain direct communication via a WhatsApp group, allowing us to pass on important information about the operation of the plant.

For 2022, with the steps forward being taken with vaccinations, and the possibility of gathering more people meeting together, we are planning to stage a simulation, in real time, with the community living near the dam, presenting the early warning systems that we have implemented and the escape routes to safe meeting points that exist.

The **impacts of this issue on the local community are managed using social project indicators** and the periodic performance of socioeconomic diagnoses in the regions. The main form of monitoring is performed through contacts received at the 'Portas Abertas' events (Open Doors) events and through the completion of Operational Forms for the Identification and Communication with Interested Parties, the Organizational Knowledge Matrix, and the Risks and Processes Map. **GRI 413-2**

Proactive communication and close relationships with the community are fundamental for the safety of all.

We monitor the quality of the water and biodiversity in the areas where we operate

Biodiversity and **land use** GRI 103-2, 103-3 | 304

Collaboration for the conservation of biodiversity forms a core part of our working values. We invest in actions and initiatives that promote the conservation of species and mitigate possible impacts that their activities may have on either the generation of wind-power, in the Northeast, or on hydro-electric or thermoelectric generation, in the Southeast or Midwest.

We take into consideration three objectives, that are all aligned with our ESG strategy, to promote conservation of the biodiversity and best use of the land: encouragement of forest restoration in the HPP concession areas; guaranteeing of the correct use and occupation of the land in the concession areas of our projects; and implementation of voluntary biodiversity conservation projects.

IMPACTS ON BIODIVERSITY

GRI 304-3

Protecting biodiversity is a priority in our operations. As a power generation company, our projects are licensed by the Brazilian environmental authorities, which also establish regulations designed to mitigate possible impacts. In the case of the São Simão HPP, we hold the plant's concession agreement, that contains actions and initiatives in this area.

At all of our facilities, we perform the environmental monitoring and studies required by the operating licenses and by the environmental management system established by the relevant authorities. As such, our approach aims to conserve the biodiversity and improve the environmental quality of the regions where we are active. Within this context, we publish annual reports containing these results and present them for internal and external auditing, whenever requested.

WATER QUALITY MONITORING PROGRAM

We have a Water Quality Monitoring Program at the São Simão HPP, in accordance with Conama (National Environment Board) Resolution 357/2005. We analyze the potability and monitoring of the water downstream from the reservoir to gauge its quality. This work involves measurement of the flow, physical, chemical and biological data, whilst we also monitor the water communities at the reservoir.

We are members of the Parnaíba River Basin Committee, participating in discussions to ensure improved management of the body of water. Furthermore, we also understand the importance of the conservation of the water sources, and work together with the community on this issue, monitoring any type of irregular settlement or installation on the banks of the reservoir that could affect the quality of the water contained there.

The objectives and targets for the water monitoring program and conservation of this resource are established in the form of a condition contained in the HPP operating license. **GRI 303-1**

ICHTHYOFAUNA CONSERVATION PROGRAM

Through the Ichthyofauna Conservation Program, we conduct actions in support of the conservation of the biodiversity in the regions surrounding the São Simão HPP. We monitor the movements of the schools of fish in the reservoir, studying the behavior and health of the different species. The data supports the conservation and recovery actions applied to the entire reservoir, the relevant stretch of the Parnaíba River and tributaries.

Since 2018, we have been using technology to monitor the ichthyofauna downstream from the plant. Instead of the traditional monitoring methods, involving casting nets and gillnets, we have begun using a sonar system, that identifies the movement and habits of the fish with as little impact as possible. The idea is that, in the future, with authorization from Ibama, we will be able to completely replace the old method of monitoring with this new, innovative method. By doing so, we will cause less impact on the fauna since it will not be necessary to sacrifice or directly handle the animals.

Another action developed with conservation of the ichthyofauna in mind, is the campaign designed with the fishing communities to raise their awareness of the importance of the ‘piracema’, the name given to the breeding period specific to the Parnaíba River. We have begun an action focused on dialog and strengthening our relationship with the public, with the aim of reducing the level of fishing performed during the relevant months.

We care for the life of water species and preservation of the local biodiversity

São Simão **HPP** GRI 304-1, 304-3

The Permanent Conservation Area (PCA) of the São Simão HPP forms part of the concession area and borders the entire reservoir. Furthermore, within the plant's industrial zone, there are also other permanent conservation areas, in the form of legal reserves and regions under environmental servitude, that are preserved.

The total area of the HPP is approximately 694 km², with 39 km² of this area designated for environmental protection. The flooded area covers 654.2 km² and the industrial area 3.92 km².

