

# CGT Eletrosul

## 2021 Annual Report



**Eletrobras**  
CGT Eletrosul

# CGT Eletrosul

## 2021 Annual Report

### Contents

#### Message from the Management

#### Highlights

#### Governance

CGT Eletrosul  
Governance Structure  
Risk Management  
Strategic Planning

#### Prosperity

Economic-financial Performance  
Operational Performance  
Energy Transition  
Technology and Innovation  
Digital Transformation  
New Projects  
Management of Suppliers

#### People

Profile of Employees  
Tackling the Pandemic  
Personnel Management and Development  
Health and Safety  
Stakeholder Engagement  
Community Relations  
Human Rights

#### The Planet

Environmental Management  
Climate Change and Management of Emissions  
Biodiversity  
Impacts

#### About the Report

#### GRI Content Index

#### Annexes

2030 Agenda Indicators  
Indicators and Performance - PNG  
Index of other frameworks - SASB, TCU  
Risks  
Corporate Investments  
Participation in Associations  
Damaged and Recovered Areas



# Presentation

GRI 102-32

This is the 2021 Annual Report for the Companhia de Geração e Transmissão de Energia Elétrica do Sul do Brasil – CGT Eletrosul, that was founded in January 2021, the product of the corporate restructuring of two Eletrobrás subsidiaries, GGTEE and Eletrosul.

Over the following pages, you will find a summary of the company's performance in its mission to provide services of excellence in the generation and transmission of energy for the Brazilian people. The Annual Report is formally analyzed and approved by the company's senior management, that attests to its integrity and transparency.

The information reported reflects the inter-relationship of economic, environmental, social and governance (EESG) factors, in accordance with the report organization model provided by the World Economic Forum. The themes are presented in the form of four integrated pillars: Governance, Prosperity, People and the Planet, and divided into six chapters.

We hope you find our report useful and informative.

Over the course of this report, the content relating to the different methodologies used to consolidate the information provided is indicated through the use of icons. The icons in question are:

- Material topics
- GRI content
- Capitals (from the Integrated Report)\*
- The SDGs set forth in the UN's 2030 Agenda



*\*\*Formulated by the International Integrated Reporting Council (IIRC), the capitals demonstrate the set of resources and capacities that drive a company's value generation*



**Natural capital**  
natural resources used



**Financial capital**  
financial resources



**Manufactured capital**  
buildings, equipment and infrastructure used for the business



**Human capital**  
skills and abilities of the personnel within the organization



**Capital stock and relationship capital**  
relationships inside and outside the company



**Intellectual capital**  
knowledge generated



# Message from the Management

GRI 102-14

In 2021, despite the difficulties brought about by the Covid-19 pandemic, we achieved extremely positive results. It was a year of management improvement, with the strengthening of the sustainability pillars in the economic, environmental, social and governance spheres.

We increased the number of our operational transmission assets with the acquisition of 100% of the shares in 'Fronteira Oeste Transmissora de Energia' (FOTE) and 'Transmissora Sul Litorânea de Energia' (TSLE).

Through our green bonds, we were able to raise R\$ 185 million in the financial market to invest in infrastructure transmission lines. This was the first fund-raising project using environmental certification performed by Eletrobras companies.

In the area of Governance, we were awarded the Ministry of the Economy's Governance Indicator (IG-SEST) certification.

Our economic-financial performance was excellent. Our net profit exceeded the target set out in our 2021-2025 Business and Management Plan (BMP). We invested in transmission and generation, keeping our indebtedness at acceptable levels, guaranteeing security in the investment of the capital necessary for the company's expansion.

The results achieved are the fruit of the collective effort of all those involved in CGT Eletrosul. They are the result of excellent strategic corporate governance directives, along with the proper and effective executive management of the company's operational activities.

As such, we have complied with our duty to the Brazilian people to generate, transmit and commercialize electricity for the socioeconomic development of the country.

Congratulations to everyone as we look forward to new challenges.

**Executive Board and Board of Directors**



Head offices of CGT Eletrosul in Florianópolis



# Highlights



Net income of  
**R\$ 291  
million**  
and Ebitda of  
R\$ 1,497 million



Investment of  
**R\$ 38.40  
million**  
in research,  
development and  
innovation



Raising of  
**R\$ 185  
million**  
*in green bonds  
for investment in  
transmission line  
infrastructure*



Investment of  
**R\$ 205.6  
million**  
in the expansion,  
development and  
improvement of the  
transmission system



**Incorporation**  
of the 'Fronteira Oeste  
Transmissora de Energia S.A.'  
SPC (FOTE)



Approval for the  
investment of  
**R\$ 2.1  
billion**  
in the Coxilha Negra  
Wind Park (RS)



Construction of a soccer pitch  
and installation of electronic  
monitoring equipment in the  
Morro dos Cavalos indigenous  
lands (SC)



# GOVERNANCE

## MATERIAL TOPICS:

- Governance, Integrity and Ethics
- Risk Management

## CAPITALS





## GOVERNANCE

The definition of governance is developing, meaning that organizations are increasingly expected to define their own objectives and incorporate them into their business. Governance is fundamental to achieving long-term value, aligning and driving the financial, social and environmental performance, as well as guaranteeing responsibility and good standing with the stakeholders. In connection with this, the standards of corporate governance help to strengthen the company's ethical position and apply best management practices.

## CGT Eletrosul

GRI 102-1, 102-2, 102-3, 102-4, 102-5,

102-6, 102-7, 103-2, EU4

7

8

10

The company has around 12,000km of proprietary transmission lines

The 'Companhia de Geração e Transmissão de Energia Elétrica do Sul do Brasil', generally referred to as 'CGT Eletrosul', is a mixed capital corporation, that is a subsidiary of Centrais Elétricas Brasileiras S.A. - Eletrobras, reporting to the Ministry of Mines and Energy, with head offices in Florianópolis, Santa Catarina. We operate in the Southern (Rio Grande do Sul, Santa Catarina and Paraná), Midwest (Mato Grosso do Sul and Mato Grosso) and Northern (Pará and Rondônia) regions of Brazil, working through our own enterprises and partnerships.

The company provides different types of energy-related services, including the operation and maintenance of electricity generation and transmission systems, and providing technical, operational and administrative support for public service electricity concession operators, and licensed and authorized companies, as well as laboratory and telecommunications services.

Our power generation enterprises are made up of 12 proprietary plants, one as part of a consortium, and three partnerships, via the Specific Purpose Company (SPC) arrangement.

Our proprietary Transmission System is composed of 46 substations, with a total transformation capacity of 28,770.1 MVA, as well as 11,954.12 km of proprietary transmission lines. CGT Eletrosul is also part of an SPC responsible for 467 km of transmission lines, in which it owns a 100% share, with the expectation that this asset will be incorporated into the company in 2022.

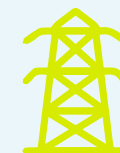
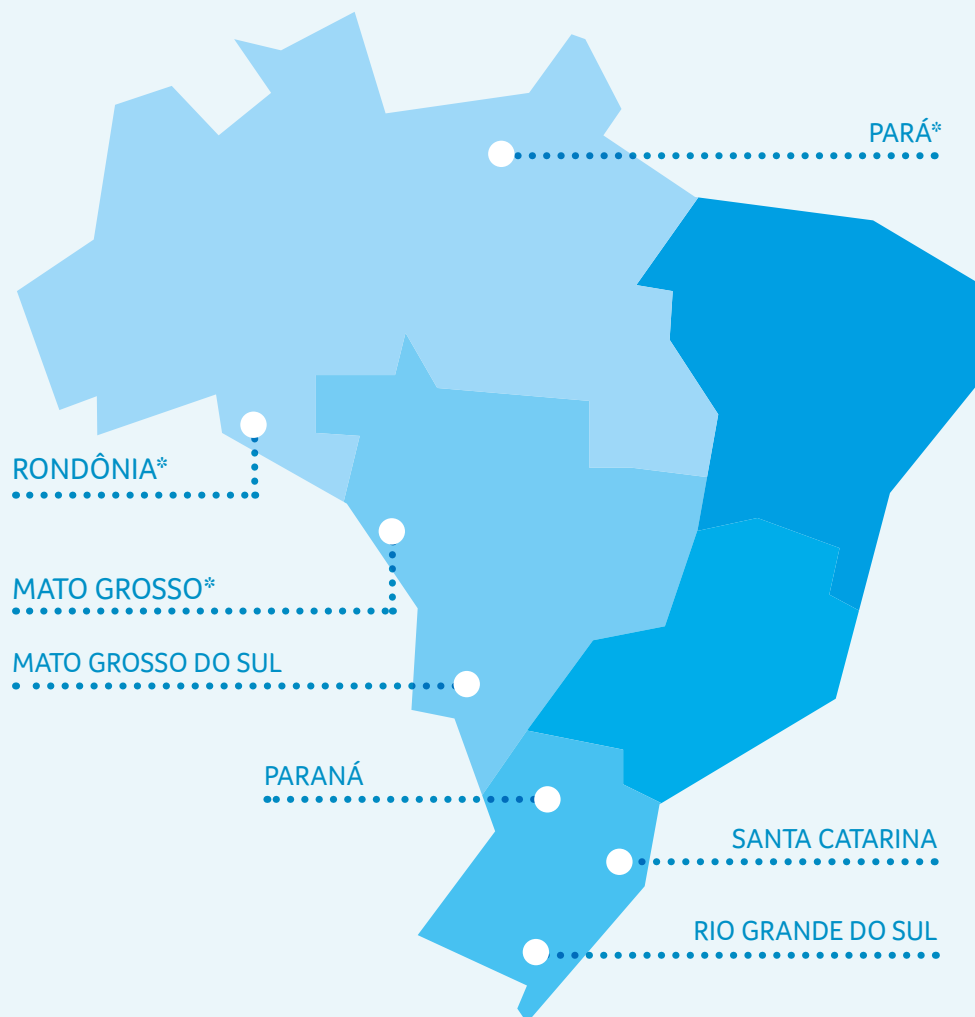
In 2021, we had no works projects either under way or concluded that have been granted by means of transmission auctions. There has therefore not been any increase in the transformation capacity or in the length of transmission lines (TLs) as a result of auctions.



# CGT Eletrosul

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, EU4

CGT ELETROSUL OPERATES IN THREE REGIONS AND SEVEN STATES



HOW IS ALL THIS ENERGY TRANSMITTED?

Transmission lines:  
**12,421.12km**

**11,954.12 km** belonging to the company  
**467 km** partnership business (SPC)

Installed capacity in operation  
**2,041.16 MW**

**826 MW**

of proprietary businesses\*\*

**1,215.16 MW**

in business partnerships (SPCs)

**57.62%**

of the generation capacity of our proprietary businesses is sourced from clean energy sources\*\*\*, of which:

**70.8%** comes from five hydroelectric power stations

**29%** comes from six wind farms

**0.2%** comes from one power station

\* Only a Specific Purpose Company (SPC).

\*\* Considers corporate enterprises and shared ownership.

\*\*\* Considers hydro, wind and solar sources.



## Generation businesses

Name	% of share	Installed Capacity (MW)
<b>Proprietary</b>		<b>826.0</b>
Candiota TPP III (Phase C)	100%	350.0
Passo São João HPP	100%	77.0
HPP São Domingos	100%	48.0
Barra do Rio do Chapéu SHPP	100%	15.2
João Borges SHPP	100%	19.0
Coxilha Seca Wind Farm	100%	30.0
Cerro Chato I Wind Farm	100%	30.0
Cerro Chato II Wind Farm	100%	30.0
Cerro Chato III Wind Farm	100%	30.0
Capão do Inglês Wind Farm	100%	10.0
Galpões Wind Farm	100%	8.0
Solar Megawatt*	100%	0.9
State HPP Gov. Jayme Canet Júnior (Cruzeiro do Sul Consortium)	49%	177.9
<b>SPCs***</b>		<b>1,215.16</b>
Jirau HPP	20%	750
Teles Pires HPP	24.5%	446
Livramento Holding	78%	19.66
<b>TOTAL</b>		<b>2,041.16</b>

\* Business covered by Aneel Normative Resolution n. 390/2009.

\*\* Consortium-based enterprise. Sums proportional to the share percentage.

\*\*\* Sums proportional to the share percentage.



## Values and principles

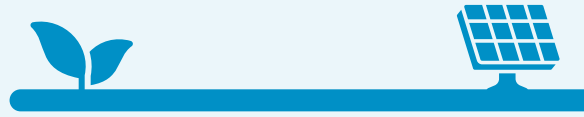
GRI 102-16, 102-17

16

The organization's values, principles, standards, and norms of behavior are outlined in the [Eletrobras Companies' Code of Conduct of Ethics and Integrity](#).

Our principles are respect for human dignity and people, integrity, sustainability, transparency, impersonality, legality and professionalism.

The members of the governance body, employees and business partners receive **continuous training in ethics and integrity**



### Objective

We position all our energy for the sustainable development of our society.

### Vision for the Future

To be an innovative, clean energy company, recognized for its excellence and sustainability.

### Values

- Respect for people and lives
- Ethics and transparency
- Excellence
- Innovation
- Collaboration and recognition

### Declaration of Strategic Positioning

CGT Eletrosul 2035: a sustainable and competitive company, a standard for excellence in electricity generation and transmission.

## Governance structure

GRI 102-18, 103-2, 103-3

16

The CGT Eletrosul [corporate governance](#) structure is composed of the General Assembly of Shareholders, the Audit Committee, the Administrative Council and the Board of Directors. The Audit Committee is linked to the Shareholders' General Assembly. The General Ombudsman, the Internal Auditor and the Investigation of Grievances Coordinating Committee are connected to the Board of Directors.

Our policies concerning corporate governance are defined by the *holding company* together with the subsidiaries, in line with the relevant legislation, whilst also following the best practices established by the Brazilian Institute of Corporate Governance (IBGC) and the sustainability indexes. They are approved by our Board of Directors and implemented throughout the company.

Read the complete CGT Eletrosul [commitments, codes and policies](#) report.



## Board of Directors

GRI 102-18, 102-19, 102-20, 102-22, 102-23

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The functions of CGT Eletrosul's highest governance body, the [Board of Directors](#), are set forth by the law and the company's Bylaws. The main function of the highest governing body is to provide strategic direction, and to guide and monitor the results of the central programs and approved projects, including monitoring the economic, environmental and social performance of the company.

It delegates authority to the Executive Board for management of the business, and the economic, environmental and social performance of the company. The Board of Directors is currently made up of seven members – two women and five men – elected by the General Assembly of Shareholders.

CGT Eletrosul's Audit Committee is a collegiate organ responsible for supervising the acts of the company's managers and checking that they fulfill their legal and statutory duties.

The seven members of the Board of Directors are elected for mandates of two years

The company's head offices in Florianópolis



## Nomination and selection

GRI 102-24

16

The selection and nomination of members of the Board of Directors observe current legislation, the Eletrobras Companies' Nominations Policy and the company's [Bylaws](#). The election of the members of the Board of Directors is submitted to the General Assembly of Shareholders for a final decision.

The Board is made up of seven members:

- one is nominated by the Ministry of the Economy, representing the Union;

- one representative is elected by the employees;
- one is nominated by the controlling shareholder, this member being elected CEO; and
- four are nominated by Eletrobras, of whom two are independent, one who has extensive experience in the electrical energy sector, with an emphasis on energy generation and transmission businesses, and another who has broad experience of corporate law.

## Responsibilities and evaluation of performance

**GRI 102-26, 102-28, 103-2**

CGT Eletrosul's Bylaws establish that it is the responsibility of the Board of Directors to approve the Business and Management Plan (BMP), in accordance with the Business and Management Master Plan (PDNG) and the Eletrobras Companies' Strategic Plan. It is also the Board of Directors' responsibility to approve the Agreement on Corporate Performance Goals (CMDE), by means of which the company undertakes to fulfill the strategic directives, implement and supervise the risk management systems, and approve the investment programs, amongst other functions.

CGT Eletrosul carries out an annual performance evaluation of the Executive Board and the Board of Directors, designed to support the shareholders' decision concerning the renewal of the administrators' mandates. This process, consolidated and coordinated by Eletrobras, is performed independently by an external consultancy firm, and is based upon good market practices.

The evaluation criteria take three aspects into consideration: responsibilities, company results and the body's duties. The procedures include a structured interview, self-evaluation and specific personalized evaluations of the Chairperson of the Board of Directors and the CEO. In the evaluation of the Board of Directors and the Executive Board, reference is made to the economic, social and environmental impacts.

## Corporate events

**GRI 102-10**

On April 8, 2021, the Board of Directors of CGT Eletrosul authorized the exercising of the right of preference and the consequent purchase of the shares belonging to CEEE-T in the Transmissora Sul Litorânea de Energia (TSLE) SPE, corresponding to 49% of the capital stock. The company subsequently purchased these shares, thus bringing the share in the business up to 100%.

In June, CGT Eletrosul acquired the equity interest in and, in August 2021, incorporated Fronteira Oeste Transmissora de Energia S.A. (FOTE), a Specific Purpose Company (SPC) founded in 2013 for the construction, operation and maintenance of the transmission installations listed in Annex 6 of public notice for auction n. 07/2013-Aneel.

Find out more about our equity capital and equity stake on page 5 of the [2021 Management Report](#).

*CGT Eletrosul is present in seven Brazilian states*





*A worker installs a wind tower*



## Improvement program

GRI 102-17, 102-27

8

In 2021, the Improvement Program for the Board Members and Directors of Eletrobras Companies, developed in partnership with the Eletrobras Companies Corporate University (Unise), addressed a wide range of important matters, including compliance and governance, corporate aspects, best corporate governance practices, and evaluation of the integrity of third parties.

A number of different courses were also offered, touching on issues such as transactions with related parties, the LGPD, risk factors, strategic management of corporate risks, integrity and EESG, energy transition and sustainability.

## Committees and Commissions

GRI 102-22

The company's governance structure involves the following Committees and Commissions:

- Audit and Statutory Risks Committee (CAI)
- Risk Committee
- Investments and Business Committee
- Information Security Committee
- Sustainability Committee
- Permanent Ethics Commission
- Permanent Endorsement Analysis Commission

# The five dimensions of the Eletrobras Companies Integrity Program

GRI 102-17, 103-2, 103-3

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## Management of ethics

GRI 102-17, 103-2, 103-3, 205-2

At CGT Eletrosul, we reject any type of direct or indirect fraud or corruption. The company uses ethical and irreproachable criteria and mechanisms to establish its relationships with third parties. Our ethical management is in line with the following documents: the Eletrobras Companies' Anti-corruption Policy; the Code of Conduct, Ethics and Integrity; the Eletrobras Companies' Conflict of Interests Administration Policy; and the Eletrobras Companies' Integrity Regulations.

The company is committed to:

- being transparent in its relations with control and inspection bodies;
- ensuring the integrity of its books, filings and accounting records
- providing information on our integrity policies;
- training our stakeholders related to the issue;
- filing immediate reports on irregularities of an ethical and integrity-related nature;
- investigating accusations and infractions; and
- not retaliating against whistleblowers.



All CGT Eletrosul employees receive training on the issue

The company rejects actions of fraud and corruption and bases its relations with third parties on **rigid ethics and integrity criteria**

## Tackling corruption

GRI -17 1, 103-2, 103-3, 205-1

Our management of this issue is aimed at alleviating the negative impacts of integrity risk and mitigating the materialization of risks of fraud and corruption. The company is founded on the following guiding documents:

- Eletrobras Companies' Code of Conduct, Ethics and Integrity
- Eletrobras Companies' Anti-corruption Policy
- Eletrobras Companies' Conflict of Interests Administration Policy
- Regulations of the Integrity Program

- Evaluation of Integrity Regulations
- Integrity Monitoring Regulations
- Eletrobras Companies' Consequences Policy
- Management and Handling of Accusations and Infractions Regulations

In 2021, the compliance management evolved with the adoption of the digital 'SAP' tool and the revision of various different procedures. One of the changes involved the condensation of three documents into a single document, called the 'Evaluation of Integrity Regulations', a management tool that guides the evaluation of risks involving:

- suppliers
- business partners

- sponsors
- institutions receiving donations
- affiliated institutions
- social projects
- research, development and innovation projects
- nominees for salaried functions
- members of the governance body

Optionally, and when the need is justified, the risks concerning third parties are also evaluated when set forth in the regulations.

**16** Due diligence of suppliers exposed to the risk of fraud and corruption: **97.40%** (target: 100%)

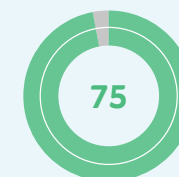
## Actions undertaken

- Integrity and Ethics Course offered to all Eletrobras companies employees: "LGPD Webseries" and "Anti-corruption Webseries";
- Distance Learning Course on Contracts, offered to all contract managers and inspectors;
- Training for the members of the senior management in the processes involved in the Integrity Program;
- Courses on Related-Party Transactions;
- Eletrobras companies' Integrity and Ethical Culture Week.

The monitoring of the actions is performed by means of a collection and investigation of the information necessary for the analysis and control of the effectiveness of the mechanisms implemented and their continued evolution. The Integrity Program also undergoes periodic internal and external audits. One of the most pressing challenges regards the adoption of automated tools, that operate in real time to detect situations of fraud and corruption, especially in those processes most exposed to risk. Another challenge involves maintaining the high standard of quality of the Integrity Program, with permanent updating of the analysis of the company's priority fraud and corruption risk factors, as well as the analysis of the actions designed to control them.



Critical suppliers from the perspective of integrity



Suppliers that have been submitted to compliance risk evaluations, using the due diligence formula

**16** Employees trained in the policies and procedures of the Integrity Program (Compliance): **97.24%** (target: 98%)



## Anti-corruption webseries

GRI 102-17



The company offered the 'Integrity and Ethics 2021 - Anti-corruption Webseries' online course, produced by Unise, Eletrobras' corporate university. The one hour course is an obligatory requirement for career development, nomination to a management position and formation of the board of directors.

The training reinforces important concepts relating to fraud, corruption and conflicts of interest, providing guidance to the employees on situations and processes that require special attention, in order to ensure ethical performance. By December 31, 1,262 people had passed the course. In addition to this training course, other awareness-raising actions concerning ethics and integrity were performed, with a total of 1,302 participating employees.

**The Ethics and Integrity Course**, lasting one hour, was passed by 1,262 employees of the company

## Communication and training on anti-corruption policies and procedures

GRI 205-2

	Corporate Governance Body		Employees in management positions		Employees at senior level		Employees not at senior level		Commercial partners (partners at SPCs)	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Total (members/employees/ commercial partners)*	15	15	114	116	441	439	784	784	5	4
Total to whom the anti-corruption policies and procedures adopted by Eletrobras were communicated	15	15	114	116	441	439	784	784	5	4
Percentage to whom the anti-corruption policies and procedures adopted by Eletrobras were communicated	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total number who received anti-corruption training	15	15	114	116	379	430	753	756	-	-
Percentage who received anti-corruption training	100%	100%	100%	100%	85.94%	97.95%	96.05%	96.05%	-	-

# Risk management

GRI 102-11, 102-30, 102-33, 103-2, 103-3

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CGT Eletrosul's integrated risk management structure is an effective and efficient tool for the reduction of exposure to events that can have a negative effect on the company's strategic objectives. By means of a structured focus, it aligns strategy, processes, personnel, technology and knowledge with the aim of preserving and creating value for the company and its shareholders.

