

2021 ANNUAL SUSTAINABILITY REPORT

Connections that inspire

isa

CTEEP



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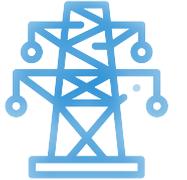
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Letter of Assurance

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Message from the CEO

GRI 102-14



In 2021, once again, ISA CTEEP proved its ability to create sustainable value for its stakeholders. Guided by the purpose of creating Connections that inspire, we overcame challenges, made important deliveries and reinforced our values and commitments, with the support of our more than 1,300 employees, essential for us to achieve our goals.

Due to the COVID-19 pandemic, which has not ceased yet, we prioritized the health and safety of our employees and third parties. We followed the protocols to mitigate the spread of the virus, encouraged vaccination and held sessions with doctors and epidemiologists to clarify doubts regarding immunization. At the end of the year, we celebrated that 98% of our staff was immunized.

Generating sustainable value also involves ensuring the delivery of reliable electricity to the population through operational excellence. For this purpose, we continue to expand

investments in the modernization of the network and expansion of the national transmission system, with a rigorous allocation of capital and focus on efficiency in operations with high rates of availability and quality of service.

In 2021, we energized two projects auctioned in the transmission auctions carried out by Aneel (National Electric Energy Agency) – the Aguapeí Electric Interconnection and Lorena Substation, the result of our planning and management capacity. In all, we have nine projects under construction, which will add 1,700 kilometers of extension in our transmission lines and 10,000 MVA of power to our portfolio.

As for Lorena Substation, it is worth emphasizing the advance this asset represents for ISA CTEEP and for the digitization of the Brazilian electricity sector. It is the first digital substation of the National Interconnected System that, in addition to providing greater availability and efficiency in the provision of services, contributes to

improving the reliability and collection of information to support decision-making.

Another historical milestone of innovation for the company and for the sector was the achievement of Aneel's approval of the first large-scale battery energy storage project in the Brazilian transmission system, which will be installed at Registro Substation (SP), responsible for supplying the population of the South Coast of São Paulo. In addition to facilitating the insertion of energy from renewable sources, the technology contributes to the reduction of operating costs and the need to expand the system.

Also in 2021, we completed the acquisition of Piratininga – Bandeirantes Transmissora de Energia (PBTE), which operates a 30-km underground transmission line in the city of São Paulo. For the coming years, we remain aware of the opportunities with our growth plan based on three routes – reinforcements

"We continue to expand investments in the modernization of the network and in the expansion of the national transmission system"

and improvements, participation in auctions (greenfield) and mergers and acquisitions (brownfield) – which should contribute to greater network robustness.

There was also an important advance with the approval by Aneel of the reprofiling of the Base Network of the Existing System (RBSE). The measure ends the regulatory discussion of almost a decade on the remuneration of the



RUI CHAMMAS
CEO

financial component of RBSE and preserves the economic value for the company by ensuring the payment of the financial component until 2028, in addition to maintaining the remuneration for the cost of regulatory capital defined in the 2018 Periodic Tariff Review.

Throughout the year, despite uncertainty scenarios, we honored our commitments to our shareholders. In the financial scope, our gross operating revenue (IFRS) totaled R\$ 6,336 million, an increase of 49% compared to the R\$ 4,241 million recorded in 2020, reflecting the financial component of RBSE and updating the values by IPCA, as well as recognition of the complementary right Ke according to ANEEL Approval Resolution No. 2,851/21. We have also achieved the highest payout of earnings in our history.

Our responsibility goes beyond the boundaries of the company and extends throughout society. Thus, we are guided by the generation of positive social and environmental impacts and we proactively contribute to actions to combat climate change and the conservation of ecosystems. We continue with the commitment to maintain our carbon neutrality through the total compensation of Greenhouse Gas emissions (scopes 1 and 2, except transmission losses) and, at the end of the year, we expanded

the range of our Conexión Jaguar Program for protection of 141,000 hectares in Serra do Amolar, in the Pantanal.

In addition, we have pursued eco-efficiency goals in our operations that aim to reduce the consumption of water, energy and SF₆ gas, which for the first time started to compose the variable remuneration of executives. Another important achievement was raising funds by issuing green bonds in the amount of R\$ 672.5 million in 2021 for the development of environmentally sustainable projects.

In this journey of evolution, safety is a non-negotiable value for us and, in order to reinforce our practices, we launched the Connected with Life program, which, in addition to actions to promote safety, it incorporates a perception of global life care for our employees and third parties. Despite all these achievements and advances, I regret the three unacceptable fatalities that we registered with third parties in the period and that have caused a deep transformation in the company.

Still with regard to the management of our human capital, we continue to focus on actions aligned with our Leadership Brand that reinforce the skills necessary to comply with our 2030 Strategy. In this context, initiatives to ensure the sustainability

of our talents, which include training and the promotion of a diverse and inclusive environment, reinforced by our Other Looks program, acting on the pillars of gender equity, race, LGBTI+ and people with disabilities. This year, for the first time, we launched an intern recruitment program with an affirmative diversity approach.

In view of all these events and the others presented throughout this report, I would especially like to thank our more than 1,300 employees for their dedication in 2021. I also thank for the Connections that Inspire with ISA, the Company's parent company and Ecopetrol Group company, as well as our shareholders, partners, the regulator and society.

For the future, we remain committed to the health and safety of our employees and third parties, with operational excellence, with innovations to contribute to the transformations of the sector and with actions to ensure the robustness of the national transmission system, always guided by the maximization of sustainable value generation for our audiences.