In relation to land biodiversity, we work to conserve the remaining areas of the Atlantic Rainforest and the Cerrado. These fragments of native vegetation are of enormous ecological importance, serving as shelter, food source, and protection for animals such as the tapir, collared peccary, puma, giant anteater, white-lipped peccary, pampas deer, and numerous species of birds.

Wind-power **farms** GRI 304-1, 304-3

The environmental protection area of the wind farms forms part of the leased areas and borders part of the projects - there, permanent conservation areas are found, under environmental servitude and vegetation containing protected native species.

The 'Vale dos Ventos' area includes a leased area of 562.461 hectares, with 327.681 being designated for power generation operations. The 'Millennium' farm consists of 125 leased hectares with 42.689 being used for the operations.

We monitor all these areas in the form of property surveillance, meaning that hunting, deforestation and burning of preservation areas and those containing native vegetation are forbidden.

We contract specialized professionals to monitor the fauna in the areas on an annual basis. We have also created and implemented internal and external socio-environmental education campaigns, involving themes that aim to raise awareness about the preservation of biodiversity.

In 2021, we performed the second survey of the bird life and primates in the areas where the two projects are located, to verify the impacts of our operations on these communities. The results are presented to the environmental authority that grants the license to the wind farm. We counted 61 different species of birds, two of which are endemic to the region and one classified as endangered. We counted three species of primates.

PROTECTED OR RESTORED HABITATS

GRI 304-3

In compliance with the environmental conditions for the operation of the São Simão HPP, we have developed initiatives for the restoration of habitats neighboring the project, especially the Permanent Conservation Areas (PCAs). One of these initiatives involved the planting of native tree saplings as part of the reforestation of the ciliary forest areas.

In 2021, we began the reforestation of more than 80 hectares bordering the reservoir. As part of this action, we implemented improvements in the planting methodology, identifying a large number of species which can contribute to improving the environmental quality of these planted areas. The aim is to promote the environmental recovery of more than 1,280 hectares over the coming years, through the use of different methodologies, such as natural regeneration, forest enrichment and scattering of seeds. GRI 304-2

In 2021, on the site of the São Simão HPP, we began a program designed to protect two neighboring areas that together cover 8.62 hectares of Atlantic Rainforest in an intermediate stage of natural regeneration, as a means of offsetting the suppression of the vegetation within the plant's industrial area, which occurred in order to perform maintenance work on the security strip of the 500 kV Transmission Line that links the plant's power house to the Cemig substation.

At the wind farms, we started a fauna monitoring program to identify and monitor the composition of the species, predominantly aiming to conserve the local biodiversity, including bird life, bats and primates. A specialized consultancy was contracted to develop a Fauna Monitoring Plan, with the aim of keeping track of the different communities of fauna over time, as well as their interactions with the operations of the project, and increasing our understanding of the biology of the species, thereby contributing to their conservation.

Another important action relating to the conservation of the biodiversity of the regions, involving both the São Simão HPP and the wind farms, is the campaign to combat forest fires. In 2021, we invested in the large-scale production of publications designed to raise the awareness of the local populations regarding the danger of fires, principally in the driest periods of the year. As part of this campaign, we used a wide variety of communication channels, including social media, radio, mobile loudspeakers and billboards. We invested a total of R$ 132,000 and produced 16 informative materials for each location, communicating with the target-public through these media insertions.

LAND ASSET MANAGEMENT

The creation of the lake for the São Simão HPP has allowed the neighboring land and the lake itself to be used for leisure, tourism and economic activities such as fishing, dredging and cattle breeding. To guarantee this, however, it has been necessary to follow certain provisions contained in currently applicable legislation.

Since we took over the concession of the São Simão HPP, we have been been responsible for caring for the integrity and security of the assets connected to the project, such as the dam and the power plant, the reservoir and its banks, up to the expropriation quota (402 m). For this to take place in the most organized manner possible, we have invested in the Asset Management Program - as stipulated in operating license nr. 569/2006, issued by Ibama.

In 2021, we published and distributed a pamphlet on land management, designed to provide information to the public about use of the banks of the reservoir and the water itself. It was written using accessible language to facilitate the understanding of the procedures and laws involving the environmental regularization of permitted uses and occupation. Over the course of the year, 621 printed pamphlets were delivered to prioritized members of the public.

We also created a website that is simple to use, containing information on the environmental regularization procedures and the ways that the limits on the use of the lands and reservoir should be respected, demonstrating the processes objectively and step-by-step. We have also made a digital version of the pamphlet available on this website.

The website explains and educates what is permitted and what needs to be legally registered, both in relation to recreation and leisure areas and in relation to housing developments, farms, hotels, guest houses and clubs, and, finally, for agricultural activities. Furthermore, it allows for approval requests and documents to be sent online for analysis, and offers a geo-referenced mapping service, showing the boundaries of the concession area and location of the geodesic marking system (indicating, latitude, longitude and altitude), all of which can be accessed by the public.