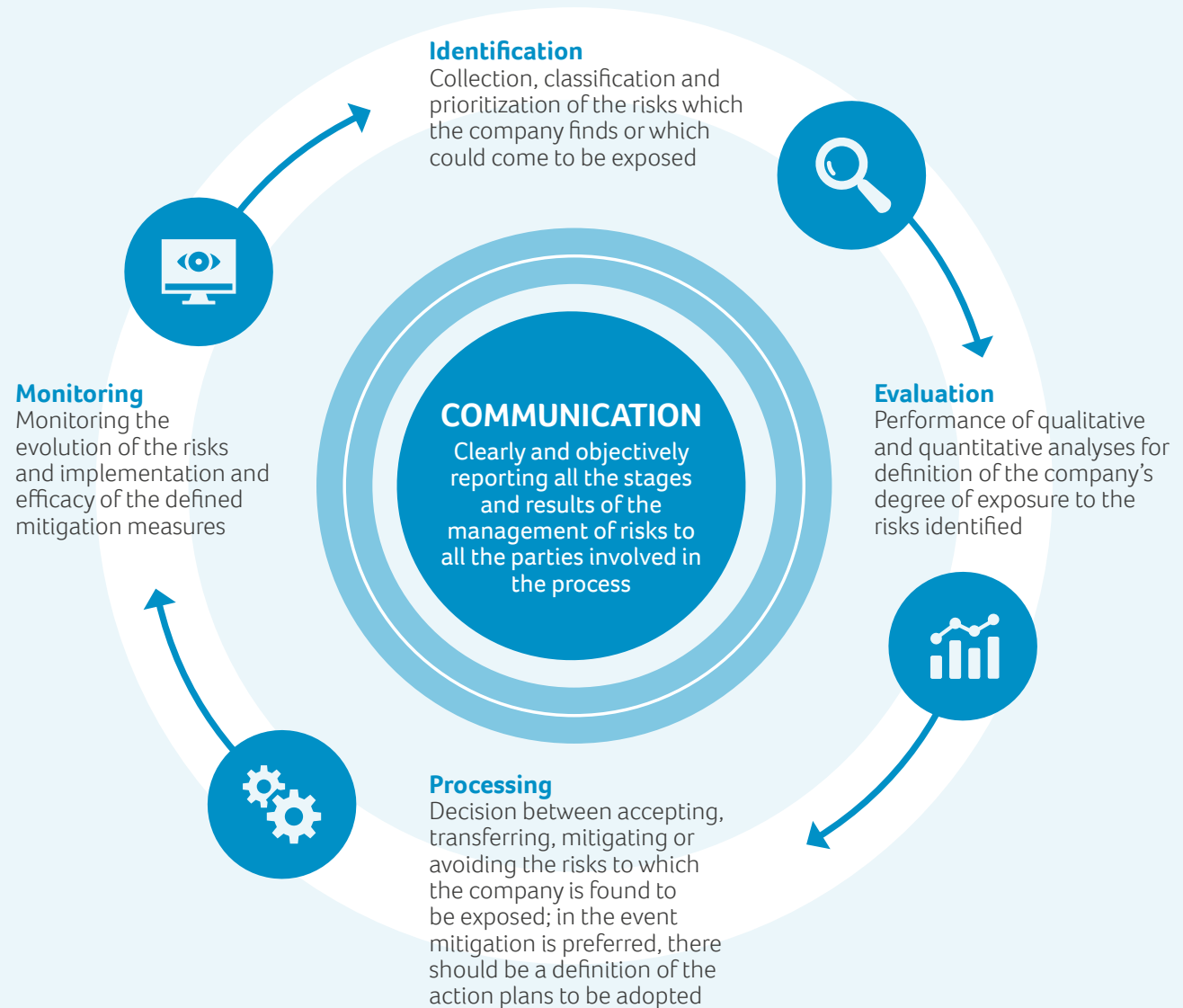
The process follows the principles, directives and responsibilities established in the [Eletrobras Companies' Risk Management Policy](#). Its development is based on best market practices, including COSO 2013, COSO-ERM, the IA 2020 Three Lines Model, and the ISO 31000:2009, whilst also adhering to the requirements set forth in Law n. 13,303/2016.

Communication with the company's highest governing body about critical concerns regarding risk management, internal controls and *compliance* is performed by means of presentation of the results at the board's ordinary meetings.

All matters connected with corporate risk management are submitted on a quarterly basis to the governance organs, by means of correspondence sent to the Board of Directors and the Audit Committee. Such communications contain the results of impacts and the likelihood of risk events, as well as mitigation measures through action plans. Monthly reports are also presented to the Board of Directors. Whenever any of the board members feel that the information provided by these means are insufficient, in-person presentations are made.

## Risk management model

GRI 103-2, 103-3



## Principal risks

GRI 102-11, 103-2, 103-3, 102-15, 102-29, 102-31

CGT Eletrosul periodically updates its risks matrix. In 2021, 34 risks were mapped, of which 18 were considered to be priority. Management of the Risks Matrix involves evaluation, monitoring and analysis integrated with the internal controls, aiming to drive actions for the promotion of strategic and operational matters, as well as minimize the occurrence of events that compromise the performance of its objectives. For those events that have been judged to be high or critical, the risk manager is responsible for drafting an action plan aimed at mitigating its occurrence.

The risk of Climate Change was separated in 2021, and is now considered in terms of mitigation and adaptation, which allows a more in-depth analysis of the issue. Mitigation refers to the reduction of greenhouse gases (GHG) to avoid or reduce the incidence of climate change, whilst adaptation seeks to reduce its harmful effects and explore possible opportunities. Due to the company's energy grid including a thermoelectric power station, the risk of Climate Change (with an emphasis on mitigation) was included amongst the priority events.

The principal specific actions and projects that contributed to the development of CGT Eletrosul's risk management over the year were:

- Implementation of the SAP GRC RM system, for monitoring the risk events;
- Participation in the Eletrobras companies' "Risk Management Maturity Project", that aims to classify the companies' levels of maturity;
- Adhesion to Edition 5.0 of the Eletrobras companies' 'Risk Management Policy';
- Risk management training for senior management and risk holders;
- Participation in the Eletrobras companies' "G&T New Businesses Risk Management Task Force";
- Support in the drafting of the risk reports on matters relating to the generation, transmission and financial operations that are submitted to the Audit and Statutory Risks Committee (CAE) for consideration;
- Revision of the Risks Matrix and the 'List of Prioritized Events in the 2022 Cycle'.



## Risks prioritized by CGT Eletrosul

GRI 103-2, 103-3, 102-15, 102-29, 102-31

13 16

1. Commercialization of energy
2. Financial and accounting statements
3. Human Rights
4. Litigation training and management
5. Fraud and corruption
6. Supply chain management
7. Personnel management
8. Business management of SPCs
9. Socio-environmental management of projects
10. O&M in generation
11. O&M in transmission
12. Projects in generation assets
13. Projects in transmission assets
14. Sectoral regulation in generation
15. Sectoral regulation in transmission
16. Health and Safety at Work
17. Information Security
18. Climate Change (emphasis on mitigation)

Find out more about the [prioritized risks](#).



## Precautionary principle

GRI 102-11

The precautionary principle is applied through the risk management process, which starts with identification of the risk, performed with the participation of all those involved in the company's business processes, at all the different levels. The risks are categorized as: business, operational, financial and compliance.

Once the risks have been identified, qualitative and/or quantitative analyses are performed, with the intention of defining the impact and likelihood. Following this, the Executive Board defines its position in relation to the risk (whether it should be avoided, endured or mitigated). In the monitoring phase, the implementation and maintenance of the responses to the risks, trends, successes and weaknesses are supervised. Periodic assessments are made during all the stages, involving all the interested parties.

The risks are identified and classified in four categories: **risks to the company's business, operations, financial situation and compliance**



## Planning and response to emergencies

EU21

To discuss and establish dam safety policies, CGT Eletrosul participates in the Safety of Dams and Civil Structures Subcommittee (SBEC), and the Dam Safety Working Group (GTSM), connected with the Brazilian Association of Electricity Generation Companies (Abrage).

All of the company's power stations have an Emergency Action Plan (EAP), that adheres to federal legislation and the regulatory agencies' norms, and is sent to the municipal departments of civil defense. The EAP also appears as an annex to the Dam Safety Plan that is made available to the project operations team and to the regulatory agency, being reviewed should Aneel or legal requirements demand it.

The information concerning these projects is registered by Aneel in the National Dam Safety System. To guarantee that the availability of the transmission systems are quickly reestablished, we also have Contingency Plans for the substations and transmission lines that fall under the responsibility of CGT Eletrosul. Their aim is to define the actions that should be performed to enable the recovery of the transmission functions which have been lost as a result of equipment failure.

The company permanently monitors the climate risks associated with its activities. [Find out more.](#)

## Consulting stakeholders

GRI 102-21

The company has numerous consultation processes in place for its stakeholders. One of these is the Ombudsman, a department that is connected to the Board of Directors. The Board of Directors and the Executive Board receive monthly reports on the complaints received by the Ombudsman as well as accusations, which are received through a specific and independent channel.

The Materiality Study is another form of communication with the stakeholders, since it identifies the issues that are of most importance to these groups. This study is performed biennially, guiding the focus of the corporate reports.



The company has numerous channels of communication open to the public

## Channels of communication for accusations, complaints and demands

16



### General Ombudsman

To find out more, please [click here](#)

E-mail:

[ouvidoria@cgteletrosul.com.br](mailto:ouvidoria@cgteletrosul.com.br)

Tel: **0800-6487822**



### External accusations channel

To find out more, please, [click here](#)

Tel: **0800-3778037**



### Compliance - Conformity, Control and Risk

E-mail: [compliance@cgteletrosul.com.br](mailto:compliance@cgteletrosul.com.br)



### CGT Eletrosul Ethics Commission

To find out more, please [click here](#)

E-mail: [etica@cgteletrosul.com.br](mailto:etica@cgteletrosul.com.br)

Tel: **(+ 55 48) 3953-8523**



### Environmental issues

E-mail: [gestaoambiental@cgteletrosul.com.br](mailto:gestaoambiental@cgteletrosul.com.br)



### Public Ethics Committee of the Presidency of the Republic

To find out more, please [click here](#)

E-mail:

[etica@presidencia.gov.br](mailto:etica@presidencia.gov.br)

Tel: **(+ 55 61) 3411-2952**

Contacts made in 2021 GRI 102-34	Number
Compliments	23
Suggestions	12
Accusations	70
Requests	146
Complaints	167

Internally, we disseminate the communications received on a quarterly basis, along with other matters related to the Ombudsman.



## Costs and budget management

GRI 102-45

Being a mixed-capital company, CGT Eletrosul performs its cost management in accordance with the accounting regulations applicable to joint-stock companies, as well as the norms issued by Aneel and other relevant organs.

We develop internal controls to meet the requirements of the regulatory agency and accounting regulations, as well as for management purposes. The results are presented in the Explanatory Note of the Financial Statements (FS).

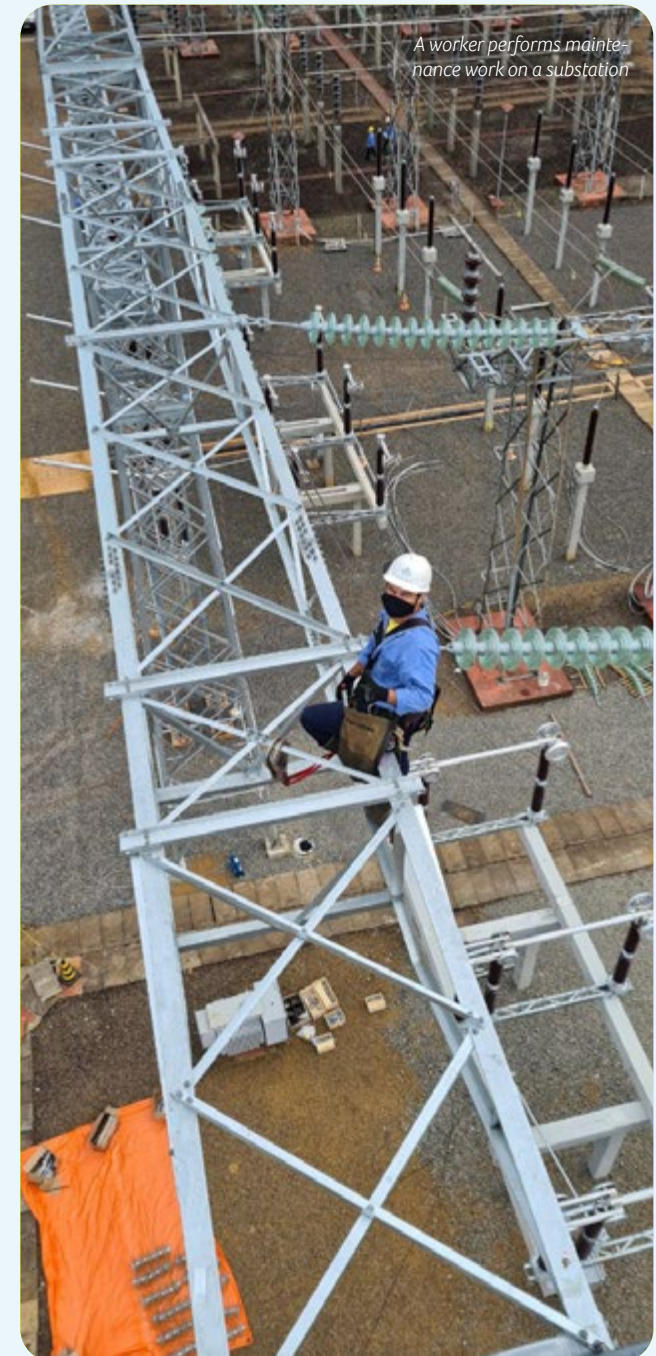
[Consult our FS and our Annual Accounting Process.](#)

The calculation method of the legal budget is established by the Coordination and Governance of State-Owned Companies Department of the Ministry of the Economy, and differs to the regulations of Corporate Accounting Statements in some respects. In 2021, we had current expenses of R\$ 2,372 million, capital expenditure of R\$ 1,434 million, and total funds of R\$ 4,028 million.

The budget limits approved in the Program of Global Expenditures and in the Investment Budget were fully respected. In relation to the Multi-Annual Plan (MAP), programs and actions aligned with the company's Strategic Plan were executed.

Find out more about CGT Eletrosul's [corporate investments](#) listed by investment program and actions.

In 2021, we had **current expenses of R\$ 2,372 million**, capital expenses of R\$ 1,434 million, and total funds of R\$ 4,028 million



A worker performs maintenance work on a substation

## External initiatives

GRI 102-12, 102-21

In 2021, the environmental education activities that had been planned for students, teachers, farmers, leaders and the community in general could not be provided due to the pandemic. The company's representation on the River Ijuí Drainage Basin Committee was also compromised. It is expected that these ordinary meetings will be held once again in 2022.

Of special note amongst the activities performed were:

- The creation of the Passo São João HPP WhatsApp group (53 participants) in April 2021, aimed at social communication, environmental education and transferring technologies to the community.
- Environmental education actions with the residents of those areas that our transmission lines pass through in Rio Grande do Sul. In total, 603 properties were visited. [Find out more about this project.](#)
- Distribution of 10,000 tree saplings to farmers, with the intention of assisting in the recovery of ciliary forest areas on their properties, rural areas in the municipalities and the forestry restocking of conservation units.

Amongst the external, voluntary social initiatives, we can highlight our participation in the Santa Catarina National SDGs Movement; in the 'Na Mão Certa - Corporate Agreement Against Sexual Exploitation of Children and Adolescents on Brazilian Highways'; adhesion to the Women's Empowerment Principles (WEPs); and to the Statement of Continued Support for the Global Compact.

External, voluntary environmental initiatives include: upkeep of a tree nursery and forest garden on the industrial site of the Passo São João HPP; adhesion to the IEC's Positioning on Carbon Mechanisms and Pricing (Corporate Climate Initiative), and to the Brazilian Corporate Commitment on Biodiversity, signed by Eletrobras.

In 2021, the company distributed **10,000 native tree saplings** for the recovery of ciliary forests



Children planting saplings of native tree species



## Eletrobras companies' conflicts of interest

GRI 102-25

16

The Eletrobras companies, in line with current legislation, their Bylaws, Code of Conduct, Ethics and Integrity, and the Eletrobras Companies' Conflict of Interests Administration Policy, have established guidance relating to the matter of conflict of interests. They are contained in the following directives:

- Analysis of the integrity of third parties (suppliers, commercial partners, donations and endorsements), *due diligence*, and *background checks* in accordance with the Eletrobras Companies' Integrity Regulations; and of the Audit Committees and Management of subsidiaries, in accordance with the Regulations for the Nomination of Representatives to Board Members and Directors of Eletrobras Companies;
- Daily publication of the [agenda of public commitments](#) of the directors of CGT Eletrosul;
- A *due diligence* form on employees, which seeks to map sensitive aspects in the personal and professional relationship of employees and managers;
- Use of the electronic system of the Federal Comptroller General (CGU) - SeCI - to perform consultations and request authorization for private activities;

- Integrity assessment for senior management, performed by the *holding company* to check the existence of any potential or actual conflict of interests, amongst other aspects; and
- Relationship Map with the Public Sector, aimed at checking the exposure to risk of fraud and corruption.

The Eletrobras Companies' Transactions with Related Parties Policy, updated on December 17, 2021, was the theme of a training session for members of the governing board and managers of Eletrobras companies. It establishes the directives that safeguard the company's interests and those of its shareholders, regulating the transfer of the information that is necessary to comply with the capitals market regulations in Brazil and overseas.

The company's directors send the Public Ethics Commission its Statement of Confidential Information (DCI) listing its assets, as well as equity situations or shares that could configure as a conflict of interest and the measures taken to mitigate such situations.

## System of Sustainability Management

Our Annual Report is organized into four integrated pillars - the principles of Governance, Economics, People and the Planet. This structure adopts the standards of the Global Reporting Initiative (GRI) and the Integrated Report. We also use the model as the basis for our sustainability framework.

Our Sustainability Management System is based upon five axes, starting with the [Sustainability Policy](#), that guides the actions of the Eletrobras companies. The Executive Commission for Sustainability Management is the body that disseminates the actions and coordinates the three other axes: the [IGS System](#), a strategic tool for the management of indicators; the Integrated Report; and the Value Creation Model (see the description in the graph on the following page).

The company uses the **Corporate Sustainability Management System (IGS)** as a strategic tool

# VALUE CREATION MODEL

Learn about how the Eletrobras Group transforms inputs, through its business activities, into outputs and outcomes and how they create value for the business and society.



## PURPOSE

We put all our energy into the sustainable development of society.

## VISION

To be an innovative, clean energy company, recognized for excellence and sustainability.

## VALUES

- ⚡ Collaboration and recognition
- ⚡ Innovation
- ⚡ Ethics and transparency
- ⚡ Excellence
- ⚡ Respect for people and life

Equipment and facilities

Stakeholders

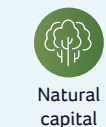
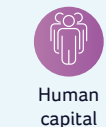
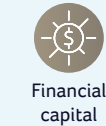
Financial resources

Main inputs

Research and knowledge

Natural resources

Workforce



- Supplier development [SDG 4, 5, 8, 10, 12, 13, 16](#)
- Revenue reliability [SDG 7, 9](#)
- Conservation of biodiversity [SDG 9, 13, 15](#)
- Energy savings [SDG 7, 13](#)
- Fairly priced (sustainable) contracts [SDG 7, 9](#)
- Contribution to sustainable development [SDG 1 a 17](#)
- Professional growth/training [SDG 4, 8](#)
- Participatory dialog [SDG 11, 16](#)
- Access to electricity for all, with a reduced risk for social and environmental impacts [SDG 1 a 3, 7, 9, 10, 13 a 15](#)
- Dividends [SDG 8](#)
- A more sustainable supply chain [SDG 5, 8, 10, 12, 16](#)
- Respect for human rights [SDG 8, 9, 10, 16](#)
- Jobs and income [SDG 1 a 3, 8, 9, 10, 12](#)
- Integrity (ethical, lawful and transparent conduct) [SDG 16](#)
- Private social investment [SDG 1, 3, 4, 7 a 9, 13, 15](#)
- Improvements to national infrastructure [SDG 7, 9, 11](#)
- Better living conditions in affected communities [SDG 1, 3, 9, 11, 16](#)
- Affordable electricity [SDG 3, 7 a 9](#)
- Partnership in managing government programs [SDG 1 a 3, 7 a 9, 12, 13, 17](#)
- Participation in structuring projects [SDG 7, 9](#)
- Research, development and innovation [SDG 7 a 9](#)
- Procurement predictability [SDG 8, 12, 16](#)
- Sponsorship of culture, sports and events [SDG 3, 4, 8, 9, 13](#)
- Greater diversity [SDG 5, 8, 10, 12, 16](#)

Stakeholders

Partners, sponsors and suppliers

Media and opinion makers

Society

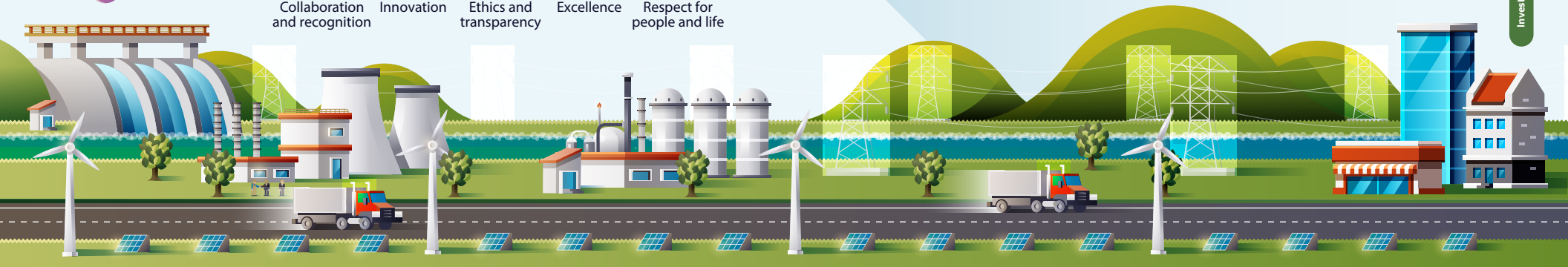
Governments, congress and regulators

Customers

Communities

Employees and their families

Investors, shareholders and market analysts





## Awards and recognition

GRI 102-1, 102-2

16

### Governance Indicator Certification (IG-Sest)

The company received the Level 2 Certification in the 5<sup>th</sup> Cycle of the Governance Indicator, an instrument used for the continual monitoring of compliance with various legal provisions and good governance practices by federal state-owned companies controlled directly by the Union, and selected subsidiaries.

### State Program for Prevention of Corruption

CGT Eletrosul obtained the highest level of adherence to good *compliance* practices and for the power of regulation under the State Program for Prevention of Corruption. The diagnosis was developed on the e-Prevention Platform hosted by the Federal Audit Court (TCU).

### Gender and Race Pro-Equality Seal

The Gender and Race Pro-Equality Seal Program developed by the Ministry of Women, Family and Human Rights, through the National Department of Policies for Women, granted the 6<sup>th</sup> edition Seal to CGT Eletrosul. This is awarded by the Federal Government, in partnership with UN Women and the International Labour Organization (ILO).

### B3 Seal of Confidence

The award from B3 (formerly Bovespa) for the energy market was made to CGT Eletrosul in the Level 3 classification - the highest in the category. It recognizes transparency in information, price formation and risk management in the free energy market.

### Empresa Amiga from the Hospital Nossa Senhora da Conceição

CGT Eletrosul received the '*Empresa Amiga*' ('Friend Company') from the Hospital Nossa Senhora da Conceição, located in Tubarão (SC), for its support of the project designed to acquire image diagnosis equipment to increase the number of exams performed due to the demand from the National Health Service (SUS).