Rui Chammas
CEO ISA CTEEP

ESG highlights

Environmental

CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL CHALLENGES



Carbon neutrality since 2019 (Scope 1 and 2 emissions offset, except transmission losses)



CO₂ emissions reduction goal linked to the variable remuneration of the leadership



Expansion of Conexion Jaguar Program from 76 thousand to 141 thousand hectares of protected area in Serra do Amolar in the Pantanal of Mato Grosso.



R\$ 672.5
million green bond funds raised

Social

ATTRACTION AND DEVELOPMENT OF TALENT



Launch of the Strategic Diversity Committee



1,295
employees covered by performance evaluation



Launch of the Connected with Life Program and specific channel for health and safety in the Ethics Line channel



83%
of favorability in the internal climate survey



35.7
average hours of training per employee

COMMITMENT TO SOCIOECONOMIC DEVELOPMENT



R\$ 3.1 million
in incentive social investment and donations



21
social projects in progress

STRATEGIC ALLIANCES FOR TRANSFORMATION



98.38%
local procurement



74.91%
of suppliers screened for environmental requirements and 76.74% in social aspects

ESG highlights

Governance

GOOD GOVERNANCE AND INTEGRITY



12.50%

of women on the Board of Directors



Adherence to Ethos Institute's Business Pact for Integrity and Against Corruption



60%

of the Executive Board composed by women



100%

of employees reached by communications on ethics, compliance and anti-corruption

Financial and operational

STRENGTH AND GROWTH



R\$ 898

million operating cash generation



99.99%

of average availability of transmission lines



R\$ 23.6

millions invested in innovation projects



R\$ 3.3

billions invested in reinforcement and improvement projects, greenfield and completion of the acquisition of PBTE



99.95%

of average availability for transformers



Júlio César Leandro de Souza, power system operator of the Operations Center in Bom Jardim (SP).

Report profile

Welcome to ISA CTEEP's 2021 Annual Sustainability Report. On the following pages, we present our performance and management approach on environmental, social and governance topics that are most relevant in the view of our stakeholders and the way in which we seek to strengthen the Connections that Inspire purpose.

In line with our commitment to transparency and timeliness for disclosure of relevant information to the market, we present our Annual Sustainability Report, for January 1 to December 31, 2021.

[GRI 102-50, 102-52](#)

The report was prepared based on GRI Standards: Core option and the principles of Integrated Reporting of the International Integrated Reporting Council (IIRC). The document provides performance information and a management approach on environmental, social, economic and governance topics that have the greatest impact and influence on the vision of our stakeholders, as well as our value generation strategy and vision for the future. [GRI 102-54](#)

Through material, we also comply with the provisions of the Accounting Manual for the

Electricity Sector, which guides the Annual Social and Environmental Responsibility Report of the National Electric Energy Agency (ANEEL), the body that regulates our activities. Data was assured by an independent external auditor, PwC, approved by the Board of Directors, Fiscal Council and the Board of ISA CTEEP.

As part of this assurance process, we prepared the document called Basis of Preparation, according to the update of PwC methodology, based on ISAE 3000 standard, in order to guide and complement the reporting of sustainability information herein. We also include the Table of Indicators and Criteria, which presents the assured GRI Standards indicators, corresponding to our business, with the description and details of the criteria corresponding to each indicator, in addition to highlighting the exceptions and/or changes in the limits and reporting periods (2021), when applicable. Both documents can be accessed [here](#).

GRI indicators and information refer to ISA CTEEP and wholly-owned subsidiaries, except as otherwise indicated in a footnote. We also included, throughout the report, some highlights

of assets in which we have equity interest. Economic and financial data are presented in a consolidated manner (wholly owned subsidiaries and equity-accounted companies), in alignment with our Financial Statements. [GRI 102-45, 102-56](#)

Enjoy your reading!

Suggestions and questions about this Report can be sent to our Communication, Sustainability, and Institutional Relations Management, by e-mail: isactEEP@isactEEP.com.br and sustentabilidade@isactEEP.com.br. [GRI 102-53](#)



Andre Luiz Alves de Santana, direct procurement specialist, from the headquarters (SP).

Materiality GRI 102-46

In order to present relevant content and in line with the expectations of our stakeholders, we adopted the principle of materiality for drafting the report. The materiality study carried out in 2019 by Grupo ISA, consisted of a survey, through telephone interviews, online, and in discussion groups, to prioritize the topics of greatest impact and influence for stakeholders. [GRI 102-43](#)

985 respondents participated in the Group's survey, including employees, shareholders, investors, media professionals, members of associations and communities, customers, financial analysts, and representatives of the State, as well as Non-Governmental Organizations (NGOs) and new generations. [GRI 102-21, 102-40, 102-42](#)

The process resulted in the prioritization of nine dimensions that group 28 relevant topics and reflect the impacts of the company's activities from the perspective of sustainability, as well as its value generation strategy. For 2022, a new survey is underway, in line with the 2030 Strategy of Grupo ISA, the risk matrix and the expectations of our audiences.

In addition to the GRI indicators listed in the study, other specific content was considered in order to meet the requirements of ANEEL's Social and Environmental Responsibility Report. Find below a list of material topics and the limits of their impacts inside and outside the organization, as well as the GRI indicators, IIRC capitals and related Sustainable Development Goals (SDGs).