As well as making all of this information accessible, we also make ourselves available to the public so that they can ask any questions they may have about the land regularization process. This service is offered by calling the telephone number 0800 200 0204 or writing to the e-mail address portasabertas@spicbrasil.com.br.

In 2021, we published and distributed a pamphlet on land management, designed to **provide information to the public about use of the banks of the reservoir** and the water itself.

REGULARIZATION

As the premise for our planning of the land regularization of the areas neighboring the plant, we take the results of a risk matrix that is based upon social and asset- based, environmental and operational criteria, highlighting the priority areas for inspection.

The inspections of the entire reservoir area were concluded in 2021, classifying the land as being of either high or medium risk. The people occupying land that could not be brought into line with environmental requirements were notified that they needed to deconstruct the dwellings and vacate the land. As a result of this approach, 38 deconstructions were registered in 2021, with 23 of these being performed voluntarily following the notifications, without the need for legal action. All of these, despite having taken place in 2021, relate to the period of construction of the HPP and have now been taken over by SPIC Brasil. **EU22**

Another area that we needed to pay special attention to in 2021 was that of the land occupations requiring environmental regularization, especially those lands being used for fishing activities. The most important areas were mapped and inspected. The occupants were categorized and notified that they needed to obtain licenses for use of the land and informed to contact us for instructions on how to follow the correct procedures.

In 2022, we maintained our emphasis on environmental regularization, falling into line with all legal criteria and taking preventative measures to guide the communities neighboring the reservoir and make them aware of the risks of illegal settlements and of fishing near the power plant, as well as the importance of caring for the permanent conservation areas.

GRI Content Index GRI 102-55

GRI Standards	Contents	Page/URL	Omission	SDGs
General disclosures				
GRI 101: Foundation 2016				
GRI 101 has no Content				
Organizational profile				
GRI 102: General disclosures 2016	102-1 Name of the organization	07		
	102-2 Activities, brands, products and services	07		
	102-3 Location of headquarters	09		
	102-4 Location of operations	09		
	102-5 Ownership and legal form	07		
	102-6 Markets served	07		
	102-7 Scale of the organization	08		
	102-8 Information on employees and other workers	46, 52		8, 10
	102-9 Supply chain	67		
	102-10 Significant changes to the organization and its supply chain	08		
	102-11 Precautionary principle or approach	We have not formally adopted the precautionary principle However, as part of our strategy for the development of ESG principles and our assumed internal and external commitments, including the UN's Global Compact and Sustainable Development Goals (SDGs), we manage our business, operations and community relationships in accordance with the precepts established to prevent environmental degradation.		
	102-12 External initiatives	26, 32		
	102-13 Membership of associations	26, 27, 40,		

GRI Standards	Contents	Page/URL	Omission	SDGs
Energy Sector Supplement - Organizational profile	EU1 Installed capacity (MW), by primary energy source and by regulatory regime	9, 19, 22, 28		7
	EU2 Net energy output by primary energy source and by regulatory regime	19, 22, 28		7, 14
Strategy				
GRI 102: General disclosures 2016	102-14 Statement from senior executive	05		
Ethics and integrity				
GRI 102: General disclosures 2016	102-16 Values, principles, standards and norms of behavior	10, 11		16
Governance				
GRI 102: General disclosures 2016	102-18 Governance structure	46		
Stakeholder engagement				
GRI 102: General disclosures 2016	*102-40* List of stakeholder groups	27		
	102-41 Collective bargaining agreements	98% of the total workforce is covered by collective bargaining agreements, however apprentices and board members are not eligible for benefits brought about by such negotiations.		8
	102-42 Identifying and selecting stakeholders	35		
	102-43 Approach to stakeholder engagement	27		
	102-44 Key topics and concerns raised	84		

GRI Standards	Contents	Page/URL	Omission	SDGs
Reporting practice				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	03		
	102-46 Definition of report content and topic boundaries	03		
	102-47 List of material topics	35, 36		
	102-48 Restatements of information	04		
	102-49 Changes in reporting	04		
	102-50 Reporting period	04		
	102-51 Date of most recent report	04		
	102-52 Reporting cycle	04		
	102-53 Contact point for questions regarding the report	04		
	102-54 Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the GRI Standards “Core” option.		
	102-55 GRI content index	96		
	102-56 External assurance	N/A		

GRI Standards	Contents	Page/URL	Omission	SDGs
Material topics				
Procurement practices				
Anti-corruption				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	40, 42, 98		
	103-3 Evaluation of the management approach	40, 98		
GRI 205: Anti-corruption 2016	205-1 Operations assessed in terms of the risks relating to corruption	42		16
	205-2 Communication and training on anti-corruption policies and procedures	43, 45		16
	205-3 Confirmed incidents of corruption and actions taken	42		16
Energy				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	81, 98		
	103-3 Evaluation of the management approach	81		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	81		7, 8, 12, 13
	302-3 Energy intensity	81		7, 8, 12, 13
	302-4 Reduction of energy consumption	We have made no significant reductions over the past three years.		7, 8, 12, 13