### Joinville Book Fair

The company was honored as one of the sponsors of the 17<sup>th</sup> Joinville Book Fair and received a plaque of thanks for supporting the staging of this event.

### Biggest in the South

CGT Eletrosul was placed 19<sup>th</sup> overall and fourth amongst energy companies in the '*500 Maiores do Sul*' ('500 Biggest in the South') publication, awarded by the *Amanhã* magazine, based upon criteria of equity, revenue and profit.

### Certificate of Social Responsibility

The company was awarded the Certificate of Social Responsibility 2021, by the Legislative Assembly of Santa Catarina. The award recognizes institutions that assume social responsibility as a management policy

### SDGs - Signatory Seal 2021

The Santa Catarina National SDGs Movement awarded CGT Eletrosul its Signatory Seal 2021. This recognition is granted to organizations that have honored their commitments relating to the Sustainable Development Goals (SDGs).

### Santa Catarina SDGs Award

CGT Eletrosul's '*Casa Eficiente*' ('Efficient Home') project was recognized with an honorable mention by the Santa Catarina SDGs Award. The initiative aims to show appreciation for actions performed by signatories of the Santa Catarina National SDGs Movement which contribute to the SDG targets.

### 1<sup>st</sup> Eletrobras Companies' Innovation Award

Professionals who present alternatives and benefits through projects were recognized by the 1<sup>st</sup> Eletrobras Companies' Innovation Award. Two projects developed by CGT Eletrosul were recognized.

### II National Eletrobras Companies' Olympiad of Innovation

The '*Monitora*' project took first place in the II National Eletrobras Companies' Olympiad of Innovation. Two CGT Eletrosul employees were members of the team that developed the winning initiative. The initiative in question is a digital tool that enables and optimizes the work of technicians in relation to recording occupation in the easement strips along transmission lines.

# Strategic Planning

GRI 102-1, 102-2

Eletrobras has developed its [strategic planning](#) with a view to identifying trends, risks and uncertainties related to the business. The studies forming the basis of the estimates and which guide our planning take into account both current expectations and those relating to future events, as well as financial and non-financial trends for a time frame of 15 years. This structure is organized into three levels:

- Strategic Plan (SP): a long-term plan designed to establish strategic directives that will guide the development of the business enabling us to maintain our mission and achieve the projected goal.
- Business and Management Master Plan (PDNG): an unfolding of the Strategic Plan, this is a short and medium-term plan, with a time frame of five years.
- Business and Management Plan (PNG): also with a time frame of five years, this is an unfolding of the PDNG and represents a specific set of projects that are to be developed by each of the Eletrobras companies.

## Business and Management Master Plan (PDNG)

GRI 102-1, 102-2

The [Business and Management Master Plan \(PDNG\)](#), structured for the 2021-2025 five-year period, is an unfolding of the 2020-2035 Strategic Plan. It is based upon the strategic directives of the Strategic Plan and designed to present a proposal for overcoming the challenges imposed by the country's current context and that of the electrical energy sector.

The premises defined in the PDNG guide the creation of the Eletrobras companies' Business and Management Plans (PNGs).

In the construction of the PDNG, as well as analyses of different scenarios, there is a more in-depth diagnosis of the business context. The conclusions contribute to the definition of priorities and establishment of targets.

As defined in the 2020-2035 PE, the PDNG reaffirms nine strategic directives for the company.

## Strategic directives

7 8 9 16



### Value and investment

To multiply value generation and expand the investment capabilities of the company



### Generation and transmission efficiency

To create value by increasing the efficiency of G&T assets



### Generation and transmission expansion

To consolidate our leadership in G&T, focusing on clean energy



### New business

To invest in new businesses, with a focus on energy, participating in the consolidation of the sector (M&A)



### Governance

To achieve excellence in Governance, Risk Management and Internal controls (GRC)



### Commercialization

To be the leader in commercialization, with attractive margins and efficient risk management



### Culture and people

To develop a culture of excellence and high performance in personnel management, based upon meritocracy



### Management

To focus the company's management on the creation of value and an increase in competitive standing



### Digital Innovation and Transformation

To be a leader in innovation and advance the digital transformation of the business and management processes

## Business and Management Plan (PNG)

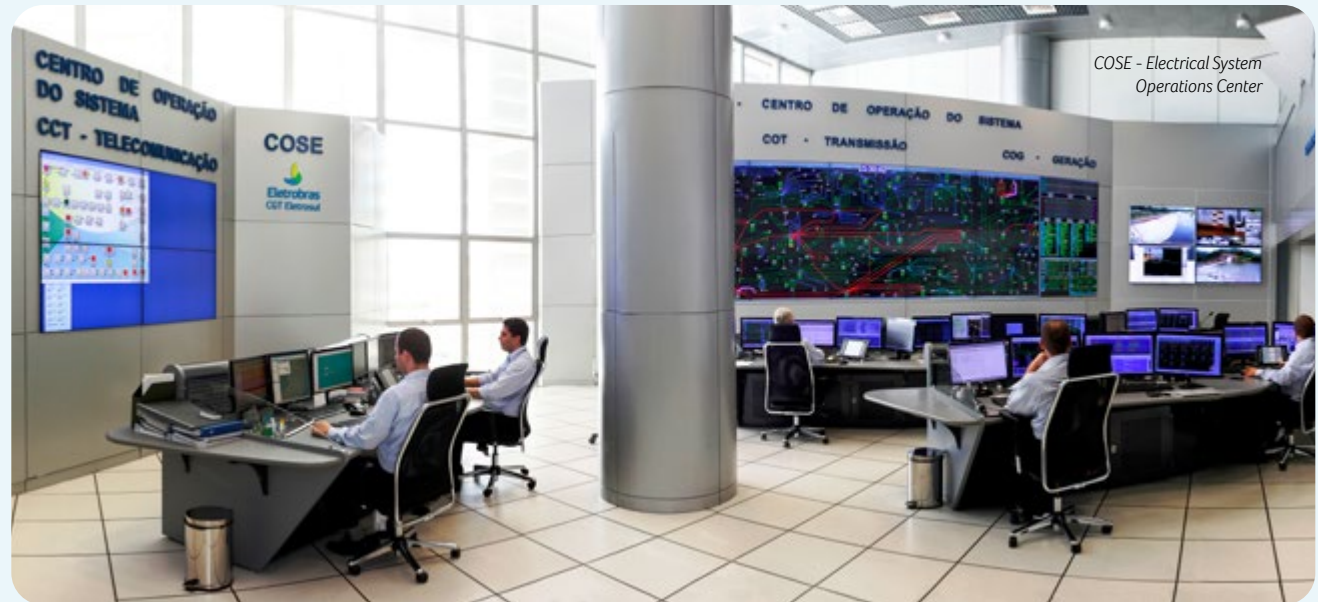
GRI 102-35, 102-36, 102-37

The 2021–2025 Business and Management Plan (PNG) presents the strategic projects that are to be implemented by CGT Eletrosul to fulfill the directives defined in the PE and the PDNG. As well as the indicators and targets, the document also provides a projection of investments for the period.

The PNG indicators generate subsidies for certain management instruments, such as the Agreement on Corporate Performance Goals (CMDE), the Managers' Annual Variable Remuneration Program (AVR), and the Profit and Results Sharing Program (PRS).

Find out more about our [Business and Management Plan](#)

**The Business and Management Plan** defines indicators and targets, as well as making projections on future investments



## Capitalization of Eletrobras

One of the most important events of the year was the National Congress' approval of the Eletrobras capitalization project, which was subsequently sanctioned by the Federal Government in the form of Law n. 14,182/2021. The capitalization aims to reduce the Union's share in the company's capital from 51% to 45%, putting the difference up for sale on the market, but maintaining its *status* as majority shareholder.

By doing so, Eletrobras expects a greater volume of investment to be able to maintain its competitive standing in the market. Taking the capitalization into account, the 2022–2026 PDNG expects investments in the region of R\$ 48.3 billion, an increase of around 90% in relation to the previous PDNG (2021–2025), which, excluding the investments made for the recovery of the Angra 3 plant, forecast an investment of R\$ 25.8 billion.

## Monitoring performance

We follow the execution of our strategies by means of performance indicators and targets, monitored by the Corporate Projects Management Office, which reports the progress of the relevant initiatives and programs to senior management.

The Agreement on Corporate Performance Goals (CMDE), established between the *holding company* and each one of the Eletrobras companies, is aligned with their Business and Management Plans, and contains financial, operational and socio-environmental indicators, as well as those relating to management, integrity and people. The performance of the companies impacts on the annual variable remuneration of the directors and on the workforce's participation in the profits and results.



# Planning and management of Eletrobras

● Product

● Process





# PROSPERITY

## MATERIAL TOPICS:

- Technology and Innovation
- Energy Transition

## CAPITALS



## MATERIAL TOPIC

- Suppliers

## PROSPERITY

Our ambition is to ensure that all human beings can have a full and prosperous life, and that economic, social and technological progress occurs in harmony with nature. Prosperity involves economic growth, based on decent jobs, sustainable means of living, increased real income and social protection. It also considers innovation and the transformation of business models to create shared value, including investments in sustainable and resilient infrastructure, cities and settlements, industrialization, small and medium-sized companies, and the sustainable management of suppliers.

# Economic-financial performance

GRI, 207-1, 207-2, 207-3

8

From an economic-financial perspective, CGT Eletrosul surpassed all expectations for 2021. The company's revenue increased significantly this year, due to the better operational *performance* of the Candiota Thermoelectric Power Station (TPP) and the increase in energy prices.

The macroeconomic scenario was tremendously volatile, especially in relation to inflation and interest. The rise in inflation benefited CGT Eletrosul, since the readjustment of transmission revenues is performed using inflation, IPCA and IGP-M indicators, and the latter rose much more than the IPCA, the company's main expenses indexer.

The investments in reinforcements and improvements related to concessions agreements allowed for an increase in the transmission capacity of renewable energies. For 2022, it is expected that new investments will be made that should add value to the company. Over the next three to five years, we will need to make new investments to continue expanding our energy generation and transmission capacity.

The company also acquired equity capital from CEEE-T in the Special Purpose Companies (SPCs) Fronteira Oeste Transmissora de Energia (FOTE) and Transmissora Sul Litorânea de Energia (TSLE), with a total investment of R\$ 300 million.

The issue of EESG has been growing in importance in all corporate areas. In this area, one highlight of the year was the first emission of green bonds, in the sum of R\$ 185 million, maturing in 2029, as well as the issuance of institutional debentures of R\$ 215 million, maturing in 2024, thus totaling R\$ 400 million in capital raised.

In relation to interest, we managed to avoid the moment of negative volatility for the issuance of the debentures, whilst we also benefited from the increase in the interest rate through the redemption of the TSLE debentures, thus reducing the premium to be paid.

One challenge in the short and medium terms is to recover the production chain of the suppliers, which has been adversely affected by the pandemic.

CGT Eletrosul issued **R\$ 185 million** in green bonds and **R\$ 215 million** in institutional debentures



## Economic value generated (in R\$ millions) GRI 201-1

8

9

	2020	2021
Revenue	3,749,592	3,969,726
Operating costs and other inputs*	- 2,429,207	- 2,119,216
Gross Added Value	1,320,385	1,850,510
(-) Depreciation and amortization	- 243,723	- 241,380
(+) Transferred added value	208,331	146,841
Added value to distribute	1,284,993	1,755,971
Employee wages and benefits*	466,618	475,268
Payments to providers of capital	466,425	394,278
Shareholders	467,807	112,028
Payments to the government	- 1,501,811	597,161
<b>Total</b>	<b>- 120,961</b>	<b>1,578,735</b>
<b>Economic value retained (retained earnings)</b>	<b>1,405,954</b>	<b>177,236</b>
<b>Total economic value distributed</b>	<b>1,284,993</b>	<b>1,755,971</b>

Description	2020	2021
Total Assets	14,128	14,717
Net worth*	7,820	8,421
Net Debt**	1,815	2,283
Net operating revenue	2,709	3,354
Net (loss) earnings**	1,877	291
Ebitda (i)**	1,060	1,497
Personnel, materials and services (ii)**	671	753

(i) Adjusted Ebitda for non-recurring items

(ii) Not including raw materials

\* Controller

\*\* 2020 sums were reclassified

## Equity

The Company's assets and liabilities in 2021 showed an increase in debt and net equity. The factors involved were the issuance of R\$ 400 million in debentures on September 15, 2021, the positive results of the fiscal year 2021, in the sum of R\$ 291 million, and the receipt of an Advance for Future Capital Increase (AFCI) in the sum of R\$ 300 million, that will be capitalized. The Net Equity, that was R\$ 7,820 million in 2020, is now at R\$ 8,421 million.

## Net Operating Revenue

CGT Eletrosul's adjusted Net Operating Revenue (NOR) in 2021 reached the sum of R\$ 3,219 million, an increase of 24.6% against 2020.

## Costs and Operating Expenses

The following principal costs and operating expenses, except raw materials, contributed to the formation of the consolidated profit:

R\$ million, except where indicated	2020	2021	Var (%) 2021/2020
Personnel*	437	479	9.6%
Energy purchased for resale	597	536	(10.2%)
Materials	78	94	20.5%
Third party services	156	180	15.4%
<b>Total</b>	<b>1,268</b>	<b>1,289</b>	<b>1.7%</b>

\* Except Incentive Plan for consensual Dismissal/Resignation and Profit Sharing

Click here to read about [CGT Eletrosul's economic and financial performance](#) in more detail.

## Procurement practices

CGT Eletrosul's procurement practices cover legal, tax, labor, economic and technical requirements in line with current legislation. The company therefore follows the Eletrobras companies' policies, especially the Procurement Logistics Policy and the Sustainability Policy.

Management of this matter aims to ensure isonomy in the contracting processes, and preservation of the corporate integrity.

### Proportion of expenses with local suppliers (millions of R\$)

GRI 201-1, 204-1

	2020	2021
Budget for suppliers	572.25	740.41
Sum spent with local suppliers	340.77	405.92
% of budget spent with local suppliers	59.55	54.82

Together with the other Eletrobras companies, CGT Eletrosul is committed to:

- Seeking business sustainability as a contribution to sustainable development;
- The preservation of corporate integrity;
- Increased efficiency and competitive standing;
- The strengthening of purchase power;
- Reduction of the risks and costs involved in the acquisition, logistics and administration of goods, materials and services;
- The continued improvement of the procurement logistics processes.

In 2021, the following actions were of special note:

- National Meeting of Suppliers;
- Fulfilling of the Criticality Matrix for Suppliers;
- Automation of the process in the SAP Single-Instance ERP and the supplier management process.

## Tax performance

GRI 207-1, 207-2, 207-3

10

Aware of the importance of taxes to the country as a source of government revenue and of their importance to the fiscal policy, as well as to macroeconomic stability, CGT Eletrosul is committed to ensuring that its taxes are paid on time. The company also strategically encourages its value chain to ethically and transparently follow the same procedure, since the importance of the payment of taxes for the implementation of public policies is clear.

In 2021, through the value creation of its business, the Eletrobras companies generated approximately R\$ 10,073 million in federal, state and municipal taxes. The compliance with tax legislation is evidence of the respect that the organization has for its *stakeholders*, as well as demonstrating good tax practices and being an important tool in tackling tax evasion.

# Operational performance

EU6, EU10, EU11, EU12

To ensure the excellence of our services, the company undertakes a careful procedure of preventative, predictive and corrective maintenance based on the operative functions of each unit's equipment, considering its level of importance.

Any necessary shutdowns undergo detailed assessments. The operation and maintenance of the assets is performed in accordance with internal regulations and the technical norms that regulate these activities. Contingency plans and records are developed to provide the necessary support.

Over the coming years, the company is planning to expand its generation portfolio, with the implementation of new hydroelectric and wind power stations. The 2022-2026 business and management plan envisions the development of 1.05 MW of hydroelectric generation and 302.4 MW of wind generation by 2026.

The overall efficiency of the Candiota III TPP, which uses coal as its energy source, is equal to 35.47%. The annual efficiency is equal to 35.56%.

The sum total of technical losses across the consolidated basic grid in 2021 was 0.85%.

## Average generation availability factor

EU30

Average generation availability factor	Corporate projects (including shared ownership) in %	
	2020	2021
Hydroelectric	97.22	97.72
Thermoelectric	51.01	91.53
Solar	98.26	98.85
Wind	98.57	98.62

As a result of its excellent operational performance, the company has obtained one of the best Variable Portion (VP) indexes of the National Interconnected Grid (NIS), according to reports from the National System Operator (ONS), standing out amongst the other concession operators of similar size, obtaining a result of 0.836 in 2021.

The company achieved **excellent operational performance**, according to the National Operator System (NOS)



## Energy supply

GRI, EU1, EU2

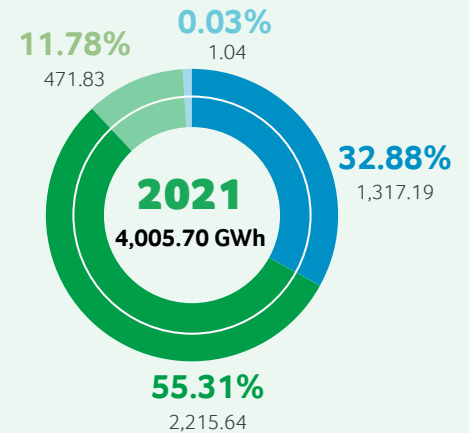
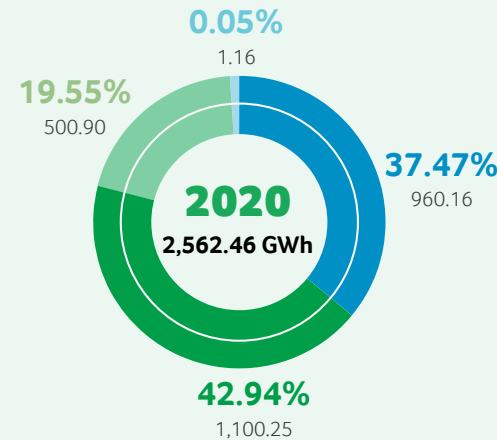
7 13

In 2021, there was a flight reduction in the generation from wind power at the company's parks due to the alteration of the winds. On the other hand, despite the continuing adverse hydrological situation affecting the national electrical grid, CCGT Eletrosul's hydroelectric power stations generated 37% more than the previous year.

### Net Generation by source (in GWh)

Corporate projects (including shared ownership)

- Hydroelectric
- Thermoelectric
- Wind
- Solar



## Candiota III Thermal Power Plant



Candiota III Thermoelectric Power Station (RS)

CGT Eletrosul controls the mineral coal-based Candiota III Thermoelectric Power Station (TPP) (Phase C), with a potential of 350 MW. In operation since 2011, this unit is strategic to the country's energy security, since it firmly and consistently guarantees the supply of electricity to the National Integrated Grid (NIG). The project is also of extreme socioeconomic importance to the Candiota region.

The company was forced to keep the operations of the units at maximum capacity in order to contribute to the mitigation of the scarcity of water in the rest of the country. Throughout the entire period, the energy generated by the Candiota TPP was in great demand, meaning it had to delay its annual maintenance work until 2022. The plant's Energy Trading in the Regulated Market Agreements (CCEARs) remain in effect until December 2024, and the coal subsidies until 2027. The company faces the challenge of having to structure the continuity of the commercial, sustainable and profitable operation of this plant after 2024.

# Energy transition

GRI 103-2, 103-3

In line with Eletrobras' future vision of being a clean energy company, over the past few years, CGT Eletrosul has been developing a series of electricity generation projects using renewable sources (solar, wind and hydro). Furthermore, one of the company's strategic directives is to explore the opportunity of extending the certification of carbon credits to some of its renewable energy and/or transmission projects.

The definition of strategies and initiatives to achieve the targets outlined in the 2020-2025 Strategic Planning is performed by the *holding company*, which counts upon the support of the companies to form its investment portfolio. Management of the issue is based upon the selection of projects to which a selection and prioritization methodology is applied, based upon Eletrobras' monitoring of future scenarios concerning emissions.

CGT Eletrosul is one of the leaders in energy production due to the strong winds that the South of the country experiences. Over the last 16 years, we have invested more than R\$ 1 billion in the implementation of wind parks and we intend to continue investing in this area.

In October 2021, the company's governing body approved the implementation of the Coxilha Negra Wind Park, in the municipality of Santana do Livramento (RS), with an installed capacity of 302 MW, and the expectation of creating 310 direct jobs and 150 indirect jobs. The investment, in sums updated for February 2022, totals R\$ 2.1 billion.

The company is also studying the implementation of other solar energy projects.

[Read more about energy transition.](#)

7

Participation in clean energy sources:  
**82.86%** (target: 82.86%)

Energy generation projects using **solar, wind and hydro sources** are priorities for the company

# Transmission

GRI, EU1, EU2

7 8 12 13

In December 2021, there were 17 projects under way in the CGT Eletrosul transmission investments portfolio. Another four projects were concluded during the year, in fulfillment or anticipation of the energization deadlines established in the concession terms.

The following projects are worthy of mention:

- Sectioning of the 230 kV Londrina - Maringá TL.
- Implementation of the two associated line input modules at the Londrina and Maringá SSs.
- Equipment position modification and alteration of the operating voltage of the 230 kV Cascavel Oeste - Guaíra, boosting it to 525 kV.
- Implementation of the two associated line input modules at the Cascavel Oeste and Guaíra SSs.

In 2021, R\$ 205.6 million was invested in the expansion, reinforcement and improvement of the company's transmission system.

These adjustments covered the South of the country and the state of Mato Grosso do Sul, specifically providing for an expansion of the transmission capacity and increased reliability of the National Integrated Grid (NIG).

## Telecommunications

CGT Eletrosul has an extensive system of digital telecommunications that covers all of the company's installations. This system carries the strategic information that is essential to the operation and maintenance of our business.

We have 17,047 kilometers of optic fibers (of which 4,448 kilometers are proprietary), 60 DWDM channels, 76 SDH channels and 46 radio channels. This structure enables internal integration, as well as that of the other Eletrobras companies, the National Electric System Operator (NESO) and the Electricity Commercialization Chamber (CCEE).

The surplus capacity is commercialized in the Multimedia Communication Service (MCS) category for companies, the federal government and other interested parties. At the end of 2021, we had nine clients in the electrical sector and approximately 100 clients in the technical-operational and commercial partnership with Telebras.

## Investments in R&D+I (Aneel) 2021

Provisional Measure 998/2020, that came into effect the following year (Law n. 14,120/2020), determined that the reserve value and 30% of the annual Research and Development funds of companies (1% of the Net Operating Revenue - NOR) should be directed to the Energy Development Account (CDE). As Eletrosul had been merged with CGTEE, the R&D balance needed to be directed to the Energy Development Account (CDE) in compliance with legislation.

In accordance with a decision taken by the *holding company* and in compliance with Law n. 9,991/2000, a contribution of 0.4% of CGT Eletrosul's NOR was made to the Electricity Research Center (Cepel). In relation to the sums destined to the Funding Authority for Studies and Projects (Finep)/National Fund for Scientific and Technology Development (FNDCT) and to the Ministry of Mines and Energy/ Energy Research Company (EPE), these are fixed at 0.4% and 0.2% of the NOR.