The survey held by the Group had 985 respondents

Materiality matrix¹ GRI 102-44, 102-47



1. The most relevant dimensions were: Strength and growth, Excellence in performing its activity and Proactive contribution to global environmental challenges, while Strategic alliances for transformation is at the bottom, as the least relevant dimension compared to the others.
 2. Significance to stakeholders: importance of the topics according to the expectations of the key audiences, the context and the trends that may affect the company and financial reporting requirements.
 3. Significance to the business (internal): impact of matters on the implementation of the company's strategic objectives (2030 Strategy).

MATERIAL TOPIC AND LIMIT OF IMPACTS GRI 102-46, 102-47, 103-1

Dimension	Why is the topic material	Topics	Limit of impacts		GRI Indicators	Capitals	SDG	
			In the company	Outside the company				
Good governance and integrity	Good governance and integrity are relevant dimensions for all people consulted. Unethical behaviors can lead to the loss of trust of all audiences.	1. Independence regarding governance and/or third parties		X	102-16 102-17 102-18 102-19 102-20 102-21 102-22 102-23 102-24 102-25 102-26 102-27 102-28 102-30 102-33 102-34 205-1 205-2 205-3 206-1 405-1 415-1			
		2. Ethical, upstanding, and transparent behavior	X	X				
		3. Diverse governance structure and composition	X					
Transformational leadership and capacity for influence	Monitoring and anticipating the institutions responsible for environmental and social regulation, in addition to contributing to sustainable development, contribute to the strengthening of attributes such as soundness, responsibility and commitment to the territories.	4. Influential and inspiring company	X	X	102-11 201-1 203-2 419-1			
		5. Inspirational leaders	X					
		6. Fulfillment of commitments	X	X				
Strength and growth	Business continuity is closely linked to managers' attention to extra-financial issues. ESG (environmental, social and governance) aspects can affect long term financial results and the efficient management of these aspects contributes to the strengthening of business reputation.	7. Compliance with financial and business goals	X	X	102-6 102-7 102-10 201-1 203-1			
		8. Proper growth strategy	X	X				
		9. Optimization of resources and synergies between group companies	X					

Limit of impacts

Dimension	Why is the topic material	Topics	In the company	Outside the company	GRI Indicators	Capitals	SDG
Anticipation and innovation	An ongoing innovation process is one of the key levers for business success and responding to business challenges.	10. Identification, anticipation, and adaptation	X	X	102-15 102-30 EU7 EU8 EU12	 	
		11. Culture of innovation	X				
		12. Versatility in risk exposure	X				
Excellence in performance of activities	Excellence in the development of our activities is essential to mitigate losses in competitiveness and efficiency and possible impacts on the population due to interruptions.	13. Fulfillment of the value promise		X	201-1 203-1 418-1 EU4 EU6 EU21 EU28 EU29	 	
		14. A reference in its standards and practices	X	X			
		15. Infrastructure security, information, and cyber security	X	X			
Proactive contribution to global environmental challenges	Latin America is a region highly vulnerable to climate change, which is also among the main global risks. Thus, in addition to contributing to combating climate change, it is essential to consider this aspect in the design and renewal of network infrastructures.	16. Leadership in protecting biodiversity	X	X	201-2 302-1 302-4 303-5 304-1 304-2 304-3 304-4 305-1 305-2 305-3 305-4 305-5 306-3 307-1		
		17. Management of environmental impacts	X	X			
		18. Climate change mitigation and adaptation	X	X			

Limit of impacts

Dimension	Why is the topic material	Topics	In the company	Outside the company	GRI Indicators	Capitals	SDG
Commitment to socioeconomic development	Listening to and understanding the issues that stakeholders consider relevant reinforces our commitment to transparency and value generation, as well as contributing to strengthening the relationship with our audiences.	19. Contribution to the development of the territories	X	X			      
		20. Proximity and dialogue with stakeholders	X	X	102-21 102-40 102-42 102-43 102-44 202-2 410-1 411-1 412-1 412-2 413-1 413-2 EU22 EU25		
		21. Human rights and management of social impacts	X	X			
Strategic alliances for transformation	Current and future contexts present global and interconnected challenges. Facing these aspects is increasingly necessary, through strategic alliances between different actors in order to achieve synergies and act together towards a common goal.	22. Long-term partnerships	X	X	102-9 102-10 102-12 102-13 102-25 204-1 308-1 308-2 414-1 EU3 EU19		  
		23. Third-party risk management	X	X			

Limit of impacts

Dimension	Why is the topic material	Topics	In the company	Outside the company	GRI Indicators	Capitals	SDG
Attraction, development and care of the best talent	Leading a culture of excellence, leadership and loyalty involves the promotion of diversity, work reconciliation and professional development – essential aspects for organizational efficiency.	24. Attractive and desirable employer	X	X			
		25. Ability to develop highly qualified professionals	X		102-8 102-41 401-1 401-3 402-1 403-4 403-9 404-1 404-2 404-3 405-1 405-2 406-1 407-1 408-1 409-1 EU14 EU16 EU18		
		26. Quality work practices and respect for employees	X				
		27. Occupational health and safety	X	X			
		28. Equality, diversity, and inclusion management	X	X			



ISA CTEEP Profile

- Good governance and integrity
- Business model



Promote Connections that Inspire

This is the purpose of ISA CTEEP, the largest private transmission company in the Brazilian electricity sector, responsible for 30% of all electricity transmitted by the National Interconnected System (SIN) and 92% in the State of São Paulo. [GRI 102-1, 102-2, 102-7](#)

We are a publicly held corporation controlled by ISA, a multi-Latin company that holds 35.82% of our capital. Eletrobras is also an investor, with a 35.80% interest. Our shares are traded on São Paulo Stock Exchange (B3), under the tickers TRPL3 and TRPL4. Considering all shares among our investors, 55.3% are domestic and 44.7% foreign. [GRI 102-5](#)

Following our commitment to the development of the country's energy infrastructure, in order to guarantee the delivery of reliable energy to the population, we have been making continuous investments in network modernization for the expansion of the national transmission system. For the last six years, we have bought 14 lots in transmission auctions held by Aneel, which will add 1,700 kilometers of extension in our transmission lines and power of 10,000 MVA to our portfolio. The company has already energized five of these projects with an average Capex efficiency of 39% and an average anticipation of nine months.