GRI Standards	Contents	Page/URL	Omission	SDGs
Water and Effluents				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	76, 98		
	103-3 Evaluation of the management approach	76		
GRI 303: Water and effluents 2019	303-1 Interactions with water as a shared resource	76, 90		6, 12
	303-2 Management of water discharge related impacts	76		6
	303-5 Water consumption	Consumption by SPIC Brasil is limited to human consumption and, as such, the company has not yet implemented a system of internal management to gauge this form of consumption in all areas in which it is present. Our power generation operations do not use any form of consumption.		6
Biodiversity				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	23, 89, 98		
	103-3 Evaluation of the management approach	23, 98		
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	91, 92		6, 14, 15
	304-2 Significant impacts of activities, products, and services on biodiversity	93		6, 14, 15
	304-3 Habitats protected or restored	91, 92, 92		6, 14, 15

GRI Standards	Contents	Page/URL	Omission	SDGs
Waste				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	77, 98		
	103-3 Evaluation of the management approach	77		
GRI 306: Waste 2021	306-1 Waste generation and significant waste-related impacts	77		3, 6, 11, 12
	306-2 Management of significant waste-related impacts	78		3, 6, 11, 12
	306-3 Waste generated	79		3, 6, 12, 14, 15
	306-4 Waste not destined for final disposal	80		3, 11, 12
	306-5 Waste destined for final disposal	79, 80		3, 6, 11, 12, 14, 15
Environmental compliance				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	98		
	103-3 Evaluation of the management approach	98		
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	No fines or sanctions have so far been applied to the projects		16
Employment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	54, 98		
	103-3 Evaluation of the management approach	54		

GRI Standards	Contents	Page/URL	Omission	SDGs
GRI 401: 2016 employment	401-3 Parental leave	64		5, 8
Energy Sector Supplement - Employment	EU16 Policies and requirements regarding the health and safety of employees and employees of contractors and subcontractors	61		8
Occupational Health & Safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	49, 98		
	103-3 Evaluation of the management approach	49		
GRI 403: Occupational health and safety 2019	403-1 Occupational health and safety management system	61		8
	403-2 Hazard identification, risk assessment and incident investigation	49, 62		3, 8
	403-3 Occupational health services	63		3, 8
	403-4 Worker participation, consultation, and communication on occupational health and safety	49		8, 16
	403-5 Training for workers in occupational health and safety	49		8
	403-6 Promotion of worker health	63		3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	48, 62		8
	403-8 Workers covered by an occupational health and safety management system	64		8
	403-9 Work-related injuries	62		3, 8, 16
	403-10 Work-related illnesses	We have received no reports of work-related illnesses in the last five years		3, 8, 16

GRI Standards	Contents	Page/URL	Omission	SDGs
Training and education				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	55, 98		
	103-3 Evaluation of the management approach	55		
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	56		4, 5, 8, 10
Diversity and equal opportunity				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	58, 98		
	103-3 Evaluation of the management approach	58		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	58, 59, 60		5, 8
Non-discrimination				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	98		
	103-3 Evaluation of the management approach	98		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no confirmed cases of corruption during the period covered by the report.		5, 8

GRI Standards	Contents	Page/URL	Omission	SDGs
Local communities				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	37		
	103-2 The management approach and its components	84, 98		
	103-3 Evaluation of the management approach	84		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	84		
	413-2 Operations with significant - actual and potential - negative impacts on local communities	88		1, 2
Energy Sector Supplement - Local communities	EU22 Number of people physically or economically displaced and compensation, broken down by type of project	95		1, 2
Customer health and safety				
Energy Sector Supplement - Customer health and safety	EU25 - Injuries and fatalities to the public involving company assets	62		
Research and development				
Energy Sector Supplement - Research and development	EU8 Research and development activity and expenditure aimed at providing reliable electricity and Promoting Sustainable Development	70		7, 9, 17

GRI Standards	Contents	Page/URL	Omission	SDGs
Disaster/Emergency Planning and Response				
Energy Sector Supplement - Disaster/Emergency Planning and Response	EU21 Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	88		1, 11

Sustainable Development Goals

1. No poverty
2. Zero Hunger and Sustainable Farming
3. Health and Well-Being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Clean and accessible energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Action against global climate change
14. Life below water
15. Land life
16. Peace, justice and strong institutions
17. Partnerships and means of implementation

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PHOTOS

SPIC Brasil archive

ENGLISH VERSION

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