**9** Percentage of the NOR invested in R&D+I:  
**1.11%** (target: 1.20%)

### Investment in R&D - 2021 (millions of R\$)

Entity	Sum
Electricity Research Center (Cepel)	8.12
Electricity Commercialization Chamber (CCEE/ CDE)	21.61
Funding Authority for Studies and Projects (Finep/FNDCT)	8.66
Ministry of Mines and Energy/EPE	4.33
Funds employed for R&D at CGT Eletrosul	1.22
<b>Total</b>	<b>38.40</b>





An employee at CGT Eletrosul monitors operation

## Technology and innovation

GRI 103-2, 103-3, EU8

At CGT Eletrosul, the management of this issue is based upon the Eletrobras Companies' Research, Development and Innovation Policy. We prioritize investment in new businesses that generate new revenue sources and reduce costs. The company has voluntarily assumed a commitment to the United Nations' Sustainable Development Goals, especially SDGs 2, 7 and 9.

In the Business and Management Plan, projects are considered that are capable of complying with the three strands of sustainability (social, environmental and economic) and that are in line with the demands of Industry 4.0. They all aim to facilitate new sources of revenue for the company, with innovation and technology associated with, and capable of adding value to, the business.

There are R&D projects under way relating to the implementation of a thermo-solar power plant associated with the Passo São João Power Plant, and a plant working with bio-gas sourced from pig excrement in the municipality of Itapiranga (SC).

Also worthy of mention is the 'Casa Eficiente' ('Efficient Home') revitalization project. This envisions an investigation into the consumption profile of a highly-technological residence, equipped with electric vehicles, wind and solar trees, production and storage of green hydrogen, and employment of the Internet of Things (IoT), amongst other actions.

# Digital transformation

In 2021, CGT Eletrosul started work on its digital transformation, with the aim of allowing strategic decisions to be taken using data. Some departments have already constructed indicators designed to monitor the activities and are managing to act promptly in specific cases to ensure the availability of our assets. In 2021, the following investments in technology and innovation are worthy of special mention:

- Availability of a *Business Intelligence* (BI) tool and the start of pilot projects in different departments within the company;
- Contracting of a processes automation tool for robotization - developed jointly with the other Eletrobras companies. During this first cycle, ten robots were

implemented, allowing a significant reduction in the amount of manual and repetitive work;

- Contracting of the Office 365 digital tool designed to improve productivity, document sharing, and integration and standardization with other Eletrobras companies;
- Training in the form of a Post-Graduate course in Data Sciences, an initiative forming part of the Eletrobras' 'InteliDados Program', with the participation of employees from various different business areas of CGT Eletrosul.

**9** Percentage of automated processes within the area of automatable internal control processes: **100%** (target: 70%)

Operations control room at the CTG Eletrosul head offices



The company has made various investments to **improve productivity and automate processes**



## R&D of bio-gas

9

CGT Eletrosul is developing an Aneel Strategic Research and Development project that consists of the installation of a bio-gas mini thermal power plant in the municipality of Itapiranga, in the west of Santa Catarina. The technical and commercial structure for the generation of electricity uses fuel sourced from pig excrement.

Leading the development of the project is the construction of a mini thermal power plant, with a capacity of 480 kVA, and a substation for connection to the electricity grid. Also forming part of the project is an 11km-long channeled bio-gas grid, connecting the producers to the generator and three bio-digesters (in steel, slate and concrete), amongst other equipment. The project is costing R\$15 million and operations are planned to start in February 2023.



Bio-gas mini thermal power plant in Itapiranga (SC)

## Thermo-solar R&D

Another of the company's initiatives in the area of Aneel Strategic R&D projects is the construction of the Passo São João Thermo-solar Power Plant, in the municipality of Roque Gonzales (RS). The R\$ 16.2 million project will be one of the first in Brazil to generate electricity using Concentrated Solar Power (CSP) technology, that operates along the lines of a thermal power plant, using the sun as fuel.

With commissioning data expected in February 2022, the power plant will have a capacity of 0.25 MWe. One of the innovative aspects of the project is the prediction model for the portion of solar energy harnessed, that uses artificial neural networks and machine learning.

CGT Eletrosul has **thermoelectric generation projects** based upon bio-gas and solar energy



# Cybersecurity

GRI 418-1

Over the course of 2021, there have been no significant incidents related to cyber threats. The investments in preventative measures are the result of constant risk monitoring, based upon the guidelines contained in the Eletrobras companies' Risk Management Policy, approved by the Board of Directors, Executive Board and Risk Committee of CGT Eletrosul.

As well as periodically monitoring the risk, CGT Eletrosul also performs an annual assessment of the maturity of its cybersecurity, using criteria employed internationally as its benchmark. The systems used by the company are monitored by an internal specialist team and engaged services.

In line with the directives contained in the Information Security Policy, which was last updated in 2021, CGT Eletrosul formalizes its procedures for reporting, handling and recovery. The Contingency Plan establishes the actions that are to be performed to safely and quickly reestablish the business' essential activities, in the occurrence of events that are unexpected and damaging to the company's telematics systems and/or infrastructure.

We make internal channels available to be able to receive notification of incidents, doubts and complaints. The Regulations for Handling of Information Security Incidents establishes the phases, procedures and responsibilities of each department. In 2021, the communication of incidents was included as a stage in the handling. As such the Eletrobras companies recognize the importance of the timely and proper communication of the safety of their information assets to the *stakeholders*.

In the operational and technological sphere, the following actions from 2021 deserve to be highlighted:

- Procurement of cybersecurity solutions (SOC, pentest, FW, EDR and XDP) to provide greater visibility and enable the company to work on protecting its computer infrastructure against cyber-threats in a more advanced manner;
- Updating of the version of the operational system of 50 servers;
- Replacement of 99.5% of the *desktop* computers and *notebooks* that were using Windows 7.



Employees at CGT Eletrosul's Regional Operations Center

# Information Security

## IS control

Strategic

Tactical

Operational



# New projects

9

CGT Eletrosul is implementing ten projects to strengthen its transmission system, through the replacement of equipment at substations. The aim is to provide more reliability and safety to the operation of the electrical grid, allowing better service to the loads and the flow of generation from renewable sources – solar, wind and small hydroelectric power stations. These [projects](#) are aligned with the directives of the *Green Bond Framework*, that aims to fund initiatives focused on sustainable development, for the mitigation of, and adaptation to, climate change.



Installation of an aero-generator

## Coxilha Negra Wind Park

The Coxilha Negra Wind Park, that is expected to start operations by the end of 2024, will be installed in an area adjacent to existing CGT Eletrosul units in Santana do Livramento (RS), a municipality bordering Rivera, in Uruguay. The company currently has exclusive ownership of the Cerro Chato Complex, made up of six parks with 69 generators in operation and an installed capacity of 138 MW, enough to serve the needs of a city of 780,000 inhabitants.

The operational synergy makes the project extremely attractive. There exists the possibility of a future expansion of investments in the region between Santana do Livramento and Uruguaiana, known as the “pathway of the winds” due to its great potential for wind power, estimated at 2 GW. Other factors that make it a viable location include:

- Ease of access from the BR 293 highway;
- A 230 kV connection with the Livramento 3 substation, under construction by Taesa, without access restrictions and near to the paved highway;
- A transmission line to serve the project estimated at being just 36 km long;
- Existence of an operational structure belonging to the company for supervision, maintenance and operation purposes.





São Domingos HPP

## São Domingos Photovoltaic Power Plant

7 13

The São Domingos Photovoltaic Power Plant is to be installed together with the São Domingos HPP, on the Rio Verde, between the municipalities of Ribas do Rio Pardo and Água Clara (MS), one of the best locations in the country for the generation of solar energy. Another factor that facilitates the project is the synergy with the connection and the existing infrastructure.

Since April 2014, CGT Eletrosul has kept a solarimetric station in the region to measure the irradiation and

other variables, such as the direction and speed of the wind, atmospheric pressure, relative humidity, ambient temperature and rainfall. The plant's annual production of energy is estimated at 39,049 Mwh, with a capacity factor of 20.9%.

Already at an advanced stage of environmental licensing and land regularization, the project has its Environmental Installation License (IL) and ownership of the properties necessary for implementation.

## Cachoeira Branca HGC

9

Included in the financial projections of the 2022–2026 PNG, the Cachoeira Branca Hydroelectric Generation Center (HGC) will generate energy by harnessing the sanitary flow from the São Domingos HPP (MS). With expected investment of R\$ 7.2 million, the new enterprise will have an installed capacity of 1.05 MW, with operations expected to start in July 2022.

The investments in transmission aim to provide the system with more **reliability and safety**

# Management of suppliers

GRI 102-9, 102-10



*The performance of suppliers is continually assessed by the company*

CGT Eletrosul has 875 suppliers, totaling R\$ 721.2 million in contracted value, through bidding, exemption, non-enforceability and additives. In 2021, we contracted 275 new suppliers.

We made advances in the manner in which we relate to our suppliers, with the implementation of the Eletrobras companies' consolidated register, the Central Register of Suppliers, and the Suppliers' Space Portal. The following services have been made available on the company's website:

- Registration;
- Registration Records Certificates (CRC);
- Request for Certification;
- *Due Diligence* on Integrity;
- *Due Diligence* on the Environment and Human Rights.

We also started to assess the performance of the suppliers during the execution of their contracts. The assessment is undertaken every time a commodity is received or a service performed. As of September 17, we started performing environmental and human rights *due diligence*, through the creation of a new indicator, contained in the PNG 2022-2026. Our suppliers fill in a form that states the level of their concern in relation to ESG matters.

The company adjusts the suppliers' contracts to bring them into line with the General Data Protection Law (LGPD), with the creation of a standard clause that covers matters related to this theme.

12 Integrated Due Diligence of critical suppliers (ESG):  
96.43% (target: 60%)





# PEOPLE

## MATERIAL TOPICS:

- Personnel Management and Development
- Health, Safety and Well-Being
- Human Rights
- Communities

## CAPITALS





## PEOPLE

People are essential to the entire organization and of inestimable value to CGT Eletrosul. They represent employees, customers, suppliers, partners, communities neighboring our areas of activity, and society in general. Their growth, prosperity and wellbeing are fundamental to the success of our companies.

## Profile of employees

GRI 102-7, 102-8\*, 102-41, 103-2, 103-3, 401-1, 405-1

8 10

CGT Eletrosul has 1,339 current employees, of which 1,133 are men and 206 are women.\* They all work in the Southern (1,309) and Mid-Western (30) regions of Brazil and have employment agreements for an indefinite term. Two new employees were admitted in 2021.

The hiring of new employees takes place by means of public procurement. Internally, we offer scholarship opportunities, internal transfers, a Remunerated Layoff Plan (PDI) and a Consensual Layoff Plan (PDC).

The Careers and Remuneration Department publishes monthly internal reports on the workforce, containing the number of employees by occupancy, salary-base, broad responsibilities and workspace, amongst others. Next, analyses are performed as well as comparisons with the previous month and year, and an internal communication is sent to all the directors.

\* The current workforce of the Eletrobras companies is made up of employees who are at the company and covers the following forms of employment agreement: contracted employees, requisitioned employees, amnestied/reinstated employees and commissioned posts. This workforce does not include assigned employees, employees on unpaid leave, those amnestied/reinstated employees assigned to governmental organs, trainees, or interns.



Machine shutdown at the Barra Rio do Chapéu SHPP

### By gender



MEN

1,133



WOMEN

206

### By type of employment



FULL TIME

men

904

women

186



PART TIME

229

20

## Employees who left the company in 2021 GRI 102-8



### By age group

2020 2021

Under 30	2	0
30 - 50	9	9
More than 50 years	7	28

### By gender



Men 14 35



Women 4 2



### By region

Midwest	1	2
South	17	35

The company has no employees in the North, Northeast of Southeast regions. The data includes the "amnestied employees" and "assigned employees" categories (for companies and union).



## Ratio between the compensation of the highest paid individual and the average annual compensation of all employees

16 GRI 102-38

2020 2021

Ratio 6.44 5.97



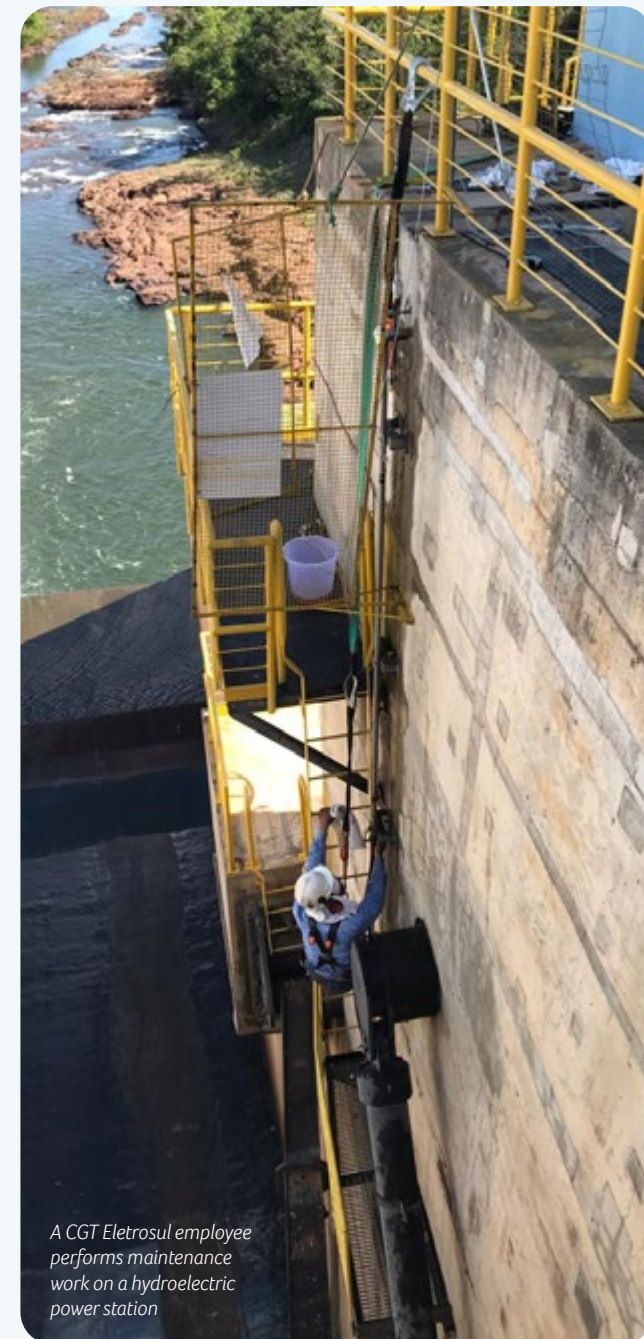
## Percentage increase in annual total compensation ratio

GRI 102-39

2020 2021

Ratio 0 0.76

In 2021, the highest paid individual at the company **received 5.97 times more** than the annual average of all the employees



A CGT Eletrosul employee performs maintenance work on a hydroelectric power station

# Tackling the pandemic

8

The year was notable for the ongoing actions performed in the fight against the pandemic. Since February 2020, the company has been monitoring the information related to Covid-19 on a daily basis, with a view to establishing the necessary and efficient health protocols, especially in relation to:

- availability of beds in ICU;
- RT, or 'Effective Reproduction Number' of the coronavirus;
- suspected and confirmed cases, and deaths in the local population and amongst the company's employees and outsourced workers;
- monitoring and dissemination of the Schedule of the National Vaccination Operational Plan against Covid-19;
- creation of a Crisis Commission - with representation and coordination of the Administrative Board, participation of the technical boards, CEO's office, Department of Personnel Management, and the Legal Department;
- contracting of a specialist doctor;
- establishment of risk groups for employees with comorbid conditions, and pregnant and breastfeeding women;
- possibility of *home office*/tele-working, for special cases, upon signing of an Amendment to the Employment Contract;
- adaptations of the company's installations (limitation on the use of elevators, stairs, meeting rooms, cafeterias and restaurants);



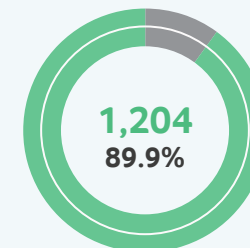
Sanitary controls at the entrance to the company's head office.

- rigorous control of the cleaning and sanitization of the company spaces.

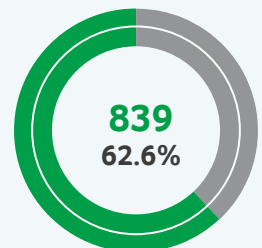
Furthermore, awareness-raising actions with the employees concerning the importance of vaccinating against Covid-19 were firmly implemented. The monitoring performed by the health care and social and psychology teams for cases testing positive were also extremely important.

By means of the "vaccinometer", the company kept its employees permanently informed about the evolution of vaccination against Covid-19. The information is passed on to the employees by means of the internal communication channel called "*Saiba Mais*" ("Know More").

## 'Vaccinometer'

Vaccinated with the 1<sup>st</sup> dose


Full vaccination program



The actions taken to tackle the health crisis included **strongly encouraging people to get vaccinated**



# Personnel management and development

Over the course of the year, there was a full calendar of training and leadership development actions, as well as the adoption of digital tools, focused on reducing the accident rate.

The company sought to improve the ways in which employees are recognized with the aim of encouraging the evolution of their careers. One challenge for 2022 is to establish the ideal size of the workforce and find alternatives in the procurement of professionals to meet the company's corporate needs.

## Career planning and compensation

GRI 102-35, 102-36, 103-2

The hiring of new employees takes place by means of public procurement, whilst the process of movement between positions and/or salaries takes place in accordance with the Career and Compensation Plan. In 2021, as a form of recognition and merit, the company approved the movement of employees in order to support the progression of their careers, limited to the sum of 1% of the payroll for December 2020, with the criteria being the performance that the employees achieved in the 2020 Performance Management Cycle.

The monthly remuneration due to members of the board of directors and the audit committee is equal to 10% of the average monthly remuneration of the directors, in accordance with article 1 of Law 9,292. The compensation paid to the Executive Board is

established by the Department of Coordination and Governance of State-Owned Companies (Sest), tied to the Ministry of the Economy, and approved by the CGT Eletrosul General Assembly.

The Annual Variable Remuneration Program (AVR), applied to the directors, is based upon targets for the results and projects indicators, agreed upon between the Board of Directors and the Executive Board. Later, these targets are formalized by Sest.

Read more about [career progression](#).



The company's  
employees' talents are  
recognized in many  
different ways

# Health and safety

GRI 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, EU16

8

In total, 1,339 employees are covered by the occupational health and safety management system, that is based upon legal requirements. The system is audited internally and externally. Although outsourced workers are still not covered by the management system, the data on accidents are constantly assessed.

We also have policies covering Safety at Work, Occupational Health and Social and Employee Support. The operational targets are the mechanisms used to evaluate the efficacy of the management. In 2021, the company achieved success in 100% of these targets.

Amongst the different initiatives in this area, of special note are the Occupational Health Medical Control Program, that monitors the health of the employees from the moment they join the company to the moment they leave. The company has an annual training schedule which includes those courses that are legally required (RN 5, 6, 10, 12, 18, 33, 34 and 35).

## Focus on prevention

The Energy, Safety and Occupational Health program consolidates the actions focused on preventing occupational illnesses and work-related injuries at the Eletrobras companies. Its objective is to prepare the companies for the the ISO 45001 certification, through the raising of the level of the culture of safety at work.

The work performed in 2021 was focused on actions for the consolidation of governance, leadership training and training in the use of preventative tools, Behavioral Observation (BO) and the Safe Performance Index (SPI). The aim is to implement the integrated health and safety system by 2022.

To prevent occupational illnesses, in addition to ergonomic assessments of the work stations and activities performed on transmission lines, we

undertake an evaluation of our employees' physical conditioning with strengthening of the muscles and exercises in the workplace at the head offices. When a need is identified, we make adjustments to the work station.

We also have programs focused on health care not directly related to the work, such as the Quality of Life; Prevention of Dependence on Alcohol and/ or Other Drugs; '*Terceira de Primeira*', focused on protecting health and integrity in the outsourced companies, and Pensions Guidance.

By monitoring the psycho-social health of the employees, the company raises questions concerning the health of the employees and their families. Depending upon each situation, guidance is provided and the individuals involved are sent to the proper licensed medical services.

The **Occupational Health Medical Control Program** takes care of the wellbeing of the employees from the moment they join the company to the moment they leave.

## Risk analysis

The company's operational activities are preceded by executive planning and a preliminary risk assessment. The Communication of Incidents and Accidents (CIAI) is a computerized tool provided as part of the company's *e-mail* communication system that allows the employees to report risks.

If a risk situation is identified, the worker is encouraged to use their right of refusal in situations that, in their opinion, could cause injuries or health problems.

Improvements are being made to the tools used for analysis of risks arising from the DuPont safety management system. Furthermore, all accidents and incidents are investigated by security professionals.

The company's target is to achieve a level close to **zero accidents by 2024**

## Accidents and measures

In January, a serious work-related injury at the Areia (PR) substation, involving electricity, disabled an employee. He remained off work for treatment. It is still not possible to confirm whether the disability is temporary or permanent.

CGT Eletrosul provided full assistance to the employee, his family and colleagues at the time of the accident and has continued to monitor the socio-functional situation during the time the employee is off work. The company has also paid 100% of the expenses involved in the treatment, via a health recovery plan.

A later investigation of the accident led to an updating of our operational procedures and operations manuals, as well as reinforcements in our training programs. The company's target is to reach a level of close to zero accidents by 2024.

8

Rate of Frequency of accidents involving contracted employees (with time off work): **3.89%** (target: 4.64%)

Rate of Frequency of accidents involving outsourced workers (with time off work): **0.90%** (target: 6.95%)

Rate of seriousness of accidents involving contracted employees: **176** (target: 910)

910  
**3.00** (target: 1,365)

## Labor-related injuries

GRI 403-9

	2020	2021
Number of hours worked	3,307,101	3,082,152
Total number of accidents involving time off work (less than, or equal to, 15 days)	2	9
Total number of accidents involving time off work (more than 15 days)	0	3
Total number of accidents without time off work	13	22
Total number of accidents	15	34
Total number of days lost	9	541
Number of deaths	0	0
Frequency rate with time off work (tfa)	0.60	3.89
Rate of Frequency(tf)	4.54	11.03
Rate of Seriousness (tg)	3.0	176



## Employee participation

CGT Eletrosul's entire workforce is represented on the formal health and safety committees. The company has 14 Internal Accident Prevention Committees (CIPAs): four in Paraná, eight in Santa Catarina, and two in Rio Grande do Sul. The company's 2021 collective agreement contains five topics relating to health and safety (of a total of 25). The information connected to this area is made available to the employees by means of the 'Lotus Notes' system.

## Work-related illnesses

The main types of health problems relating to work are shoulder injuries amongst the group of employees who perform work on transmission lines, and postural problems amongst employees working at the head offices. In 2021, there were no fatalities caused by work-related health problems.

CGT Eletrosul has taken steps to reduce the number of incidents of specific illnesses, including:

- ergonomic assessments of the work stations;
- evaluation of physical conditioning, with the strengthening of muscles;
- management of the rotation of activities, aimed at avoiding the stressing of limbs; and
- exercises in the workplace at the head offices.

## Occupational health services

The CGT Eletrosul Safety at Work, Occupational Health and Social Monitoring Plan (PESSOAS) seeks to comply with all legal requirements and is aligned with the targets of the 2021-2025 PNG. PESSOAS is also connected to the United Nations Development Programme's Sustainable Development Goals (PNUD).

Amongst the different programs making up PESSOAS that are related to occupational health and safety at work, special mention should be made of those relating to environmental risks, quality of life and wellbeing, services for disabled persons or persons suffering from chemical and/or alcohol dependence and tackling the pandemic.