ISA CTEEP expanding

In 2021, we completed the acquisition of Piratininga – Bandeirantes Transmissora de Energia (PBTE), which operates a 30km underground transmission line (15 km double circuit) in the São Paulo city, and interlinks our Piratininga II and Bandeirantes substations. PBTE started to be consolidated in the company's economic and financial result as of March 2021.

In addition, we concluded two projects in the year – the Aguapeí Electrical Interconnection and the Lorena Substation by Itapura Electrical Interconnection, the first fully digital project of the National Interconnected System (SIN). Also noteworthy is the authorization, by Aneel, of the first large scale battery storage project in the Brazilian transmission system, which will be implemented in our Substation registered in São Paulo. Learn more in [Strength and Growth](#).

ISA CTEEP in numbers¹

GRI 102-6, 102-7, 102-8, EU3, EU4

- Operations in **17 Brazilian states**
- 137 substations** (in operation and under construction)
- 21,000 kilometers** of transmission lines²
- 28,400 kilometers** of circuits³
- 81,400 MVA** of transformation capacity⁴
- 1,324 employees**
- 129 active customers:**
 - 14 free consumers
 - 38 transmission companies
 - 21 energy distributors
 - 56 generators and self-producers

1. Total numbers (assets in operation + construction).
 2. Considers 19,045 km of operating lines + 1,661 km of lines under construction.
 3. Considers 26,140 km of circuit in operation + 2,324 km under construction.
 4. Considers 71,721 MVAs in operation + 9,729 MVAs under construction.

ISA

ISA, a company of the Ecopetrol Group, is our main shareholder, holding about 90% of our common shares. Formed by 47 companies and with more than 54 years of history, the multinational latin group operates in the sectors of electricity transmission, highway concessions and telecommunications. In total, around 4.300 employees work in Argentina, Central America, Brazil, Bolivia, Chile, Colombia and Peru.



<https://www.isa.co/es>

Operations map GRI 102-3, 102-4, 102-7

Assets in operation

Through our activities and the wholly owned subsidiaries, as well as the non-wholly owned subsidiaries* in which we hold proportional interest between 50% and 51%, we operate in 17 Brazilian states – Alagoas, Bahia, Espírito Santo, Goiás, Maranhão, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Paraíba, Paraná, Pernambuco, Piauí, Rio Grande do Sul, Rondônia, Santa Catarina, São Paulo and Tocantins.

19,000 km of transmission lines²

71,700 MVA of transformation capacity

RAP of R\$ 3.3 billion¹

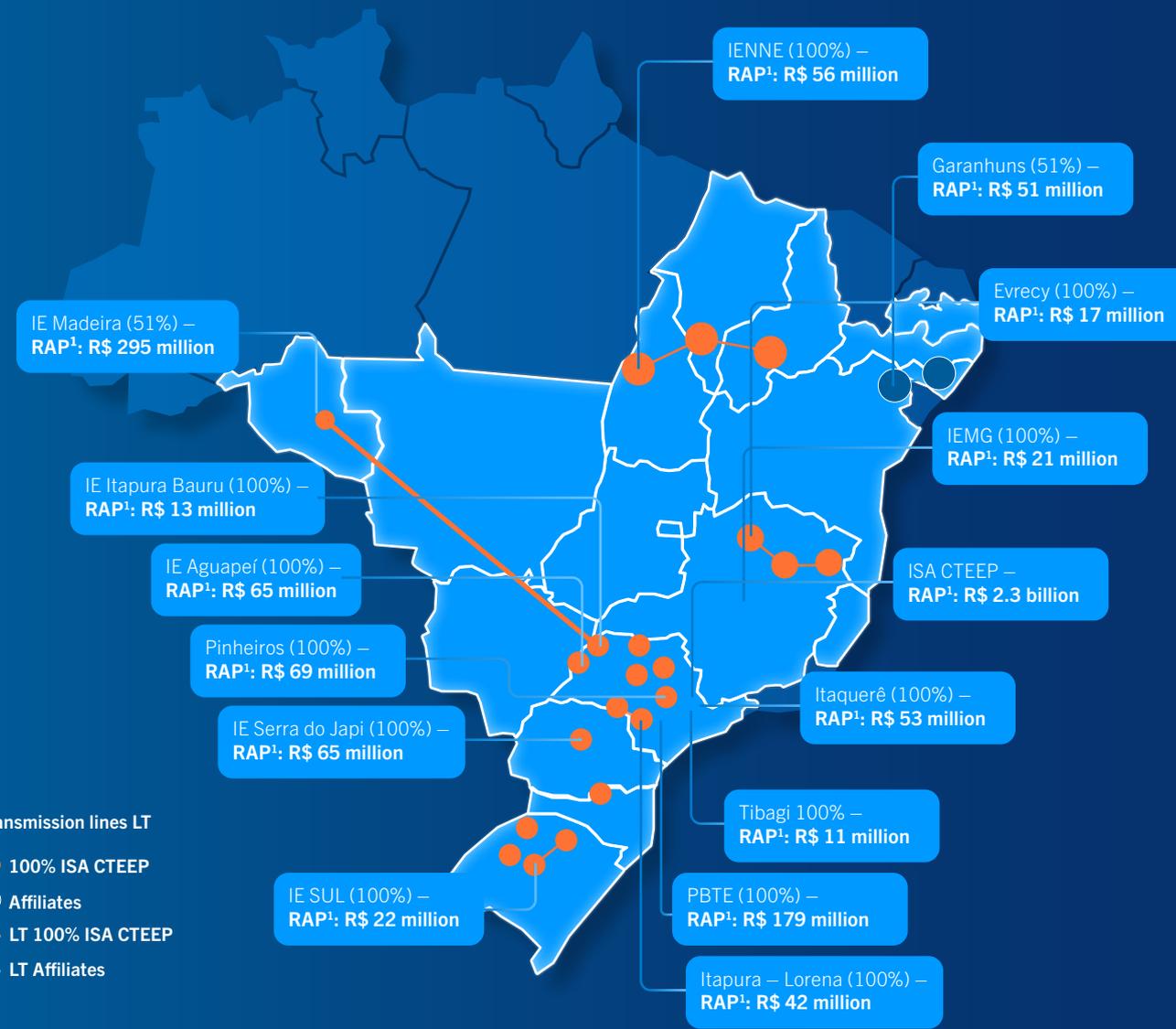
126 substations²



How the Permitted Annual Revenue (RAP) and remuneration for transmission assets works

RAP is the remuneration that the transmission companies receive for the provision of public electric power transmission to users. For transmission companies that were tendered, the RAP is obtained as a result of the transmission auction itself and is paid to the transmission companies from the date of entry into commercial operation of their facilities, with review every four or five years, under the terms of the concession agreements.

For assets with their concession agreement renewed, the RAP is calculated based on Operation and Maintenance costs, Remuneration and Reinstatement of existing assets on the renewal date of the agreement (RBSE) and new investments in reinforcements and improvements in the network, as well as the portion of the Financial Component of RBSE corresponding to the 2013-2017 term, as established by Law 12,783, of January 11, 2013, and Ordinance 120/2016 MME.



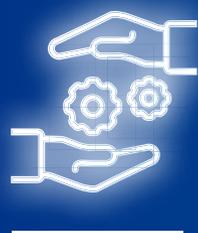
* IE Aimorés, IE Garanhuns, IE Ivai, IE Madeira and IE Paraguaçu.

¹ Permitted Annual Revenue (RAP) 2021/2022 cycle, proportional to ISA CTEEP interest.

² Considers 124 own and two jointly controlled companies

Assets under construction GRI 102-3, 102-4, 102-7

We also have assets under construction, auctioned in seven Brazilian states: Paraná, Rio Grande do Sul, Santa Catarina, São Paulo, Espírito Santo, Minas Gerais and Bahia. In addition, in 2021, we expanded our investments in reinforcements and improvements in the existing network with the energization of 111 projects with an investment of R\$312 million, and we also have authorizations for 237 projects with an Aneel investment of R\$2.7 billion, which can be executed by 2025. [Learn more in Strength and Growth.](#)



Learn more about managing our assets and projects under construction in the [Strength and Growth and Excellence](#) chapters.

9 projects in the pre-operational phase (6 subsidiaries + 3 joint ventures)

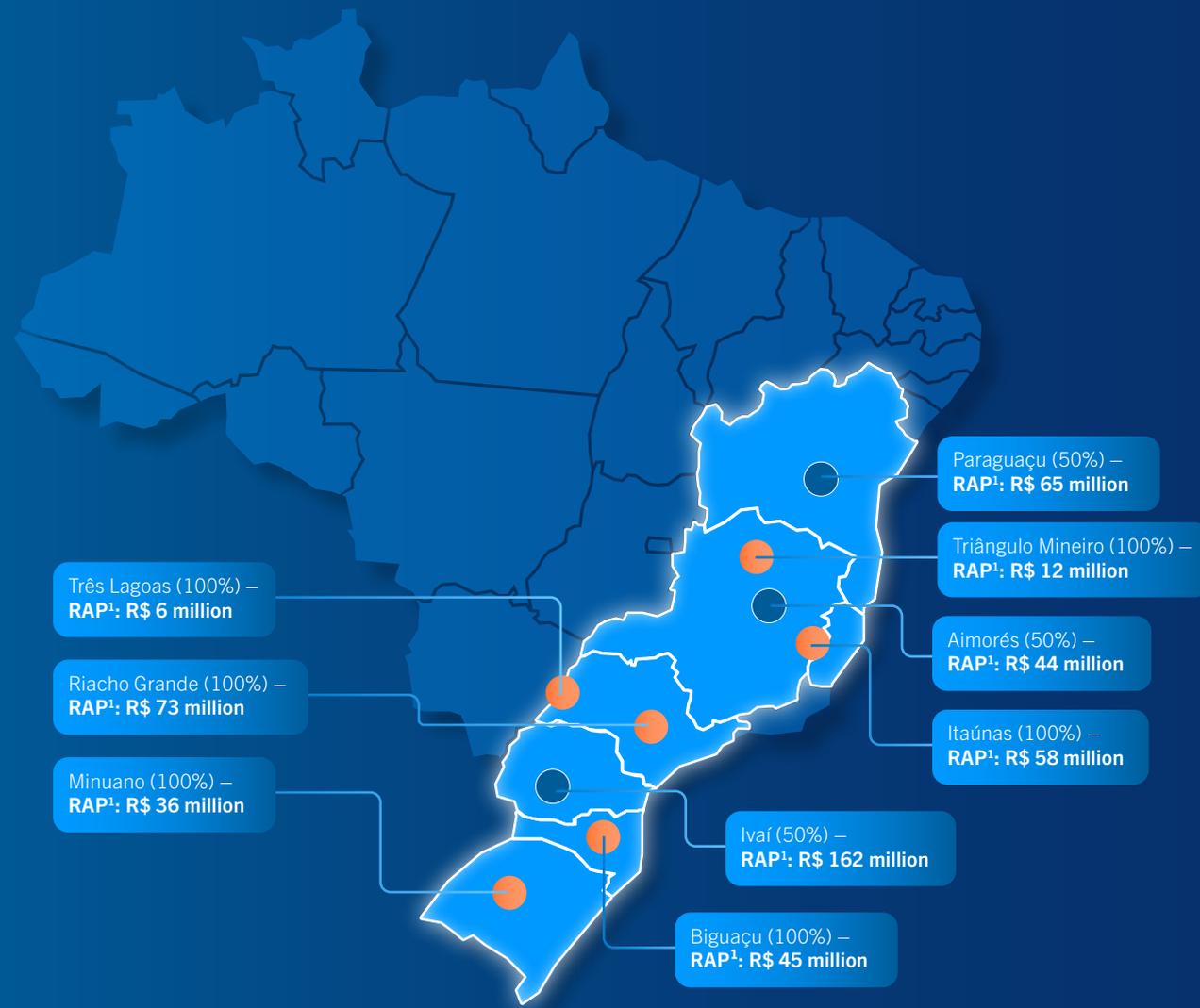
11 substations in pre-operational phase (8 subsidiaries + 3 joint ventures)