Workers erecting a transmission tower

# Benefits

GRI 401-2

CGT Eletrosul provides benefits for all of its direct employees and their dependents. Such benefits include, day-care, babysitters, education, self-development, funeral assistance, meal assistance, transport vouchers, a health plan (medical and dental assistance), psycho-pedagogical support, extended maternity leave, paternity leave, the Eletrosul Pensions and Social Security Foundation (ELOS), the Retirement Fund, and group life insurance.

CGT Eletrosul does not differentiate these benefits depending upon hours worked, hierarchical level or position. In line with the company's values, the rights related to maternity are treated with the due importance.

The benefits for employees include a retirement fund and group life insurance



The company's employee health care service

## Health care

In line with the 2020/2022 Collective Bargaining Agreement and with the approvals of the respective assemblies of the union organizations representing the employees, on January 1, 2022, the 'Post-Payment Health Plan with Guarantee Clause' came into effect, replacing the 'Pre-Payment Health Plan', that had been in effect since October 2021.

The Post-Payment Health Plan with Guarantee Clause was approved following a consensus decision from the representatives of the companies and the unions, within the established term, via a Joint Permanent Health Commission. Its table of monthly contributions contains sums that are 22.38% lower than the previous plan, with the proportion of contributions being 60% from the company and 40% from the employee. The plan was developed considering age group and commitment of income.

## Training and education

GRI 103-2, 404-1, 404-2, 404-3, EU14

8 10

The management of this issue is assessed using the Performance Management System (SGD), that identifies whether the individual and team targets have been achieved and whether the specific skills have been demonstrated. During the most recent assessment cycles, the targets were largely achieved. All employees receive regular performance and career development reviews.

CGT Eletrosul has the following programs designed to improve its employees' skills: The Individual Development Plan (PDI); the Team Development Plan (PDEquipe); the Management Development Journey; and the Corporate Education Plan (PEC). For each retirement incentive plan, the company also organizes a Retirement Orientation Program (Popa).

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

	2020	2021
Men	49.99	57.94
Women	35.33	60.33
<b>Total</b>	<b>47.75</b>	<b>58.31</b>

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

	2020	2021
<b>Management positions</b>	<b>40.93</b>	<b>94.64</b>
Men	42.16	95.26
Women	33.91	91.02

<b>Positions at senior level</b>	<b>36.22</b>	<b>61.06</b>
Men	37.96	60.48
Women	30.71	62.79

<b>Positions not at senior level</b>	<b>49.52</b>	<b>51.38</b>
Men	51.01	51.52
Women	35.46	50.13

## Maternity/Paternity leave GRI 401-3

		2020	2021
Employees who have had the right to take this leave	men	1,134	1,133
	women	205	206
Employees who have taken leave	men	8	35
	women	32	0
Employees who returned to work, during the period covered by the report, following the end of the leave	men	34	32
	women	5	4
Employees who returned to work following the leave and who continued to be employed by the company 12 months after their return to work (considering leave taken in 2020)	men	40	34
	women	6	5
Rate of return	men	100	100
	women	100	100
Rate of retention	men	100	100
	women	100	100



## Tackling forced and child labor

GRI 103-2, 103-3, 407-1, 408-1, 409-1

CGT Eletrosul does not contract suppliers that use labor in conditions analogous to slavery. In all contracts signed there is a clause whereby the contractor declares that they are aware of and undertake to respect, comply with and require compliance with, where applicable, the Code of Ethics, the Companies' Anti-corruption Program Manual, the Employee Guide and the Unified Environmental Policy.

The company has 34 outsourced suppliers that have been identified as presenting a significant risk of violating these rights, as well as the right to freedom of

union membership and collective bargaining. There was no accusation of forced labor, labor analogous to slavery or child labor in 2021, nor any project which focused on the matter.

All issues that involve non-compliance with the commitments to ethics and integrity can be reported using the complaint hotlines. Once received, the accusations are addressed in line with the Code of Ethical Conduct and Integrity and the policies of the Eletrobras companies.

## Tackling discrimination

GRI 406-1

In 2021, two accusations were classified as incidents of discrimination: one registration has been filed, due to the Ethics Commission deeming it to be unfounded, whilst the other is still under analysis. Considering the *status* of the registrations, the Reparation Plan was not implemented in 2021.

## 'Jovem Aprendiziz' Program

GRI 405-1

CGT Eletrosul's 'Jovem Aprendiziz' Program is aimed at training adolescents and young people, aged between 16 and 23, to enter the job market. The initiative reserves 20% of positions for Black candidates and its selection process also seeks to provide opportunities to candidates from low-income backgrounds. The program is considered to be a great success.

The 'Jovem Aprendiziz' Program reserves **20% of positions for Black candidates** and its selection process also seeks to provide opportunities for **candidates from low-income backgrounds**



*Employees' good performance is recognized by the company.*

## Career development

As a form of recognition and merit, the company approved the movement of employees in order to support the progression of their careers, limited to the sum of 1% of the payroll for December 2020. The criteria used was the performance of the employees obtained during the 2020 Performance Management Cycle

In 2021, six selection processes were undertaken by means of the Policy and Process for Management Selection and Appointment, approved in September 2020. The flow of the process envisions:

- two selection possibilities: a public call or selection from between three to five selected candidates;
- performance of assessments;
- structured interviews;
- a Technical Note from the Personnel Management Department;
- an Integrity Report.

## Promotion of diversity

GRI 405-1

At the end of 2021, the Eletrobras companies expanded the scope of the 'MUGER' ('Women in Leadership Positions') indicator to include issues of race as well as the issues of gender that already existed. The name of the indicator changed to "Consolidated index of diversity in managerial positions and succession processes".

One challenge facing CGT Eletrosul concerning this issue involves increasing the representation of women and Black people in positions of leadership. Currently 12% of senior management positions at the company are occupied by women, and the target is to reach 22.4% by 2026.

## Ratio between the salary/compensation of women and men

GRI 405-2

	2020	2021
<b>BASE-SALARY</b>		
Management level	0.97	0.93
Senior	0.90	0.85
Not senior	0.87	0.89
<b>REMUNERATION</b>		
Management level	0.97	0.94
Senior	0.85	0.86
Not senior	0.81	0.84

**10** Index considering the ratio of women to men at different levels:  
**0.89** (target: 0.95)

## Diversity amongst the highest governing body\* and amongst employees\*\* GRI 405-1

**10** Women in management positions:  
**14.05%\*\*\*** (target: 16%)

### BOARD OF DIRECTORS AND EMPLOYEES OF THE ORGANIZATION, BY GENDER (%)

		Governing bodies	Management positions	Senior level	Not senior level
2020	Men	85.71	85.09	74.60	90.18
	Women	14.29	14.91	25.40	9.82
2021	Men	71.43	85.35	74.71	90.05
	Women	28.57	14.65****	25.29	9.95

### BOARD OF DIRECTORS AND EMPLOYEES OF THE ORGANIZATION, BY AGE RANGE (%)

		Governing bodies	Management positions	Senior level	Not senior level
2020	Under 30	0	0	0.68	1.15
	30 to 50	0	71.93	79.37	64.92
	More than 50 years of age	100	28.07	19.95	33.93
2021	Under 30	0	0	0.46	0.64
	30 to 50	28.57	69.83	76.31	61.86
	More than 50 years of age	71.43	30.17	23.23	37.50

### BOARD OF DIRECTORS AND EMPLOYEES FROM UNDER-REPRESENTED GROUPS (%)\*\*\*\*\*

		Governing bodies	Management positions	Senior level	Not senior level
2020	Black, Mixed-race, Asian and Indigenous	0	4.39	8.62	11.86
	Disabled persons	0	0.88	0	2.42
2021	Black, Mixed-race, Asian and Indigenous	0	3.45	8.02	11.22
	Disabled persons	0	0.86	1.37	3.70

\* Data relating solely to the Board of Directors

\*\* The current workforce includes contracted employees, requisitioned employees, amnestied/reinstated employees and commissioned posts.

\*\*\* Pursuant to the protocol of the indicator, management positions are sometimes occupied accumulatively by the same employee

\*\*\*\* Pursuant to the protocol of the indicator, management positions are not cumulative

\*\*\*\*\* The Company understands a minority group to be a human or social group that is either numerically inferior or under-represented in the areas of power and decision-making.



# Stakeholder engagement

GRI 102-43

10 16

The company makes the Annual Report and the Management Report available so that all interested parties can find out about what happened during the year, as well as our results and perspectives. Principal actions for specific publics and their frequency:

## Internal public

- Corporate TV and *Saiba Mais*, that address the most important things that have happened and that the company has done - permanent;
- Raising of the awareness of employees in relation to issues of Ethics and Integrity, *Compliance* and Combating Corruption - whenever necessary.

CGT Eletrosul has a **transparent relationship** with the interested parties and is a partner in different actions of social importance

## Investors, shareholders and/or market analysts

As our biggest shareholder is Eletrobras, a representative of the *holding company* participates in the monthly meetings of the Board of Directors. The actions also include the Materiality Study, which is performed biannually, the Annual Report and the Management Report.

## Customers and consumers

- Newspaper and TV campaigns - whenever necessary;
- Constant contact due to the commercialization operations (auctions, invoicing, contracts) by *e-mail*, telephone and meetings;
- Annual Report and Management Report.

## Community

- Environmental education workshops with the residents of those areas that our transmission lines pass through in licensed projects in Rio Grande do Sul.
- Continuation of projects and actions relating to the Cambirela, Morro dos Cavalos, Maciambu, Mbiguaçu and Xapécó Indigenous Lands;
- Land regularization of the residential properties occupied unlawfully in Candiota (RS).

## Press

- Website and social media - permanent;
- Partners, sponsors and/or suppliers;
- Newspaper and TV campaigns - whenever necessary;
- Meetings with suppliers - annually;

- Government, members of parliament and/or regulators.

## Society

- 20<sup>th</sup> Children's Film Festival of Florianópolis;
- Joinville Book Fair;
- Choir (restarted in December 2021);
- 'People at Risk' project.

## Partners, suppliers and sponsors

- Website and social media – permanent;
- Newspaper and TV campaigns – whenever necessary;
- Technical meetings – whenever necessary;
- Materiality Research - biannually;
- Meetings with suppliers - annually.

## Government, members of parliament and regulators

- Website and social media – permanent;
- Newspaper and TV campaigns – whenever necessary;
- Materiality Research - biannually.

# Community relations

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

16

CGT Eletrosul aims to form a part of the local communities, as well as understand their current situation, through proprietary programs, sponsorships and agreements. Monitoring takes place through in-person visits (respecting all safety measures in place due to the coronavirus pandemic), virtual contact and evaluations of reports published by bidders.

Of the company's 127 operations, 33 (25.98%) involve engagement actions, and development programs focused on the local community. The principal aim of this form of management is to avoid negative impacts. If this is not possible, we aim to minimize and/or offset them. Likewise, we seek to maximize the positive impacts resulting from the implementation and operation of the projects.

The company evaluates the efficacy of the way the issue is being managed by means of reports issued by the bidders and benefiting entities. Furthermore, the company always aims to make in-person visits and maintain virtual contact. In the projects that were completed in 2021, as well as those still under way, the objectives and considerations in the business sphere and of an image, social and environmental nature were or are being fulfilled in accordance with that which was formally agreed in the relevant legal instrument.

Through the Eletrobras companies' public notice of socio-environmental projects (2021 edition), CGT Eletrosul entered into a technical-financial cooperation agreement with the *Associação Beneficente da Indústria Carbonífera de Santa Catarina* ('Charitable Association

of the Coal Industry of Santa Catarina' - SATC) for execution of the '*Palmito Project*', aimed at conserving and recovering the biodiversity of the hearts-of-palm species in the South Atlantic Rainforest.

With the public sports notice of the Eletrobras Companies' Social-Sporting Sponsorship Program 2021, we selected the 'Mato Grosso do Sul Swimming Tournament 2022' project and signed a sponsorship contract letter with the bidder, the Water Sports Federation of Mato Grosso do Sul.

We started up the 'Champions of Life Sports and Education Program' once again, together with the bidder - the Guga Kuerten Institute. With the signing of the technical cooperation agreement, the company provides a physical space at the Santa Catarina Regional Maintenance Unit, in São José, for young people at public schools to be able to pursue social-sporting activities.

In December 2021, the activities of the CGT Eletrosul Choir also started back up again. This project involves employees, pensioners and people from the community who take part in rehearsals and cultural presentations.

The 20<sup>th</sup> Children's Film Festival of Florianópolis, held in virtual form in October, was sponsored by the company through the Federal Cultural Incentive Law.

In 2021, the company continued its environmental education actions with the residents of areas near to the licensed projects in Rio Grande do Sul. These projects make up the Eletrosul Transmission Grid, with ten transmission lines totaling 439.30 km and 13 substations.

The actions adapt to the calendar of events that is best suited to the land owners. There was guidance on the protection of water springs and distribution of t-shirts to the participants. Another highlight was the land regularization of the residential properties occupied unlawfully in Candiota.

All of the residences of the 689 properties near to the transmission lines were visited. The team of environmental educators also performed interviews, using plain language that was suitable for the public in question.

Find out about the biggest potential impacts on the communities that relate to the Eletrobras companies' projects and examples of mitigation and/or compensation actions in the 2021 [Eletrobras Annual Report](#) on page 112.

Of the company's 127 operations, 33 include actions and programs focused on the local community

# Environmental education program

Educational actions with land owners neighboring transmission lines in RS



- Creation of a Passo São João HPP WhatsApp group to **educate and provide the owners** of land neighboring the plant with important information

Issue chosen by the land owners:

**Care** for water sources



- Distribution of **10,000 saplings** for recovery of ciliary forest areas and forestry restocking of conservation units



- Distribution of t-shirts relating to the preservation of streams on **603 properties**





## Management of the impacts of displacement

EU20, EU22

As part of its projects, CGT Eletrosul undertakes an administrative process with Aneel, in compliance with the requirements of the Public Utility Statement (DUP), a document that enables the expropriation procedures and institution of state easements. In 2021, no people had to be relocated due to company projects.

When involuntary displacement is necessary, the company checks whether there are any properties with living conditions similar to the original dwellings within the radius of the area covered by the project, whilst it also provides support in relation to land issues required for the reestablishment of the living status in another location. We also establish personal contact between the technicians responsible for each project and the local population to clarify doubts and assist the families with the moves.

After indemnification has been paid, other actions are performed with the intention of ensuring the right to citizenship:

- Support so that solutions can be found that are compatible with the purchasing power of those affected, with technical guidance on the acquisition of a new property or construction of a new house;
- technical orientation to ensure that the best use is made of the material that exists in the building that is to be demolished;
- financial support for the move to be made;

- payment of rent during the period necessary for the relocation of those affected;
- technical and legal support, even if only informally, for the acquisition of a new property;
- mediation in agreements between home-owners and tenants;
- searching for institutional partnerships with the aim of finding solutions; and
- operability of the actions necessary to enable the displacements.

In the case of hydroelectric projects, where the involuntary displacement may be on a large scale, the population in the direct area of influence is supported and monitored for a period of time by the Social Welfare and Technical Assistance Plan. In relation to transmission lines, of most importance is that the possible resettlement of families should take place on the grounds of what remains of the affected properties.

To meet the needs of the home owners affected by the projects developed by CGT Eletrosul, the company makes the Ombudsman available to listen.



São Domingos HPP

# Projects and actions involving indigenous peoples

GRI 103-2, 103-3, 411-1

10 15 16

In 2021, there were no new projects, but rather a gradual return to the activities that were suspended in 2020 due to the Covid-19 pandemic. One positive highlight of the year was the conclusion of two initiatives for the Morro dos Cavalos Indigenous Land – the ‘Traditional Guarani Games Support Project (overhaul of the school fields) and the Security Actions Support Project (acquisition and installation of electronic equipment and monitoring).

Two highlights of 2021 were the support for the **Traditional Guarani Games** and the installation of security equipment

Other projects and actions:

**Cambirela Indigenous Land:** Community and Sustainability Building Support Program (projects involving the building of a hen house, nursery, vegetable garden, greenhouse and bee hives, and support for Guarani handicrafts); Residential Center Building Support Program (projects involving providing water supplies, the proper disposal of solid waste, and the construction of housing).

**Morro dos Cavalos Indigenous Land:** Traditional Guarani Games Support Project and the Security Actions Support Project. In 2021, the second stage of the Basic Environmental Plan was approved, which involves detailing of the *Nhemboaty Porã*, *Trilhas Ecológicas Guarani*, *Casa de Saúde Tradicional* and *Roça Viva* programs, relating to the environmental licensing of the Reinforcement System. The Jorge Lacerda-Florianópolis Transmission Line (TL) is in the final stage of the development of its Environmental Impact Assessment for the Indigenous Community (ECI).

**Maciambu Indigenous Land:** Football Pitch and Infrastructure Installation Program, involving three projects: installation of a football pitch and building of a wooden stadium for supporters; creation of an orchard and support infrastructure for a leisure area; and a School Library Installation Program, involving the development of the project, creation of a library and donation of school furniture, related to the environmental licensing of the Reinforcement System. The Basic Environmental Plan – Indigenous

Component (PBA-CI) relating to the Jorge Lacerda-Florianópolis TL is in its procurement phase.

**Mbiguaçu and Amâncio Indigenous Lands:** The PBA-CI owing to the Campos Novos-Biguaçu-Blumenau TL is in its detailing phase.

**Xapecó and Xapecó-Pinhalzinho Canhadão Indigenous Lands:** The ECI was approved by the community and by Funai in 2021, and we have moved forward with the next step, that involves the detailing of the PBA-CI, for the Salto Osório-Xanxerê (Erva Mate) TL.

**Aldeia Kondá Indigenous Reserve, and the Toldo Chimbanguê I-II, Toldo Pinhal, Votouro, Votouro/Kandóia and Guarani Votouro Indigenous Lands:** We held initial meetings with a view to developing the ECI for the Indigenous Lands, in line with the conciliatory meeting held on December 11, 2020, within the sphere of the ACP related to this process of regularization of the indigenous component of the environmental licensing of the Passo Fundo-Xanxerê TL. Due to the social context involving the containing of the spread of Covid-19, and in accordance with Funai Ordinances 419 and 183/2021, the company suspended the ECI in March 2020 and restarted it in May 2021. The conclusion is expected in March 2022.

## Licensing

During the processes of federal, state and municipal environmental licensing, the environmental licensing organ should urge the National Indigenous Foundation (Funai) to release statements when the possible existence is identified of socio-environmental and cultural impacts on the indigenous lands and people, arising from the activity or project that is the object of the licensing.

Funai issues a specific term of reference for the drafting of Indigenous Component Studies (ECI), that are drawn up by the project developer and submitted to the federal organ. If considered eligible, they are then submitted for consideration by the indigenous communities concerned.

Following the hearing, Funai issues its final expert opinion, that may recommend the continuation of the licensing process or highlight the existence of obstacles that require the execution of measures or the establishment of conditions to overcome them.

The Basic Environmental Project (PBA) is then developed, detailing the set of plans, programs, projects and measures designed to mitigate

and/or compensate for the impacts identified. If considered eligible by Funai, the PBA is presented to the indigenous communities.

Once the PBA has been approved, the execution of the outlined plans, programs, projects and measures begins. The execution is monitored by Funai through periodic reports drafted by the project developer and periodic meetings with the indigenous communities. Likewise, the products are only approved by Funai after the communities have expressed their opinions.

As well as the new projects, that are still in the licensing phase, those that are also in commercial operation are also subject to the drafting of the ECI and PBA, subject to regularization through the issue of an Operating License, when intervention in Indigenous Lands is noted. Access to Indigenous Lands must first receive official authorization from Funai.

The company complies with all the environmental licensing regulations established by Funai and remains in **permanent contact with the indigenous communities**

## Challenges

- Advancement of new national regulations, together with the Ministry of the Environment and the Ministry of Mines and Energy for regularization of the environmental licensing of projects with a direct and indirect impact on indigenous communities.
- Regularization of projects constructed prior to the National Environmental Policy (Law n. 6,938/1981).
- Improvement of the channels of communication open with the community, with the use of new technologies available to listen to and meet the public's demands, as far as it is possible for the company to do so.



# Human rights

GRI 103-2, 103-3, 410-1, 412-2, 412-3

CGT Eletrosul guides its policies relating to human rights in observation of Brazilian and international declarations, legislation, programs and the policies to which it adheres. Within the context of Integrated Risk Management, this issue is prioritized by the management, which identifies, risk, impact and probability factors within the current business scenario.

In 2021, 16 major investment agreements were signed, all of which contain human rights clauses. A total of 1,268 employees (94.7% of the workforce) received five hours of training in human rights policies or procedures. All of the company's 273 outsourced security guards are trained in human rights policies and procedures.

The company has a Gender, Race and Diversity Committee, that encourages discussion and proposes the implementation of affirmative projects and actions that contribute to the struggle for equality of opportunities for everyone - regardless of gender, color, ethnicity, age, sexual orientation, social origin, or physical or mental capacity.

The Company's Business and Management Plan establishes a target for its employees' training in human rights. It also establishes EESG (environmental and human rights aspects) assessment procedures for suppliers, that are based upon the application of a *due diligence* formula.

**11** **16** Employees trained in Human Rights: **59.38%** (target: 50%)



Human rights are of priority concern to the company



# Sponsorships and social projects

GRI 413-2

10

People benefiting from social projects:  
**149.07%** (target: to achieve 80% of the number of beneficiaries in the legal agreements signed)

In 2021, CGT Eletrosul invested R\$ 66,569.59 in sponsorship of events connected to the electrical energy sector, with 4,179 people benefiting from the sponsorships.

A total sum of R\$ 19,000.00 was invested in cultural sponsorship projects with tax incentives, benefiting approximately 30,000 people.

Approximately 15 people benefited from culturally-focused social projects. Meanwhile, approximately 80 people benefited from social projects focused on sports and leisure.

Find out more about other interactions that the company has had with its related publics through its Social Report, that can be accessed in the [2021 CGT Eletrosul Management Report](#) on page 32.



Today's Project is  
jazz day, baby!





# THE PLANET

## MATERIAL TOPICS:

- Climate changes
- Water
- Biodiversity and ecosystem services

## CAPITAL





## THE PLANET

To protect the planet from damage, through sustainable consumption and production, in order to manage the use of natural resources and take urgent action on climate change, is the direction taken by our business purpose. As such, we will be able to respond to the needs of present and future generations.

*Planting of a tree sapling in a preservation area*

# Environmental management

Our system of environmental management is based upon four elements: the Environmental Management and Land Use System (SIFA); the Environmental Policy; the Environment Committee; and the Management of Business Sustainability Indicators System (IGS).

Through the SIFA, we manage our compliance with the conditions set forth in the environmental licenses, renewal of the licenses, management of land use processes, management of taxes (IPTU and ITR), and the management of processes involving the suppression of vegetation and land use compensation, amongst other activities.

The IGS has 82 registered units, including substations, power plants and decentralized regional administrative units. There are 146 registered users and 211 variable users connected to the most important matters (water, energy, waste, emissions, biodiversity, effluents and risks of environmental accidents) totaling 5,622 data per year.

We are continuing with our strategy of publishing quarterly environmental monitoring reports to assess the consistency and coverage of the data over shorter periods of time.

## Highlights

8 12 13 15

- Replacement of disposable cups with sustainable and reusable cups, thus contributing to the 'Zero Garbage' target established by the municipality of Florianópolis.
- Composting of organic waste at the company's head offices, as a way of contributing to increasing the lifespan of the city of Florianópolis sanitary landfill and reducing GHG emissions;
- Planting of native tree seedlings in an area destined to be an agroforest system located on the industrial site of the Passo São João HPP, thus contributing to the indicators tied to the SDG 15;
- Replacement of gasoline with ethanol in vehicles leased for use exclusively by the company;
- Replacement of 367 fluorescent light bulbs for LED versions at the company's head offices;
- Recycling of mineral insulating oil and regeneration of SF6 gas, both of which are used in the operational process, thus contributing to the reduction in the demand for natural materials.