1,700 km of transmission lines²

10,000 MVA of transformation capacity²

Aneel Capex of R\$ 5 billion

Average RAP of R\$500 million/year¹



Subsidiaries
● 100% ISA CTEEP
○ Affiliates

¹ RAP 2021/2022 cycle proportional to ISA CTEEP interest.
² Considers project information (100%).

Our values: Manifesto GRI 102-16

Our values are expressed in the Manifesto, which guides our 2030 Strategy and our decisions to promote Connections that Inspire beyond electric power transmission.



We create connections that inspire. See our [Manifesto](#)



THERE IS A CONNECTION

For half a century, we have renewed ourselves, creating connections. One after the other. Without borders. Without barriers. This is our legacy for future generations. We are convinced that if there is a connection, there is life.

Awards and acknowledgments in 2021



Época Negócios 360° Yearbook

Industry Ranking:

- 8th place and 1st place in financial performance

Overall ranking:

103rd

position among all evaluated companies, moving up 59 positions compared to 2020

5th

position in financial performance, which positions us among the companies that won the Silver Seal



Valor 1000 Ranking

Industry ranking: 3rd position, with emphasis on:

- 1st place in EBITDA
- 9th place in Activity Margin
- 1st place in Current Liquidity

Overall ranking:

209th

position among the 1,000 largest companies in the country, moving up seven positions compared to 2020



Gold Seal in the Inventory of Greenhouse Gas Emissions (GHG) of the Brazilian GHG Protocol Program

The recognition is granted to companies throughout Brazil that demonstrate compliance with all transparency criteria in the publication of their emissions data and submit them to third-party verification. Our inventory of GHG emissions is assured by PwC.



100 Open Startups Ranking

We are once again in the TOP 100 Open Corps Ranking, promoted by the pioneering platform and leader in open innovation in Latin America “100 Open Startups”. The award recognizes and highlights the corporations that have practiced most open innovation with startups in the country. In 2021, there were more than 3,300 medium and large companies relating to more than 2,300 startups.



We were recognized for our size, performance, relationship with *startups* and our GHG inventory

Good governance and integrity

Since 2002, our shares have been traded in B3's Level 1 Corporate Governance, which recognizes the voluntary adoption of obligations in addition to those required by Brazilian Corporation Law. They also integrate several indices, including the Corporate Governance Index (IGCT), in which companies with different corporate governance standards are listed, and Brazil 100 Index, which brings together the most traded shares in the B3.

Guided by ethics and transparency in the relationship with our shareholders and other stakeholders, our practices exceed criteria required by B3's Level 1. Our Relevant Act or Fact Disclosure Policy establishes rules for disclosure and maintenance of confidentiality on relevant information.

In addition, we have a corporate structure composed of shareholders (General Meeting of Shareholders); Board of Directors; Permanent Fiscal Council; maintenance of two non-statutory committees, Audit and Human Resources; and Executive Board.

Governance structure GRI 102-18



Executive Board – Composition-2021



Governance Code

We have a Governance Code that aims to translate the corporate governance principles that permeate all practices established to strengthen a relationship of trust between shareholders, the board of directors, the fiscal council, the company's executive board, as well as in relations with third parties.



Our shares are part of several market indices

OWNERSHIP STRUCTURE (12/31/2021)

	TRPL3 common shares	(%)	TRPL4 preferred shares	(%)	Total	(%)
ISA Capital do Brasil	230,856,832	89.50%	5,144,528	1.28%	236,001,360	35.82%
Administration	0	0.00%	6,904	0.00%	6,904	0.00%
Outstanding shares	27,080,900	10.50%	395,794,140	98.72%	422,875,040	64.18%
Eletrobras	25,108,901	9.74%	210,758,156	52.56%	235,867,057	35.79%
Other	1,971,999	0.76%	185,035,984	46.15%	187,007,983	28.38%
Total¹	257,937,732	100.00%	400,945,572	100.00%	658,883,304	100.00%

¹ The total refers to the sum of the first three lines.

CO₂ reduction target linked to the variable remuneration of executives

General Assembly (GA)

It is ISA CTEEP's highest decision-making body, with direct participation of its shareholders, giving them the opportunity to contribute to decision-making, always diligently with the company.

The General Meeting may be convened by the Board of Directors or, in cases provided for by law, by shareholders or the Fiscal Council.

It focuses on the resolution of topics such as the performance of the managers in the fiscal year, analysis of the Financial Statements, election of the members of the Board of Directors and Fiscal Council, as well as the establishment of their fees and the global annual remuneration and benefits to the administrators, among others.

Evaluation methodology and target GRI 102-28

Since 2019, we have promoted an annual self-assessment of the Board of Directors. The process is carried out at the beginning of each year, based on the performance of the previous year. It considers individual and group performance, the frequency and relevance of the meeting topics, and the participation of the Executive Board and the Department of Governance at meetings.

The performance of the Directors is also measured based on goals validated by the Board of Directors through the integral Management Framework (QGI). In 2021, in line with the commitments related to sustainable development, there was the incorporation of the goal for reduction of CO₂ emissions in the calculation of the variable pay of executives. The measure reinforces our contributions to combating climate change.

We also have the evaluation of goals of the Human Resources and Audit Committees.

Board of Directors (BD6) GRI 102-22

Collegiate deliberation body, responsible for establishing the general business orientation, the definition of the company's strategy, as well as its administration and budgetary, financial and equity management, controlling and supervising its performance.

It also ensures the creation of sustainable value when dealing with financial, social and environmental issues, efficiency, innovation, market and people management, considered in our strategic planning.

It must be composed of up to ten members, shareholders or not, resident or not in the country, elected and dismissed by the General Assembly, as provided for in the company's Bylaws. In 2021, eight members were on the Board, one woman and two independent members. [GRI 102-24, 103-2, 103-3, 405-1](#)

In 2021, among the ESG topics addressed at the meetings, we highlight occupational health and safety, cybersecurity, succession plans, carbon credits, initiatives to combat and mitigate changes such as the Conexion Jaguar Program, diversity and inclusion, among other priority economic, environmental and social topics in the period. [GRI 102-20](#)

MEMBERS OF THE BOARD OF DIRECTORS (BASE DATE DECEMBER 2021) GRI 102-22, 102-23, 405-1



Bernardo Vargas Gibsone
CHAIRMAN



Fernando Augusto Rojas Pinto
FULL MEMBER



Gustavo Carlos Marin Garat
INDEPENDENT FULL MEMBER



Carolina Botero Londoño
FULL MEMBER



Luis Alberto Rodríguez Ospino
FULL MEMBER



Fernando Simões Cardozo
INDEPENDENT FULL MEMBER



César Augusto Ramirez Rojas
FULL MEMBER



Orivaldo Luiz Pellegrino
FULL MEMBER

The table refers to the composition in the year ended 2021. At the beginning of 2022, Bernardo Vargas Gibsone left the position of President, that, upon publication of this report, was occupied by the Acting President, Gustavo Carlos Marin Garat.

Further information is available in the [Internal Regulations of the Board of Directors](#).



Learn more about each member [here](#).



Executive Board

GRI 102-20, 103-2, 103-3 | 202, 202-2

With duties established by law and our bylaws, the Executive Board is responsible for performing all acts necessary for the proper operation of the company.

It may consist of up to five members, elected by the Board of Directors for three-year terms, whose duties involve implementing and maintaining effective mechanisms, processes, and programs for monitoring and disclosing financial and operational performance and the impacts of the activities on society and the environment. In 2021, it consisted of five members, being three women.

The Executive Board is hired according to the skills required for the position and 100% of the members are hired in the local community, that is, native members or naturalized citizens or foreigners with a permanent visa in the same geographic market of the operation. [GRI 202-2](#)



Learn more about each member [here](#).

MEMBERS OF THE EXECUTIVE BOARD GRI 405-1



Rui Chammas
CEO



Carisa Santos Portela Cristal
CHIEF FINANCIAL AND INVESTOR RELATIONS OFFICER



Dayron Esteban Urrego Moreno
EXECUTIVE DIRECTOR OF PROJECTS



Gabriela Desiré Olímpio Pereira
EXECUTIVE DIRECTOR OF OPERATIONS



Sílvia Diniz Wada
EXECUTIVE DIRECTOR OF STRATEGY AND BUSINESS DEVELOPMENT

Fiscal Council

The Fiscal Council is established by the General Assembly as a supervisory body, independent of the Executive Board and the Board of Directors, which seeks, through the principles of transparency, equity and accountability, to contribute to ISA CTEEP's best performance.

At ISA CTEEP, the Fiscal Council is a standing committee composed of three to five full members and an equal number of alternates, elected by the Ordinary General Assembly, for a one-year term, with the possibility for reelection. In 2021, it was composed of five full members and four alternates.

The body is responsible for overseeing the actions of the administrators, ensuring compliance with legal and statutory duties, issuing opinions on the Management Report, examining and issuing opinions on the Financial Statements for each fiscal year, among other duties.

MEMBERS OF THE FISCAL COUNCIL GRI 102-22



Ricardo Lopes Cardoso
CHAIRMAN



Pablo Saint Just Lopes
FULL MEMBER



Manuel Domingues de Jesus e Pinho
FULL MEMBER



Andrea Costa Amancio Negrão
FULL MEMBER



Carla Alessandra Trematore
FULL MEMBER

Audit Committee

Technical advisory body of the Board of Directors and non-statutory, the Audit Committee aims, among other functions provided for in the legislation, in the Bylaws and in the Company's Bylaws, to technically advise the Board of Directors.