## Challenges

The main challenges facing us over the next three to five years are:

- expansion of energy generation through the implementation of new sustainable projects with zero carbon emissions;
- definition of the future of the Candiota TPP with the Revision of the Business Plan and taking of a decision;
- adaptation to the future federal laws currently on their way through the National Congress, relating to the new environmental policy, GHG emissions, the carbon credits market and related matters;

The planting of native tree saplings contributes to SDG 15: ensure sustainable use of terrestrial ecosystems



## Environmental Policy Webseries

The objective of the Environmental Policy Webseries is to communicate the Eletrobras companies' commitments and practices to the employees in order to align our operations relating to the most important issues: water, biodiversity, climate change and community relations. Watch the videos:

[Episode 1 - Introduction](#)

[Episode 2 - Water](#)

[Episode 3 - Biodiversity](#)

[Episode 4 - Climate Change](#)



# CGT Compost Project

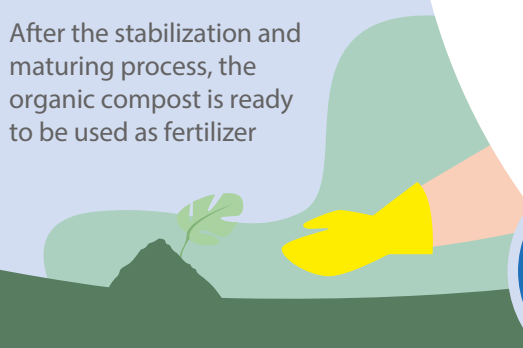
Employees separate the organic waste and dispose of it in identified trash cans in the café and restaurant areas



The organic compost is used as fertilizer for the company's nurseries and garden. Benefits: renewal of the energy of the soil, with the reduction of both GHG emissions and the use of plastic bags; production of nutritious foods that are distributed to the local community



After the stabilization and maturing process, the organic compost is ready to be used as fertilizer



## Composting cycle



The waste is collected by a team of cleaners and stored in larger cans



The gardening team collects the waste and takes it to the composting unit (on land outside the premises)



The material is weighed and integrated into compost piles together with sawdust and straw (leaves and grass)



## Weights

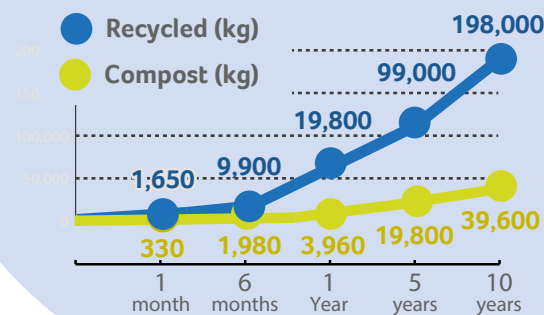
### Organic waste

Restaurant	50 kg/day
Used coffee grounds	20 kg/day
Gardening	5 kg/day



### Compost piles

20% of the waste is transformed into organic compost





# Water: collection, consumption and disposal

GRI 103-2, 103-3, 303-3, 303-4, 303-5

12

Our guiding documents include the Eletrobras Companies' Hydro-Resources Policy and the Eletrobras Companies' Environmental Policy. We employ practices such as the reuse of treated effluents in the industrial area of the thermoelectric power station, the installation of hydrometers to measure the withdrawal of underground water and the installation of systems for the collection of rainwater in certain transmission units.

We also have intelligent systems designed to reduce the consumption of water at the administrative units and practice technological management to identify and correct leakage problems. In the area of environmental licensing, we pursue programs designed to monitor the quality of the water at the power plants and publish reports to the environmental organs containing the results of the monitoring.

## A shared resource GRI 303-1

12

CGT Eletrosul does not have any projects in hydro-stress areas. The water used at the hydroelectric power stations is returned, in its entirety, to the bodies of water with a level of quality similar to that when it was withdrawn.

At the thermal power plant, the water is sourced from the Arroio Candiota river, being withdrawn directly from the riverbed and a reservoir created by a dam on the Arroio itself, called 'Barragem II'. It is stored in a lake of untreated water in the industrial area, that supplies the treatment and fire-fighting systems. The water is used in the processes involved in refrigeration, steam generation, humidification of ashes, human consumption and cleaning of the industrial area and equipment.

The water consumption in the industrial area is directly related to the waste and evaporative losses and discharges, in addition to humidification of ashes. All net losses are destined to the effluent treatment system, together with the rain drainage from the industrial area, in order to adapt the quality in accordance with environmental legislation. After treatment, the effluent is partially recirculated for reuse in the industrial area, and the surplus is returned to the Arroio Candiota, meeting the established standards for effluent discharge.

The volumes collected in all operations are monitored, as is the quality of the water. Operational data are also monitored and disclosed

to the relevant organs. The company's operations hold environmental licensing and, in line with their licenses and the requirements of the environmental organs, issue reports containing the results of the water quality monitoring procedures. All the power plants have been granted the right to withdraw water.

In relation to the administrative activities, the water consumed is supplied by public service water and waste concession operators and, in the decentralized areas, the majority is drawn from underground sources. The company seeks to engage interested parties through awareness raising, educational and inspection actions designed to meet legal requirements. Another form of engagement is through the Ijuí River Basin Committee, a forum where decisions on the shared use of water are taken.

As well as commitments in the area of licensing, the company adopts other management practices including the use of rainwater, the use of taps fitted with movement sensors installed in the bathrooms of the company's head offices, and internal awareness raising campaigns designed to reduce water consumption.

Find out in the [2021 Eletrobras Annual Report](#) on page 129 about the biggest potential impacts concerning water that relate to the Eletrobras companies' projects and examples of mitigation and/or compensation actions.

## Management of discharge impacts GRI 303-2

At the Candiota TPP, the maximum flow of treated effluents permitted under the Operating License is 15,600 m<sup>3</sup>/day, according to the standards defined by the federal and state regulators. The residual water is discharged into the Arroio Candiota.

At the other installations, the company generates domestic-type effluents, directing them to the municipal collective treatment system whenever this option is available. When this is not available, the treatment of the domestic effluent is generally performed by means of a septic tank and drain, in a system that is licensed with the associated project.

The company always tries to engage its *stakeholders* in the shared use of water with **awareness-raising, educational and supervision actions**

## Withdrawal

12

At the Candiota TPP, the consumption of water used in the electricity generation processes is estimated using the typical rate of water consumption per MWh generated ( $\text{m}^3/\text{MWh}$ ). New flow meters are being installed in the water pipelines to measure the water withdrawn from surface sources. The local supply company gauges the consumption of the water used in administrative activities using hydrometers.

At the hydroelectric power stations, the data are obtained manually (with a measuring rod) or automatically (monitoring of generation in the turbines and opening of floodgates). Water is not used in the substations' operational process. The main activities related to a reduction in the use of water in administrative and/or operational processes were:

- recirculation of a portion of the industrial effluents generated at the Candiota TPP for reuse at the industrial plant, thereby reducing the demand for withdrawal of surface water;
- harnessing of rainwater;
- technological management to detect possible water leaks;
- use of taps fitted with movement sensors installed in the bathrooms of the company's head offices for the efficient use and economy of water;
- introduction of internal awareness raising campaigns designed to reduce water consumption.

## Use of water by source (thousands of $\text{m}^3$ )

GRI 303-3, 303-4, 303-5

8

12

For 2021, the recorded volume of water discharged, included the volume of water pumped through the hydroelectric power stations, the volume of water returned to rivers and the ocean by thermoelectric power stations, and the volume of water used in protected areas, as well as 80% of the volume of water withdrawn for administrative activities. The volume of water consumed by Eletrobras companies considered the volume of water used in thermal generation and 20% of the volume of water used in administrative activities.

The data on water withdrawal for administrative and operational use are included in the IGS System, which is one of the main elements of the Eletrobras companies' Environmental Management System. The Water Task Force, forming part of the Environment Committee, meets to discuss the protocols and methodologies. This group brings together representatives of the companies' environmental, operations and infrastructure departments.

The sums included are based upon the records found in the concession operators' water bills or according to the readings taken from the hydrometers. Whenever there is no hydrometer installed to account for the administrative use, as of 2021, estimates started being made using the average number of registered employees at the unit and a consumption of 50 liters per day per employee. **GRI 102-48, 303-4, 303-5**

	2020	2021
<b>Water withdrawn</b>		
<b>Administrative activities</b>	<b>64.97</b>	<b>58.82</b>
Surface	0.39	0.54
Underground	45.74	39.82
Rainwater	0.33	0.12
Supply network	18.50	17.89
<b>Thermoelectric generation</b>	<b>7,487.71</b>	<b>12,527.09</b>
Surface	7,487.71	12,527.09
<b>Wind-power generation</b>	<b>0.02</b>	<b>0.15</b>
Underground	0.02	0.15
<b>Hydroelectric generation</b>	<b>6,492,929.80</b>	<b>7,609,181.04</b>
Surface (pumped water)	6,492,929.80	7,609,181.04
<b>Total volume of water withdrawn</b>	<b>6,500,482.50</b>	<b>7,621,767.10</b>
<b>Discharged water</b>		
<b>Total volume of water discharged</b>	<b>6,500,417.92</b>	<b>7,611,787.98</b>
<b>GRI 303-4</b>		
<b>Water consumed</b>		
<b>Total volume of water consumed*</b>	<b>64.58</b>	<b>9,979.62</b>
<b>GRI 303-5</b>		

\* In 2021, the registration of the volume of water consumed was altered to consider the operational consumption of the Candiota III TPP.



# Climate change

GRI 103-2, 201-2

13

We are creating an infrastructure for the control and reporting of the risk management relating to climate change, with two main focuses: Adaptation and Mitigation. Numerous forms of control have been implemented and others are in the process of implementation throughout the company.

Following conclusion of the CSI Expansion of Climate Services for Investments in Infrastructure project, it was decided that a Working Group should be created to coordinate the actions concerning the assessment and response to climate risk, with an emphasis on adaptation.

Amongst the adaptive measures already performed are:

- development and execution of the dam safety plans and emergency response plans;
- presence of contractual clauses observing procedures to be immediately adopted in the case of the “unforeseeable circumstances and *force majeure*” set forth in the Civil Code;
- monthly meetings with the ‘Climatepo’ company to discuss climate trends;
- monitoring of the performance of the projects in relation to the availability of inputs such as water, sun and wind, as well as concerning the occurrence of problems due to any unavailability of the infrastructure due to climate events.

Read more in [Energy Transition](#).

# Management of emissions

GRI 103-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7

CGT Eletrosul carefully manages its emissions related to the most dangerous greenhouse gases and other emissions such as SOx, NOx, carbon monoxide and particulate matter (PM). The management aims to continually improve the processes with a view to attenuating these emissions.

Our biggest greenhouse gas emissions stem from the operations at the Candiota TPP. The company is reevaluating the plant’s business plan in order to take a decision on possible alternative futures.

In the case of the Candiota TPP, the monitoring is performed directly on the chimney using the Continuous Emission Monitoring System (CEMS), and on the quality of the air and on the rainwater. All the sources of direct and indirect GHG emissions are mapped and monitored by means of the IGS.

## The Candiota III coal processing plant led to a reduction in emissions

We have a continuous monitoring system that instantly assesses the quality of the emissions, thereby allowing control actions to be performed, in the event the pollution levels exceed the limits established by the relevant legislation.

After the dry mineral coal processing plant moved into operation, in 2020, the company felt positive repercussions in the control of atmospheric emissions (SOx, NOx and PM), being proven by a reduction in the measured values, which were kept below the limits set forth in the Operating License.

Candiota III has an operations protocol in the case of occurrence of unusual events. Its aim is to standardize operations in situations where the system for the treatment of combustion gases is temporarily unavailable or operating at low efficiency, with a view to reducing the emissions and the impact on the quality of the air. In 2021, this protocol was reviewed in order to improve communication with the environmental organ.

The review took into consideration the improvements performed during the execution of the Overhaul Project (a shutdown for maintenance work), followed by the installation of the Mineral Coal Processing System, that has been in operation since March 2020. This system has enabled a reduction of up to 12% in the amount of lime necessary to stabilize the fuel and up to 20% in the costs of the activity.

## Action plan

An Action Plan was also drafted, with support provided from the different departments, to mitigate the company's GHG emissions related to Scopes 1 and 2 of the GHG Emissions Inventory. The measures include:

- replacement of fluorescent light bulbs for LED versions;
- turning off the lighting at the head offices after 7pm between Monday and Friday, and throughout the entire weekend;
- campaigns designed to raise awareness about economizing electricity;

- installation of a tracking system for the fleet vehicles;
- filling leased vehicles with ethanol when they are returned;
- use of new cameras to detect SF6 gas leaks on energized breakers;
- acquisition of Brazilian-made parts for the maintenance work on the Mineral Coal Processing Plant for reduction of the specific consumption and improved performance of the Candiota III.



## Continuing improvement

To improve our processes, we employ the IGS, the main instrument used to assess the continuing improvement of our management of the issue. We have decided to develop a model designed to perform automatic analysis of variations in statistical data patterns, to identify errors in fulfillment. In defining the chain of approval, as criteria for the profile of manager, we use a professional from the environmental department who works with management of the issue.

Every year, all the data used to calculate the emission of greenhouse gases are also submitted to Cepel for verification and, whenever necessary, they are adjusted prior to being exported to the Emisfera platform, which calculates the emissions. The GHG emissions inventory is submitted annually to an outsourced company for assessment.

### Emissions by scope (tCO<sub>2</sub> equivalent)

Scope	2020	2021
1	1,290,574.70	2,525,771.74
2	101,402.93	164,829.40
3	1,530.10	2,332.18
<b>Total</b>	<b>1,393,507.73</b>	<b>2,692,933.33</b>

**11** Scope 1 + 2 emissions, without losses in the transmission:  
**2,528,368.24** (target: 2,704,803.00 tCO<sub>2</sub>)

**13** Total emissions of greenhouse gases on the net operating revenue (NOR):  
**0.80%** (target: 1.07)

[Click here to read the company's emissions report](#)

# Biodiversity

GRI 103-2, 103-3, 304-2, 304-3

15

CGT Eletrosul has adopted a set of procedures to evaluate, mitigate and compensate the impacts caused to the biodiversity due to the implementation and operation of its projects. These include the drafting of studies, execution of environmental programs and management associated with the environmental licensing.

For both human and technological resources, we have specific teams dedicated to the issue and, furthermore, we hire specialist companies to perform the actions. In 2021, the company invested approximately R\$ 921,000 in environmental programs related to biodiversity.

Of special note amongst the actions performed were:

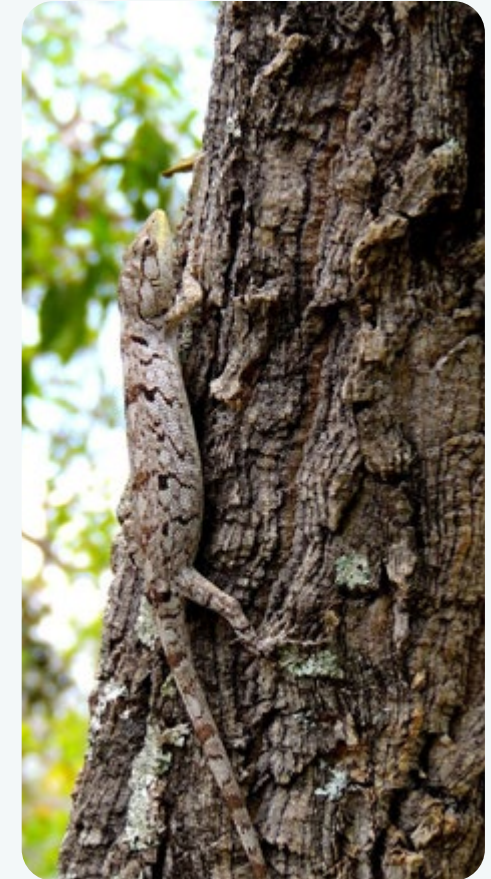
- tracking of migratory, threatened and/or endemic species in order to monitor the patterns of diversity of the birds in the regions where the wind parks have been established;
- monitoring and movement of fish at the Passo São João and São Domingos TPPs;
- monitoring of fauna at the Cerro Chato Wind-Power Complex;
- monitoring of bird life across the CGT Eletrosul Transmission Grid in Rio Grande do Sul;
- monitoring of the fauna in the Sectioning of the Porto Primavera - Ivinhema TL for the SS Nova Andradina 2



The success of the restoration measures is assessed and monitored by specialist expert technicians. At the Passo São João Hydroelectric Power Station, the measures are approved by independent auditors once every two years. At the other projects, the areas are undergoing a recovery process, and the measures are being assessed by the environmental organs with jurisdiction for such.

It has been noted that the native vegetation in the PCAs of the São Domingos HPP, and the João Borges and Barra do Rio Chapéu SHPPs is restoring itself naturally, even after having suffered a number of environmentally damaging factors, such as the presence of cattle. Actions are planned for the restoration of areas in these PCAs that have little plant cover. At the Passo São João Hydroelectric Power Station, it has been noted that the PCA is in a good state of recovery, this being due to the actions already performed and the environmental programs implemented that aim to prevent damaging actions.

[Read more about the damaged areas at the projects that have been recovered.](#)







*The impacts of the TLs are assessed by means of environmental studies.*

## Impacts

GRI 304-2

15

The environmental impacts of transmission and generation projects are identified and evaluated in the preparation of environmental studies. The main impacts that can occur at the electricity transmission and generation projects are:

- at the Substations (SSs) and on the Transmission Lines (TLs): loss and alteration of habitats, prompting of erosion processes, loss of land, sedimentation of bodies of water, contamination and deterioration of the water and land, and loss of individual plants and animals;
- at the wind-power generation projects: loss and alteration of habitats, spreading of invasive species, prompting of erosion processes, loss of land, sedimentation of bodies of water, contamination and deterioration of the water and land, and loss of individual plants and animals, especially winged species;

- at hydro-generation projects: loss and alteration of habitats, prompting of erosion processes, loss of land, sedimentation of bodies of water, contamination and deterioration of the water and land, and loss of individual plants and animals.

The construction of these projects also has a positive impact of a social, environmental and economic nature, such as:

- improvement of the infrastructure (highways, health care systems);
- creation of scientific knowledge;
- environmental education activities;
- protection of Permanent Conservation Areas (PCAs);
- creation of jobs and income associated with the demand for services;
- opportunity for potential new uses in the case of hydro-resources related to the hydro-electric reservoirs (spas, leisure areas, fishing, boating);
- appreciation of the culture and history of the region.

Events of significant impact occurring in 2021 included:

- infestation of 140.96 ha by South American Lovegrass in a total area of 602.72 hectares (area of direct influence of the wind-power parks);
- identification of 41 points where nine species of exotic trees were present, with the potential to spread to the PCA, totaling 19,743 inventoried examples in an area measuring 1,675 hectares in the PCA of the Passo São João HPP (RS) reservoir.

## Vulnerable species

GRI 304-4

15

At the Passo São João HPP we monitor and transport the *Salminus brasiliensis*, a migratory species of goldfish found throughout the Rio da Prata river basin. This species is considered endangered in certain regions, for instance it is listed as such in Rio Grande do Sul (decree n. 51,797 dated 2014), where it is listed as being 'In Danger' in the 'Laguna dos Patos' basin; and 'Vulnerable' in the Uruguay river basin.

This species is not listed as being threatened in Ministry of the Environment (MMA) Ordinance n. 445 (Official National List of Species of Fauna Threatened with Extinction - Fish and Aquatic Invertebrates), nor does it appear on the Red List of the International Union for Conservation of Nature (IUCN).

At the São Domingos HPP, we monitor and move the *Brycon orbignyanus* (piracanjuba fish) species, cited in MMA Ordinance n. 445 as being 'In Danger', as well as in the 2018 'Red Book of Brazilian Fauna Threatened with Extinction'. It does not appear on the IUCN's Red List.



Movement of fish

## Permanent Conservation Areas on the company's projects

Asset	Area (hectares)	Location
Barra do Rio Chapéu SHPP	27.48	Rio Fortuna and Braço do Norte, SC
João Borges SHPP	271.48	Lages, São José do Cerrito and Campo Belo do Sul, SC
Passo São João HPP	1,769.36	São Luiz Gonzaga, Dezesesseis de Novembro, Roque Gonzales, São Pedro do Butiá and Rolador, RS
São Domingos HPP	730.38	Água Clara and Ribas do Rio Pardo, MS

# About the report

GRI 102-50

The information contained in this report covers the activities and results relating to the period January 1 to December 31, 2021 and complies with the regulations of the Global Reporting Initiative (GRI), Core option.

The content is presented in integrated form based upon EESG (*Economic, Environmental, Social and Governance*) aspects. This model combines the following standards and global and sectoral good practices:

- GRI guidelines;
- guidelines of the Integrated Report - International Integrated Reporting Council (IIRC);
- sector-specific material topics - Sustainability Accounting Standards Board (SASB);
- recommendations from the Task Force on Climate-related Financial Disclosures (TCFD);
- Sustainable Development Goals (SDGs); and
- Principles of the United Nations' (UN) Global Compact.

Other references upon which this document is based include the "Management Report: guide for drafting an Integrated Report", published by

the Federal Audit Court (TCU), and the Electricity Companies' Manual or the Drafting of an Annual Socio-environmental Responsibility Report", published by the National Electricity Regulatory Agency (Aneel). Therefore, by including all the information and indicators required by Aneel, this report represents the "Electricity Companies' Annual Socio-environmental Responsibility Report" accountability document.

[Find out more about Eletrobras companies' contributions to the SDGs.](#)

[Read more details about the concepts, premises and protocols based upon the GRI methodology used in our report.](#)

A CGT Eletrosul employee working on a transmission line



## Reliability of Information

GRI-102-32, 102-56

In line with our goal of presenting integrated and reliable information to our stakeholders, we can confirm that this report is prepared by a team of CGT Eletrosul technicians who supply and validate the information covered throughout the text. The finished product is analyzed and formally approved by the Executive Board, the Audit Committee and the Board of Directors, our highest governance body, which attest to its integrity and transparency.



# Construction of the materiality

GRI 102-40, 102-42, 102-43, 102-44, 102-47, 102-49, 103-1

16

The 2021 materiality guides the content of all the Eletrobras companies' reports. The consultation process for definition of content and the limits of the material topics involved 1,074 internal and external *stakeholders*. Interviews were performed with executives and specialists, as well as through an *online* questionnaire with different groups - shareholders, investors, administrators and the audit committee, customers, employees and their families, government, partners, sponsors and suppliers, and the broader society.

As a result of the internal approval, 11 material topics were highlighted in 2021 to be reported, managed and monitored, and six important topics, that may or may not be related, according to their importance to each of the Eletrobras companies. In 2020, the list contained 16 material topics. For this year, we decided to implement a prioritization process, meaning better management of the topics selected.

See the list of material topics on the next page. The following were also considered to be important topics:

- Waste
- Suppliers
- Customers
- Regulatory context
- Radioactive waste
- Nuclear safety

CGT Eletrosul considers Suppliers to be an important topic.



# Eletrobras Group Materiality Assessment

## 1. Identification

- Map out the **company's relationship channels**
- Build a list of **18 topics** describing the primary impacts from the Eletrobras Group's activities, based on benchmarking against the leading players in the global power sector

## 4. Approval

- Approval** of the final list by the Strategy, Governance & Sustainability Committee and the Board of Directors

## List of material topics

GRI 102-47

SDGs

### People

- Communities **7, 10, 11, 16**
- Human rights **4, 8, 9, 10, 16**
- Health, safety and well-being **3, 7, 8**
- People management and development **4, 7, 10, 11, 16**

### Planet

- Water **6, 12, 13**
- Climate change **3, 7, 11, 12, 13, 15**
- Energy transition **7, 9, 13**
- Biodiversity and ecosystem services **14, 15**

### Governance

- Risk management **12, 16**
- Governance, integrity and ethics **12, 16**

### Prosperity

- Technology & Innovation **7, 8, 9**

## A dynamic materiality matrix

The materiality matrix is periodically revised to reflect current macroeconomic and industry conditions

## 2. Analysis

Collect the views of different stakeholders through:

- An online survey to **rate the material topics** on a scale of high impact to low impact
- Deep-dive interviews** with Eletrobras executives and independent experts
- Surveys using Eletrobras' communication channels:** Ombudsman's Office, Investor Relations, Social Media and Contact Us

## 3. Prioritization

- Refine the topics** and assign weights to responses based on the perspectives of experts vs. executives
- An Eletrobras Group workshop** attended by the Executive Sustainability Management Committee and

**70** representatives to prioritize the material topics

**11 material topics**

# Material topics and their limits

GRI 102-40, 102-42, 102-43, 102-46, 103-1

The limits of the topics making up the relevance matrix determine where and with which publics the impacts of our activities occur, as well as the respective capitals to which they refer, based upon the concept proposed by the International Integrated Reporting Council (IIRC).

	Material topic GRI 102-44, 102-46	Why the topic is material	Where it occurs	SDGS*	Capital	Connection with other frameworks	Stakeholders**
Prosperity	Technology and innovation	Actions of research, development and innovation relating to electricity and the promotion of sustainable development; use of new technologies to transform the business processes, thereby guaranteeing safety, integrity, reliability and protection of digital information; actions designed to make the production chain and energy consumption more efficient, generating positive environmental impacts.	Internally and externally	<div>7</div> <div>8</div> <div>9</div>		TCU DJSI SASB ISE Global Compact	<ul style="list-style-type: none"> <li>• Workforce</li> <li>• Leadership</li> <li>• Customers</li> <li>• Suppliers</li> <li>• Government</li> <li>• Investors</li> <li>• Society</li> <li>• Opinion Makers</li> </ul>
People	Communities	Relations with the local communities - people or groups of people that live or work in areas that are subject to the impacts resulting from the organization's operations.	Externally	<div>7</div> <div>10</div> <div>11</div> <div>16</div>		TCU DJSI ISE	<ul style="list-style-type: none"> <li>• Communities</li> <li>• Opinion Makers</li> <li>• Leadership</li> </ul>
	Human Rights	Respect for and promotion of human rights and adoption of mechanisms designed to identify, prevent, monitor, supervise and mitigate current or potential impacts on human rights.	Internally and externally	<div>4</div> <div>8</div> <div>9</div> <div>10</div> <div>16</div>		TCU DJSI ISE Global Compact	<ul style="list-style-type: none"> <li>• Workforce</li> <li>• Suppliers</li> </ul>
	Personnel Management and Development	Respect for and promotion of human rights and adoption of mechanisms to identify, prevent, monitor, inspect and mitigate current or potential impacts on human rights.	Internally and externally	<div>4</div> <div>8</div> <div>9</div> <div>10</div> <div>16</div>		TCU DJSI ISE Global Compact	<ul style="list-style-type: none"> <li>• Workforce</li> <li>• Suppliers</li> <li>• Communities</li> <li>• Government</li> <li>• Society</li> <li>• Opinion Makers</li> </ul>



	Material topic GRI 102-44, 102-46	Why the topic is material	Where it occurs	SDGS*	Capital	Connection with other frameworks	Stakeholders**
People	Health, safety and well-being	Promotion of a safe and healthy environment for all the company's employees.	Internally and externally	<div>3</div> <div>7</div> <div>8</div>		TCU SASB ISE	<ul style="list-style-type: none"> <li>• Workforce</li> <li>• Leaders</li> <li>• Communities</li> <li>• Suppliers</li> <li>• Clients</li> <li>• Opinion-makers</li> </ul>
The Planet	Water	Management of impacts related to water	Internally and externally	<div>6</div> <div>12</div> <div>13</div>		TCU SASB DJSI ISE	<ul style="list-style-type: none"> <li>• Communities</li> <li>• Shareholders</li> <li>• Customers</li> <li>• Opinion Makers</li> <li>• Leadership</li> <li>• Workforce</li> <li>• Suppliers</li> <li>• Government</li> <li>• Society</li> </ul>
	Biodiversity and eco-systemic services	Conservation and preservation of biodiversity	Internally and externally	<div>14</div> <div>15</div>		TCU SASB DSJI ISE	<ul style="list-style-type: none"> <li>• Communities</li> <li>• Society</li> <li>• Opinion-makers</li> </ul>
	Climate change	Mitigation of greenhouse gas emissions and adaptation to the effects of climate change	Internally and externally	<div>3</div> <div>7</div> <div>11</div> <div>12</div> <div>13</div> <div>15</div>		TCU SASB TCFD ISE	<ul style="list-style-type: none"> <li>• Investors</li> <li>• Communities</li> <li>• Suppliers</li> <li>• Customers</li> <li>• Leadership</li> <li>• Opinion Makers</li> <li>• Workforce</li> <li>• Government</li> <li>• Society</li> </ul>
	Energy transition*	Role of the energy sector for a low carbon economy. Use of clean and renewable sources and decarbonization of the energy mix.	Internally and externally	<div>7</div> <div>9</div>		TCU SASB DSJI ISE	<ul style="list-style-type: none"> <li>• Investors</li> <li>• Shareholders</li> <li>• Leaders</li> <li>• Clients</li> <li>• Opinion-makers</li> <li>• Suppliers</li> <li>• Government</li> <li>• Society</li> </ul>

\*The issue of energy transition, although forming part of the 'Planet' pillar within the Sustainability Framework, is being presented in this document in the 'Prosperity' section in order to make for a more fluid reading of the report.

	Material topic GRI 102-44, 102-46	Why the topic is material	Where it occurs	SDGS*	Capital	Connection with other frameworks	Stakeholders**
Governance	Governance, Integrity and Ethics	System by which the company is managed, monitored and motivated, involving the relationships between the senior management, supervisory and control organs, and other interested parties; socio-environmental aspects of decision making, anti-corruption policies and procedures, and management of ethics, based upon the organization's values, principles, standards, and norms of behavior.	Internally	12 16	This is not associated with any form of capital, but to governance, which permeates and guides the value generation activities.	TCU Pró-Ética ISE DJSI	<ul style="list-style-type: none"> <li>• Workforce</li> <li>• Investors/ shareholders/ market analysts</li> <li>• Communities</li> <li>• Press</li> <li>• Customers</li> <li>• Opinion Makers</li> <li>• Leadership</li> <li>• Suppliers</li> <li>• Government</li> <li>• Society</li> </ul>
	Risk Management	Architecture forming an integral part of the company designed to efficiently manage risks, contributing to a reduction in the materialization of events that have a negative impact on the strategic objectives.	Internally and externally	12 16		TCU SASB TCFD DJSI ISE	<ul style="list-style-type: none"> <li>• Workforce</li> <li>• Leadership</li> <li>• Investors/ shareholders/ market analysts</li> <li>• Communities</li> <li>• Society/press/ opinion makers</li> <li>• Partners/sponsors/ suppliers</li> <li>• Governments/ members of parliament/ regulatory bodies</li> <li>• Customers</li> </ul>

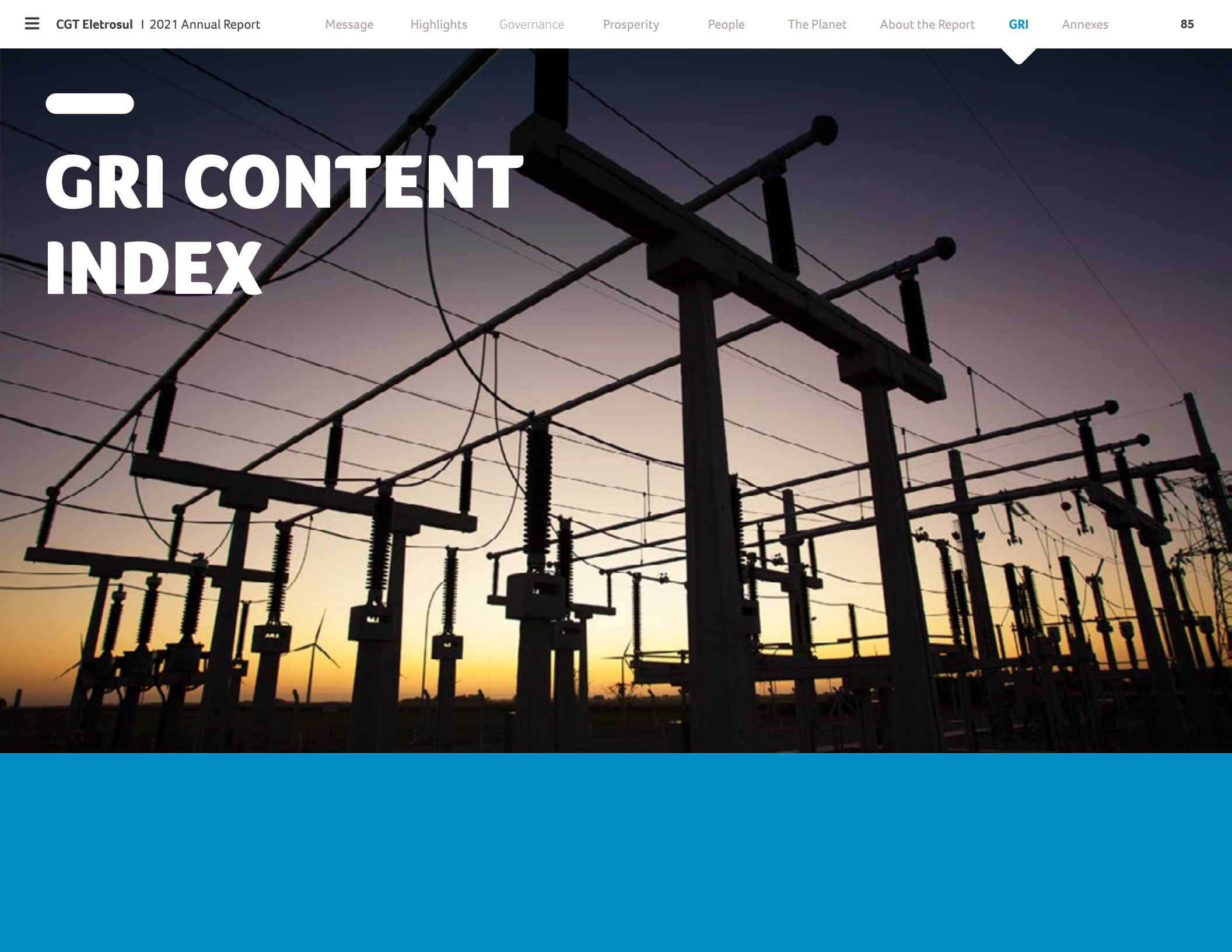
Intellectual
 Natural
 Social and relationship related
 Financial
 Human
 Manufactured

\* The 17 SDGs cut through all the other SDGs.

\*\*The publics impacted and/or which prioritize the topic in the development of the relevance (the lead publics can include leaders within the organization, the Board of Directors and the Audit Committee)



# GRI CONTENT INDEX





# GRI CONTENT INDEX

GRI 102-55

Contents	Page/URL	Omission	SDGs
<b>GENERAL DISCLOSURES</b>			
<b>GRI 101: Foundation 2016</b>			
<b>GRI 102: General disclosures 2016</b>			
Organizational profile			
<b>102-1</b> Name of the organization	7, 8, 26, 27		
<b>102-2</b> Activities, brands, products and services	7, 8, 26, 27		
<b>102-3</b> Location of headquarters	7, 8, 113		
<b>102-4</b> Location of operations	7, 8		
<b>102-5</b> Ownership and legal form	7, 8		
<b>102-6</b> Markets served	7, 8		
<b>102-7</b> Scale of the organization	7, 8, 47		
<b>102-8</b> Information on employees and other workers	47, 48		8, 10
<b>102-9</b> Supply chain	45		
<b>102-10</b> Significant changes to the organization and its chain of suppliers – TCU	12, 45		
<b>102-11</b> Precautionary principle or approach	18, 20		
<b>102-12</b> External initiatives	23		
<b>102-13</b> Membership of associations	111		

Contents	Page/URL	Omission	SDGs
<b>Strategy</b>			
<b>102-14</b> Statement from senior executive	4		
<b>102-15</b> Key impacts, risks, and opportunities	19		
<b>Ethics and integrity</b>			
<b>102-16</b> Values, principles, standards and norms of behavior	10		16
<b>102-17</b> Mechanisms for advice and concerns about ethics	10, 13, 14, 15, 16, 17		16
<b>Governance</b>			
<b>102-18</b> Governance structure	10, 11		
<b>102-19</b> Delegating authority	11		
<b>102-20</b> Executive-level responsibility for economic, environmental, and social topics	11		
<b>102-21</b> Consulting stakeholders on economic, environmental, and social topics	21, 23, 111		16
<b>102-22</b> Composition of the highest governing body and its committees	11, 13		5, 16
<b>102-23</b> Chair of the highest governance body	11		16
<b>102-24</b> Nominating and selecting the highest governing body	11		5, 16
<b>102-25</b> Conflicts of interests	24		16
<b>102-26</b> Role of highest governance body in setting purpose, values, and strategy	12		
<b>102-27</b> Collective knowledge of highest governance body	13		
<b>102-28</b> Evaluating the highest governance body's performance	12		

Contents	Page/URL	Omission	SDGs
<b>102-29</b> Identifying and managing economic, environmental, and social impacts	19		16
<b>102-30</b> Effectiveness of risk management processes	18		
<b>102-31</b> Review of economic, environmental, and social topics	19		
<b>102-32</b> Highest governance body's role in sustainability reporting	3, 79		
<b>102-33</b> Communicating critical concerns	18		
<b>102-34</b> Nature and total number of critical concerns	21		
<b>102-35</b> Remuneration policies	28, 50		
<b>102-36</b> Process for determining remuneration	28, 50		
<b>102-37</b> Stakeholders' involvement in remuneration	28		16
<b>102-38</b> Annual total compensation ratio	48		
<b>102-39</b> Percentage increase in annual total compensation ratio	48		
<b>Engagement of stakeholders</b>			
<b>102-40</b> List of stakeholder groups	80, 82		
<b>102-41</b> Collective bargaining agreements	100% of employees are covered by collective bargaining agreements.		8
<b>102-42</b> Identifying and selecting stakeholders	80, 82		
<b>102-43</b> Approach to stakeholder engagement	59, 80, 82		
<b>102-44</b> Key topics and concerns raised	80, 82, 83, 84		
<b>Reporting practice</b>			
<b>102-45</b> Entities included in the consolidated financial statements	22		



Contents	Page/URL	Omission	SDGs
<b>102-46</b> Defining report content and topic Boundaries	82, 83, 84		
<b>102-47</b> List of material topics	80		
<b>102-48</b> Restatements of information	73. The adjustments made to the data and premises of the previous publication are highlighted using this indicator throughout the publication.		
<b>102-49</b> Changes in reporting	80		
<b>102-50</b> Reporting period	79		
<b>102-51</b> Date of most recent report	June 28, 2021 (letter of assurance from PwC).		
<b>102-52</b> Reporting cycle	Annual		
<b>102-53</b> Contact point for questions regarding the report	113		
<b>102-54</b> Claims of reporting in accordance with the GRI Standards	Core option		
<b>102-55</b> GRI content index	86		
<b>102-56</b> External assurance	There has been no external assurance		



Topics	Description	Issues	Page
<b>MATERIAL TOPICS</b>			
<b>GRI 103: Management Approach 2016</b>			
<b>GRI 103-1</b>	Explanation of the material topic and its Boundary		80, 82, 83, 84
<b>GRI 103-2</b>	The management approach and its components	Water	71
		Biodiversity and ecosystem services	76
		Communities	60, 63
		Human Rights	56, 65
		Risk management	18, 19
		Personnel Management and Development	47, 50, 54
		Governance, integrity and ethics	7, 10, 12, 14, 15, 16
		Climate changes	74
		Health, safety and well-being	51
		Technology and Innovation	38
		Energy Transition	36
<b>GRI 103-3</b>	Evaluation of the management approach	Water	71
		Biodiversity and ecosystem services	76
		Communities	60, 63
		Human Rights	56, 65
		Risk management	18, 19
		Personnel Management and Development	47
		Governance, integrity and ethics	10, 14, 15, 16
		Climate changes	74
		Health, safety and well-being	51
		Technology and Innovation	38
		Energy transition	36

Contents	Page/URL	Omission	SDGs
<b>ECONOMIC TOPICS</b>			
<b>201-1</b> Direct economic value generated and distributed	32, 33		8, 9
<b>201-2</b> Financial implications and other risks and opportunities due to climate change	74		13
<b>GRI 204: Procurement practices 2016</b>			
<b>204-1</b> Proportion of spending on local suppliers	33		8
<b>GRI 205: Anti-corruption 2016</b>			
<b>205-1</b> Operations assessed for risks related to corruption	16		16
<b>205-2</b> Communication and training about anti-corruption policies and procedures	15, 17		16
<b>205-3</b> Confirmed incidents of corruption and actions taken	There were no confirmed cases of corruption		16
<b>GRI 207: Tax 2019</b>			
<b>207-1</b> Approach to tax	31, 33		1, 10, 17
<b>207-2</b> Tax governance, control and risk management	31, 33		1, 10, 17
<b>207-3</b> Stakeholder engagement and management of concerns related to tax	31, 33		1, 10, 17
<b>ENVIRONMENTAL TOPICS</b>			
<b>GRI 303: Water and Effluents 2018</b>			
<b>303-1</b> Interactions with water as a shared resource	72		6, 12
<b>303-2</b> Management of water discharge-related impacts	72		6
<b>303-3</b> Water withdrawal	73		6, 8, 12
<b>303-4</b> Water discharge	72, 73		6
<b>303-5</b> Water consumption	72, 73		6



Contents	Page/URL	Omission	SDGs
<b>GRI 304: Biodiversity 2016</b>			
<b>304-2</b> Significant impacts of activities, products, and services on biodiversity	76, 77		6, 14, 15
<b>304-3</b> Habitats protected or restored	76		6, 14, 15
<b>304-4</b> IUCN Red List species and national conservation list species with habitats in areas affected by operations	78		6, 14, 15

### GRI 305: Emissions 2016

<b>305-1</b> Direct (Scope 1) GHG emissions	74, 75		3, 12, 13, 14, 15
<b>305-2</b> Energy indirect (Scope 2) GHG emissions	74, 75		3, 12, 13, 14, 15
<b>305-3</b> Other indirect (Scope 3) GHG emissions	74, 75		3, 12, 13, 14, 15
<b>305-4</b> GHG emissions intensity	74		13, 14, 15
<b>305-5</b> Reduction of GHG emissions (GEE) (SASB)	74, 75		13, 14, 15
<b>305-6</b> Emissions of ozone depleting substances (ODS)	74		3, 12
<b>305-7</b> Nitrous oxides (NOx), sulfur oxides (SOx), and other significant air emissions	74		3, 12, 14, 15

## SOCIAL TOPICS

### GRI 401: 2016 employment

<b>401-1</b> New hires and employee turnover	47, 48		5, 8, 10
<b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	54		3, 5, 8
<b>401-3</b> Parental leave	55		5, 8

Contents	Page/URL	Omission	SDGs
<b>GRI 403: Occupational health and safety 2018</b>			
<b>403-1</b> Occupational health and safety management system	51		8
<b>403-2</b> Hazard identification, risk assessment and incident investigation	51		3, 8
<b>403-3</b> Occupational health services	51		3, 8
<b>403-4</b> Worker participation, consultation, and communication on occupational health and safety	51		8, 16
<b>403-5</b> Worker training on occupational health and safety	51		8
<b>403-6</b> Promotion of worker health	51		3
<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	51		8
<b>403-8</b> Workers covered by an occupational health and safety management system	51, 52, 53		8
<b>403-9</b> Work-related injuries	52		3, 8, 16
<b>403-10</b> Work-related ill health	53		3, 8, 16
<b>GRI 404: Training and education 2016</b>			
<b>404-1</b> Average hours of training per year per employee	54, 55		4, 5, 8, 10
<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	54		8
<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	54		5, 8, 10
<b>GRI 405: Diversity and equal opportunity 2016</b>			
<b>405-1</b> Diversity of governance bodies and employees	47, 56, 58		5, 8
<b>405-2</b> Ratio of basic salary and remuneration of women to men	58		5, 8, 10

Contents	Page/URL	Omission	SDGs
<b>GRI 406: Non-discrimination 2016</b>			
<b>406-1</b> Incidents of discrimination and corrective actions taken	56		5, 8
<b>GRI 407: Freedom of association and collective bargaining 2016</b>			
<b>407-1</b> Operations and suppliers in which the right to freedom of association or collective bargaining may be at risk	56		8
<b>GRI 408: Child labor 2016</b>			
<b>408-1</b> Operations and suppliers at significant risk for incidents of child labor	56		8, 16
<b>GRI 409: Forced or compulsory labor 2016</b>			
<b>409-1</b> Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor	56		8
<b>GRI 410: Security practices 2016</b>			
<b>410-1</b> Security personnel trained in human rights policies or procedures	65		16
<b>GRI 411: Rights of indigenous peoples 2016</b>			
<b>411-1</b> Incidents of violations involving the rights of indigenous peoples	63		2
<b>GRI 412: Human Rights Assessment 2016</b>			
<b>412-2</b> Employee training on human rights policies or procedures	65		
<b>412-3</b> Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	65		
<b>GRI 413: Local communities 2016</b>			



Contents	Page/URL	Omission	SDGs
<b>413-1</b> Operations with local community engagement, impact assessments, and development programs	60		
<b>413-2</b> Operations with significant actual and potential negative impacts on local communities	60, 66		1, 2
<b>GRI 415: Public Policy 2016</b>			
<b>415-1</b> Political contributions	In compliance with legislation, Eletrobras companies do not support or contribute to political parties or to the political campaigns of candidates to elected positions, nor do they permit employees to do so in the name of Eletrobras. This directive is ratified in the Code of Conduct and Integrity and in the Anti-corruption Policy of Eletrobras companies.		
<b>GRI 418: Client Privacy 2016</b>			
<b>418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2021, two incidents of violation of privacy and loss of data reported by employees were identified and proven.		16
<b>Organizational profile</b>			
<b>EU1</b> Installed capacity (MW) by primary energy source and by regulatory regime	35, 36		7
<b>EU2</b> Net energy output by primary energy source and by regulatory regime	35, 36		7, 14
<b>EU4</b> Length of above and underground transmission and distribution lines by regulatory regime	7, 8		
<b>Availability and reliability</b>			
<b>EU6</b> Management approach to ensure short and long-term electricity availability and reliability	34		7
<b>Research and Development</b>			
<b>EU8</b> Research and development activity and expenditure aimed at providing reliable electricity and Promoting Sustainable Development	38		7, 9, 17
<b>Availability and reliability</b>			
<b>EU10</b> Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	34		7
<b>System Efficiency</b>			
<b>EU11</b> Average generation efficiency of thermal plants by energy source and by regulatory regime	34		7, 8, 12, 13, 14

Contents	Page/URL	Omission	SDGs
<b>EU12</b> Transmission and distribution losses as a percentage of total energy	34		7, 8, 12, 13, 14
<b>Biodiversity</b>			
<b>EU13</b> Biodiversity of offset habitats compared to the biodiversity of the affected areas	No habitat was offset as a result of works in 2021. At the thermal plants and SHPPs, the original habitats of the PCAs was composed of a patchwork of portions of native vegetation, and crop and cattle farming areas. Following the implementation of the projects, the PCAs were fenced off in those locations where cattle farming was performed and forest restoration actions were undertaken, involving the planting and monitoring of saplings, transposition of earth, and construction of artificial nesting perches, amongst others. Furthermore, Eletrosul performed supervision actions in the PCA areas, as well as awareness-raising and environmental education actions together with the neighboring residents, that contributed to the improvement of the quality of the habitats and, consequently, to an increase in the biodiversity.		6, 14, 15
<b>Employment</b>			
<b>EU14</b> Programs and processes to ensure the availability of a skilled workforce	54		4, 8
<b>EU16</b> Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	51		8
<b>Local communities</b>			
<b>EU20</b> Approach to managing the impacts of displacement	62		1, 2, 11
<b>EU21</b> Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	20		1, 11
<b>EU22</b> Number of people physically or economically displaced and compensation, broken down by type of project	62		1, 2
<b>Access</b>			
<b>EU30</b> Average plant availability factor by energy source and by regulatory regime	34		1, 7



# ANNEXES





# ANNEX I - 2030 AGENDA INDICATORS

SDGs	PNG 2021-2025 indicators	Targets for 2021	Performed 2021	Results
7	Participation in clean energy sources (%)	82.86	82.86	
8	Rate of frequency of accidents involving contracted employees (with time off work) (%)	4.64	3.89	
	Rate of frequency of accidents involving outsourced workers (with time off work) (%)	6.95	0.90	
	Rate of seriousness of accidents involving contracted employees	910	176	
	Degree of seriousness of third parties' accidents	1,365	3	
9	Percentage of the NOR invested in R&D+I (%)	1.2	1.11	
	Percentage of automated processes within the area of automatable internal control processes (%)	70	100	
10	Women in management positions (%)	16	14.05	
	Beneficiaries (people) provided for in social projects (%)	To achieve 80% of the number of beneficiaries in the legal agreements signed	149.07	
	Index considered for the ratio of women to men at different levels	0.95	0.89	
11	Scope 1 + 2 emissions, without losses in transmission (tCO <sub>2</sub> )	2,704,803.00	2,528,368.24	
12	Integrated <i>Due Diligence</i> of critical suppliers (ESG) (%)	60	96.43	
13	Total emissions of greenhouse gases on net operating revenue (NOR)	1.07	0.80	

15	Total sum of areas protected and/or forested by the company	Eletrobras companies' corporate target	Eletrobras will make these results available	
	Species included in the IUCN Red List and in national conservation lists included in projects for the conservation of threatened species	Eletrobras companies' corporate target		
	Investment in projects that contribute to the management of biodiversity	Eletrobras companies' corporate target – Increase by 1% per year in relation to the previous year		
	Fixing of carbon in the biomass (in tons)	To increase by 5% per year in relation to the previous year (in tons)		
16	Employees trained in the policies and procedures (%) of the Integrity Program ( <i>Compliance</i> ) (%)	98	97.24	
	Employees trained in human rights (%)	50	59.38	
	Due diligence of suppliers exposed to the risk of fraud and corruption (%)	100	97.40	

Key: achieved not achieved

SDGs*	PNG 2022-2026 indicators	2022 target
8	Rate of frequency of accidents (contracted employees) (%)	3.65
	Rate of frequency of accidents (third parties) (%)	5.48
9	Digital automation for optimization of work	2,880
10	Consolidated index of diversity in managerial positions and succession processes (%)	18.70
11	Intensity of greenhouse gas emissions (tCO <sub>2</sub> /MWh)	1.2
12	Suppliers subject to due diligence in EESG aspects (%)	80
13	Intensity of greenhouse gas emissions (tCO <sub>2</sub> /MWh)	1.2
16	Workforce trained in human rights (%)	75

\*The indicators for SDGs 7 and 15 relate solely to Eletrobras

# ANNEX II - INDICATORS AND PERFORMANCE - PNG

## RELATIONSHIP BETWEEN THE DIRECTIVES, STRATEGIC OBJECTIVES AND PNG INDICATORS

2020-2035 Strategic Directives	Strategic directive	2021 Indicators	2021 Target	2021 Achieved	Results
<b>DIMENSION: BUSINESS PERFORMANCE</b>					
<b>Governance</b>	To optimize the capital structure of the Eletrobras Group	Net Debt / Adjusted Ebitda	2.5	1.53	
		Net Income / Adjusted Return on Equity (ROE) (%)	0.6	3.48	
		Spread equal to debt over benchmark NTN-B	0.31	0.11	
	To expand the company's investment capacity	Investment Execution Percentage (%)	100	104.42	
<b>DIMENSION: GOVERNANCE, MANAGEMENT AND CRITICAL CAPABILITIES</b>					
	To develop leadership, teamwork and knowledge management to support the company's critical competencies.	Hours of training/n. of employees	35	58.31	
		Investment in Training/n. of employees (R\$)	1,670	1190.03	
		Investment in training for leaders/n. of leader employees (R\$) (%)	1,670	4,753.35	
	To ensure employee safety and satisfaction	Rate of frequency of accidents (contracted employees) (%)	4.64	3.89	
		Rate of frequency of accidents (outsourced workers) (%)	6.95	0.90	
		Organizational Atmosphere Survey	68.15	-	-
		Severity rate (contracted employees)	910	176	
		Severity rate (outsourced workers)	1,365	3	



2020-2035 Strategic Directives	Strategic directive	2021 Indicators	2021 Target	2021 Achieved	Results
Governance	To acquire and develop robust risk management competence	Remediation of significant deficiencies and material weaknesses (%)	100	N/D	N/D
	To achieve and maintain standards of corporate governance and business integrity in accordance with international benchmarks	Employees trained in the policies and procedures of the Integrity Program(%)	98	97.24	
		Due Diligence of suppliers exposed to the risk of fraud and corruption (%)	100	97.40	
Environmental	To strengthen the discipline of execution, with agility and optimization of resources	Operating income/employee (R\$ millions / employee)	262,741.00	1,011,870.05	
		Missed critical audit requests	0	0	
		Strategic Projects Portfolio Success Index assessed in the Private Social Investment (PSI) (%)	20	44.44	
Digital innovation and transformation	To invest in research and innovation, creating an innovative ecosystem based on internal capabilities and in partnership with startups.	R&D+I/NOR investment (%)	1.2	1.11	
DIMENSION: BUSINESS					
Efficiency of G&T	To optimize the economic and financial performance of G&T assets	Variable Portion	1.15	0.836	
		PMSO/Regulatory PMSO	1	0.98	
	To achieve high levels of reliability of G&T assets	DISPOTR	99.88	99.92	
		Shutdown every 100 km of LT	1.35	0.95	
		DISPGR	1	1.081	
		DISPOLT	99.90	99.97	

2020-2035 Strategic Directives	Strategic directive	2021 Indicators	2021 Target	2021 Achieved	Results
Expansion of G&T	To expand generation, prioritizing clean energy and gas thermal opportunities	Installed capacity of generation (in MW) - Proprietary + SPCs	1.05	0	
		- Generation Expansion Achievement Index (%)	1	0.87	
		Degree of adherence between current IIR and auction IRR - Generation	1.00	-0.99	
	To expand the transmission, with a focus on value creation	Expansion of the installed transformation capacity (MVA) - Proprietary + SPCs	1,504.15	1,818.35	
		Degree of adherence between current IIR and auction IRR - Transmission	1.00	-0.58	
		Expansion Achievement Index of T	1	0.92	
		Installed transmission capacity (in line Km) - Proprietary + SPCs	380.98	518.06	
Commercialization	Diversify the customer portfolio, expanding operations in the energy retail sector	Global Marketing Index	1	1.43	
New Business	To increase revenue from services sales, data transmission and other synergistic opportunities	Service revenue/NOR (%)	1.46	1.18	

Key: achieved not achieved

## 2022-2026 PNG INDICATORS AND MARKETS

Panels	Indicators		Targets for 2022
PLR	CMDE	Net Debt / Recurring Ebitda	2.3
		Expansion Achievement Index of G	1
		Expansion Achievement Index of T	
		Risk Management Maturity Level	Defined
		Project Portfolio Success Index	1
		Recurring Ebitda (R\$ thousands)	*
		DISPGR	1
		DISPOLT (%)	99.92
		Global Commercialization Indicator	1
		Global Performance ISE B3	71.54
	RVA	Recurring Ebitda / n. of employees (R\$ thousands)	*
		- PNG investment paid in (%)	90
		PMSO/Regulatory PMSO	1.13
		Remediation of Significant Deficiencies and Material Weaknesses (%)	80
		ROE (Net Income/Shareholders' Equity) (%)	*
		Rate of Frequency of Accidents - Employees (%)	3.65
		Suppliers submitted to EESG due diligence (%)	100
		Intensity of Greenhouse Gas Emissions	1.2
		Strategic Alignment Index - IAE CMDE	1
		Project Success Index by Board	1
		Evaluation of the DEE by the BD (%)	80
		Sest Compliance Indicator (CI-Sest)	8.34
		Sest Governance Indicator (GI-Sest)	8.33

PLR: Profit and Results Sharing Program

CMDE: Agreement on Corporate Performance Goals

RVA: Directors' Annual Variable Compensation Program

\*Strategic target not disclosed.



# ANNEX III- INDEX OF OTHER FRAMEWORKS - SASB, TCU

Indicator	Corresponding GRI	Page
<b>SASB</b>		
<b>IF-EU-110a1</b> Gross global scope, emissions covered by percentage, emissions - limitation of regulation and regulating of issuance of reports	GRI 305-1	75
<b>IF-EU-110a2</b> Greenhouse gases (GHG) associated with energy supply	GRI 305-2	75
<b>IF-EU-110a3</b> Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emission-reduction targets, and an analysis of performance against those targets	GRI 305-4 GRI 305-5	74, 75
<b>IF-EU-120a1</b> Air emissions of the following pollutants: NOx (excluding N <sub>2</sub> O), SOx, particulate matter (PMxx), conductors (Pb), and mercury (Hg); percentage of each in or near areas of dense population	GRI 305-7	74
<b>IF-EU-140a1</b> Total water withdrawn and total water consumed, percentage of each in regions with high or extremely high baseline water stress	GRI 303-1, 303-3, 303-5	71, 72, 73
<b>IF-EU-140a3</b> Description of the risks of water management and discussion of strategies and practices to mitigate these risks	GRI 303-1	71, 72
<b>IF-EU-150a1</b> Amount of carbon fuel waste (CCR) generated, percentage recycled	GRI 305-6 G4-EU11	74
<b>IF-EU-320a1</b> Total rate of registered incidents (TRIR), the fatality rate, and rate of frequency of near accidents	GRI 403-9	52
<b>IF-EU-550a1</b> Number of incidents in non-compliance with the standards or regulations of physical or cybernetic security	GRI 418-1	95

Indicator	Corresponding GRI	Page
<b>INSTALLED, GENERATED AND TRANSMITTED CAPACITY</b>		
<b>IF-EU-000.C</b> Length of distribution and transmission lines	G4-EU4	7, 8
<b>IF-EU-000.D</b> Total electricity generated, percentage by major energy source, percentage in regulated markets	G4-EU2	35, 36
<b>IF-EU-550 a.2</b> (1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days, percentage of loss of transmission	G4-EU30	34
<b>TCU</b>		
<b>General organizational overview and external vision</b>	GRI 102-2, 102-5, 102-7, 102-8, 102-9, 102-14, 102-15, 102-16, 102-22	4, 7, 8, 10, 11, 13, 19, 26, 45, 47, 48
<b>Risks, opportunities and perspectives</b>	GRI 102-15, 102-17, 102-30, 102-31, 102-34	10, 13, 14, 15, 16, 17, 18, 19, 21
<b>Governance and strategy</b>	GRI 102-18, 102-20, 102-22, 102-23, 102-25, 102-26, 102-30, 102-35, 102-36, 102-37, 102-38, 102-39	10, 11, 12, 13, 18, 24, 28, 47, 48, 50
<b>Budgetary, financial and accounting information</b>	GRI 201-1, 201-2, 204-1, 205-1, 205-3, 207-2, 405-2	16, 31, 33, 58, 74, 91
<b>Results and performance</b>	GRI 413-1, 413-2, G4-EU1, EU 2, EU 4, EU8, EU20, EU21, EU22	7, 8, 20, 35, 36, 38, 60, 62, 66

# ANNEX IV - RISKS

Risk event	Main actions for risk mitigation	Related material topic
<b>RISK EVENT</b>		
<b>Commercialization of energy</b>	Investment in new contract management systems and a projection system.	<ul style="list-style-type: none"> <li>• Technology and Innovation (Energy Efficiency, R&amp;D+I, Cybersecurity and Digital Transition);</li> <li>• Water;</li> <li>• Climate Change; and</li> <li>• Risk Management</li> </ul>
<b>Financial and Accounting Statements</b>	No risk factors with high or critical indexes where the implementing of actions was necessary.	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>
<b>Human Rights</b>	Training for company leaders with a focus on harassment.	<ul style="list-style-type: none"> <li>• Communities</li> <li>• Human Rights;</li> <li>• Health, Safety and Well-Being;</li> <li>• Governance, Integrity and Ethics; and</li> <li>• Risk Management</li> </ul>
	More effective promotion of reporting channels to service providers.	
	Actions to identify vulnerable groups in the company's operating areas.	
<b>Training and Management in Litigation</b>	Resizing of the team with the possibility of hiring a support team	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>
	Integration of the business management system.	
<b>Fraud and Corruption</b>	Training and awareness of the workforce on the topic of Fraud and Corruption	<ul style="list-style-type: none"> <li>• Governance, Integrity and Ethics; and</li> <li>• Risk Management</li> </ul>
	Approval of specific regulations for third parties.	
	Availability of an information system to manage processes.	



Risk event	Main actions for risk mitigation	Related material topic
Supply Chain Management	Complementary Procurement of Primary Fuel	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>
Personnel Management	Procurement of a Consultancy to provide support in the mapping of knowledge and dimensioning of personnel.	<ul style="list-style-type: none"> <li>• Health, Safety and Well-Being;</li> <li>• Personnel Management and Development;</li> <li>• Risk Management</li> </ul>
Business Management of SPCs	Improvement in guarantee monitoring.	<ul style="list-style-type: none"> <li>• Technology and Innovation (Energy Efficiency, R&amp;D+I, Cybersecurity and Digital Transition);</li> <li>• Climate change;</li> <li>• Governance, Integrity and Ethics; and</li> <li>• Risk Management</li> </ul>
	Improvement in pre-contract processes.	
Socio-environmental Management of Projects	No risk factors with high or critical indexes where the implementing of actions was necessary.	<ul style="list-style-type: none"> <li>• Water;</li> <li>• Biodiversity and ecosystem services;</li> <li>• Climate Change; and</li> <li>• Risk Management</li> </ul>
Climate Change (emphasis on mitigation)	No risk factors with high or critical indexes where the implementing of actions was necessary.	<ul style="list-style-type: none"> <li>• Water;</li> <li>• Biodiversity and ecosystem services;</li> <li>• Climate Change; and</li> <li>• Risk Management</li> </ul>
O&M in Generation	Periodic monitoring of the service life of the boiler together with CEPEL.	<ul style="list-style-type: none"> <li>• Risk Management</li> </ul>
	Procurement of suppliers to substitute original manufacturers for supply of parts and services.	
	Elaboration of a study to implement a system designed to monitor the service life of the steam turbine.	

Risk event	Main actions for risk mitigation	Related material topic
O&M in transmission	No risk factors with high or critical indexes where the implementing of treatment actions was necessary.	• Risk Management
Projects in Generation assets	No risk factors with high or critical indexes where the implementing of treatment actions was necessary.	• Risk Management
Projects in Transmission assets	No risk factors with high or critical indexes where the implementing of treatment actions was necessary.	• Risk Management
Sectoral Regulation in Generation	No risk factors with high or critical indexes where the implementing of treatment actions was necessary.	• Risk Management
Sectoral Regulation in Transmission	Expansion of workforce.	• Risk Management
	Negotiations with the accounting department and other technical departments for access to/provision of investment information (AIS).	
	Negotiations with the Executive Board for the preparation of reports on the completion of projects.	
Health and Safety at Work	No risk factors with high or critical indexes where the implementing of actions was necessary.	• Health, Safety and Well-Being; and • Risk Management
Information Security	Development of policies and regulations	• Technology and Innovation (Energy Efficiency, R&D+I, Cybersecurity and Digital Transition); and • Risk Management
	Maintenance of a Contingency Plan.	
	Survey of existing agreements with critical partners.	
	Review of control of access to the applications.	
	Permanent raising of awareness of the employees.	
	Conducting of vulnerability testing and incident response,	

# ANNEX V: CGT ELETROSUL - CORPORATE INVESTMENTS - BY PROGRAM

	Final allocation (R\$)	Paid-in value (R\$)	Intervening factors
<b>PROGRAM 2033 - ELECTRICITY</b>			
<b>Action 200G</b> Maintenance of the Electricity Generation System in the Southern Region.	12,538,937	3,196,466	Different activities were reprogrammed for the start of 2022 without incurring risks for the company's power generation complex.
<b>Action 15BD</b> Expansion of the Electricity Generation System in the Southern Region and Mato Grosso do Sul.	23,816,123	3,503,514	Postponement of the disbursements involved in the implementation of the electro-mechanical systems of the Cachoeira Branca HGC from 2021 to 2022 which, allied with the reprogramming of the start of new generation projects, led to the low level realized this year.
<b>Action 4493</b> Maintenance of the Electricity Generation System - Candiota TPP / RS	41,959,000	6,696,212	The frustration is explained by the reprogramming of the maintenance work on the Candiota TPP which will now take place in January 2022, by the difficulties faced in acquiring equipment from suppliers, and by the reassessment of the need for replacement parts for the Plant.
<b>Action 1050</b> Expansion of the Electricity Transmission System in the Southern Region and Mato Grosso do Sul.	199,891,988	121,132,733	Early acquisition of equipment and early energizing of substations in the final quarter of 2020, allied to delays in the process of authorization for new expansions and to difficulties faced with certain suppliers, which led to the low amount paid in during the year, without, however, negatively affecting the ability to comply with the Aneel schedule.

	Final allocation (R\$)	Paid-in value (R\$)	Intervening factors
<b>Action 2D94</b> Strengthening and Improvement of the Electricity Transmission System in the Southern Region and Mato Grosso do Sul.	104,617,033	84,470,317	The deviation experienced was due to the re-planning of procurements and works for 2022.
<b>Action 4471</b> Maintenance of the Electricity Transmission System in the Southern Region.	11,487,000	6,084,233	This action involves planning for maintenance and emergencies. The low level of paying in was due to the re-programming of maintenance work and the lower than expected level of incidence of emergencies.
<b>Action 15MN</b> Implementation of three transmission systems in the states of Santa Catarina and Rio Grande do Sul - Lot I of ANEEL Auction 007/2013 (FOTE)	9,034,545	12,047	This action relates to the project arising from the Fronteira Oeste Transmissora de Energia S.A. SPC, which was merged with CGT Eletrosul in August. The investment budget for the continuity of the activities was approved in December and, as such, the activities were rescheduled for 2022.

## 0807 PROGRAM - MANAGEMENT AND MAINTENANCE OF THE INFRASTRUCTURE OF STATE-OWNED COMPANIES

<b>Action 4101</b> Maintenance and Alterations of Real Estate Assets	41,588,450	34,980,007	The acquisition of the land for the Santa Catarina Regional Office cost less than had been initially forecast.
<b>Action 4102</b> Maintenance and Updating of Movable Assets, Vehicles, Machinery and Equipment.	19,875,500	13,230,635	Difficulties faced in the bidding phase for the acquisition of light vehicles and trucks, above all the equipment for work on live transmission lines justify the low paying in involved in this action.
<b>Action 4103</b> Maintenance and Updating of Computer, Information and Teleprocessing equipment.	27,717,416	16,422,190	The deviation presented is explained by the longer period of time required for the development of new systems for the Company.



# ANNEX VI - PARTICIPATION IN ASSOCIATIONS

GRI 102-13, 102-21

## ASSOCIATIONS WITH A SEAT ON THE GOVERNING BOARD

- ONS - National Electric System Operator
- UTCAL - UTC Association (Utilities Telecom Council Latin America)
- CEPEL- Electricity Research Center
- CIGRÉ Brasil – Brazilian National Committee of Electricity Production and Transmission
- Electricity Memory Center in Brazil
- ABRAGE– Brazilian Association of Electricity Generation Companies

## ASSOCIATIONS PARTICIPATING IN PROJECTS AND COMMISSIONS

- ABRATE – Brazilian Association of Electricity Generation Companies
- ONS - National Electric System Operator

## STRATEGIC ASSOCIATIONS

- ABCM – Brazilian Association of Mineral Coal
- ABRAGET – Brazilian Association of Thermoelectric Generators
- ABEEólica – Brazilian Wind Energy Association
- ABGR – Brazilian Association of Risk Management
- APESC – Association of Energy Producers of Santa Catarina
- BRACIER - Brazilian Committee of the Regional Energy Integration Commission
- CCEE– Electricity Commercialization Chamber
- Electricity Memory Center in Brazil
- COGE Foundation – Business Management Committee Foundation;

# ANNEX VII - DAMAGED AND RECOVERED AREAS

Description	Area (km²)
Areas damaged by transmission projects in the process of implementation	1.2
Areas damaged by transmission projects in operation that have been recovered	0.0624
Areas damaged by thermoelectric generation projects in operation	0
Areas damaged by transmission projects in the process of implementation that have been recovered	0
Areas damaged by transmission projects in operation	0.52
Areas damaged by distribution projects in operation that have been recovered	N/A
Areas damaged by distribution projects in operation	N/A
Areas damaged by distribution projects in the process of implementation that have been recovered	N/A
Areas damaged by distribution projects in the process of implementation	N/A
Areas damaged by hydroelectric projects in the process of implementation that have been recovered	N/A
Areas damaged by hydroelectric projects in the process of implementation	N/A
Permanent Conservation Areas (PCAs) that have been recovered after being affected by hydroelectric projects in operation	27.3
PCAs that have been affected by hydroelectric projects in operation	27.6
Areas damaged by hydroelectric projects in operation that have been recovered	0.005
Areas damaged by thermoelectric generation projects in the process of implementation	0
Areas damaged by thermoelectric generation projects in operation that have been recovered	0
Areas damaged by hydroelectric projects in operation	0.005
Areas damaged by thermoelectric generation projects in the process of implementation that have been recovered	0
Areas damaged by wind power plants in the process of implementation that have been recovered	0
Areas damaged by wind power generation projects in the process of implementation	0

# Credits

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**LinkedIn:** [linkedin.com/company/cgteletrosul](https://linkedin.com/company/cgteletrosul)

### Ombudsman - CGT Eletrosul

<https://www.cgteletrosul.com.br/ouvidoria/como-funciona>

## Executive Coordinating Committee

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\* Those photos in which people appear without masks were taken before the pandemic.

We would like to especially thank all the employees of CGT Eletrosul for their participation and commitment to their jobs, and for supplying the information necessary for the creation of this Annual Report.

Florianópolis, April 29, 2022