It aims to strengthen the Company's Internal Control System, Corporate Governance practices, as well as to contribute: to achieve efficiency, effectiveness and economy in the Company's operations; to protect the Company's funds; to ensure the opportunity and reliability of information; to ensure the correct evaluation and monitoring of management; and to ensure compliance with applicable legislation, regulations, policies, standards and internal procedures of the Company.

It is also responsible for approving the annual Internal Audit work plan, supervising its compliance, improving the effectiveness of audits and monitoring the work of independent auditors. In 2021, it was composed of three members, who did not hold Executive Board positions in the company.

MEMBERS OF THE AUDIT COMMITTEE GRI 102-22



Luis Alberto Rodríguez Ospino
CHAIRMAN



César Augusto Ramirez Rojas
FULL MEMBER



Fernando Simões Cardozo
FULL MEMBER



Learn more about each member [here](#).

Human Resources Committee

The duties of the technical and advisory Committee to the Board of Directors include: analyze and propose corporate human resources strategies; improve our general policies and guidelines for people management, which include global and individual annual compensation; establish the guidelines for negotiation of collective agreements; create criteria for executive evaluation and development processes; and define succession and retention plans for senior management, among other elements.

It also addresses actions that promote organizational culture, focusing on building sustainable results.

MEMBERS OF THE HUMAN RESOURCES COMMITTEE GRI 102-22



Bernardo Vargas Gibsone
CHAIRMAN



César Augusto Ramirez Rojas
FULL MEMBER



Carolina Botero Londoño
FULL MEMBER



Fernando Augusto Rojas Pinto
FULL MEMBER



Carlos Humberto Delgado Galeano
FULL MEMBER

¹ The table refers to the composition in the year ended 2021. At the beginning of 2022, Bernardo Vargas Gibsone ceased to occupy the position of Chairman and upon publication of this report, the position was occupied by César Augusto Ramirez Rojas

The Audit and Human Resources committees technically advise the Board

Our shares

At the close of 2021, our common (“TRPL3”) and preferred (“TRPL4”) shares were sold for R\$ 30.60 and R\$ 24.31, respectively. As a result, common shares (TRPL3) depreciated 3.8% and preferred shares (TRPL4) remained stable in the period. The Ibovespa and IEE indices depreciated 5.6% and 2.5%, respectively, in the same period.

The average trading volume of our preferred shares was R\$ 113.7 million in 2021, while the market value reached R\$ 17.6 billion on December 31, 2021. At the end of the year, 64.2% of our shares were outstanding.

It should be noted that, in addition to the IGCT, in which companies with differentiated corporate governance standards are listed, we are part of Brazil 100 Index (IBRX 100), which includes the 100 most traded shares on B3; the Dividend Index (IDIV); the Electric Energy Index (IEE); the MidLarge Cap Index (MLC); and the Public Utility Index (UTIL).

In 2021, the Colombian Ministry of Finance announced the signing of the inter-administrative purchase and sale agreement with Ecopetrol to acquire 51.4% of the shares that the government holds in Grupo ISA. The operation strengthens the capacities of both companies given future challenges of energy transition and sustainability, opening the possibility of obtaining synergies, boosting innovation and the adoption of new technologies.



More information is available on our [Investor Relations website](#).





New ESG Portal

In early 2022, we launched an ESG portal on our Investor Relations website. The page brings together the company's actions and indicators related to the theme and aims to ensure more transparency with our stakeholders. Access [here](#).

Ethics and compliance GRI 103-2, 103-3 | 205, 206, 415, 205-1, 205-2, 205-3, 206-1, 415-1

Ethics and compliance are fundamental assets that guide our business, the relationship with our audiences and the strengthening of the Connections that Inspire purpose.

To guide our processes and expected behaviors in accordance with our values, we have had an Integrity Program since 2019, which comprises a set of mechanisms capable of preventing, detecting and responding to any act related to non-compliance with laws, especially in situations related to fraud and corruption. The program was developed based on the Corporate Ethics and Compliance Program, implemented by Grupo ISA.



Access the Code of Ethics and Conduct [here](#).

Integrity Program Standards

- Conflict of interest;
- Interaction with Public Officials and Politically Exposed Persons (PEPs);
- Due diligence in new business;
- Reputational and third-party due diligence;
- Gifts, presents, hospitality, and events;
- Defense of competition;
- Internal standard for the Compliance *area*;
- Anti-corruption and bribery;
- Use of communication channels for consultation, denunciation, and non-retaliation.

We also have a Code of Ethics and Conduct that was revised in 2021 and reflects our business philosophy. With a focus on corporate sustainability, with a responsible, transparent and ethical performance, the following ethical attributes were defined, which support, strengthen and leverage our actions in line with our values.

Ethical principles GRI 102-16

- Integrity
- Responsibility
- Respect
- Commitment to life



Layane Fernanda Lira, commands and control maintenance technician (Telecom), from Bauru (SP).

In addition to the criteria, the document includes general guidelines to guide our employees on topics such as good corporate governance, disclosure of information, confidentiality and protection of information, right of association, rejection of harassment, conflicts of interest, respect for human rights and compliance with regulations, among others. [GRI 102-25](#)

There are also specific topics relating to fraud, corruption and bribery. In this context, in the relationship between administrators and employees with third parties, we apply criteria related to presents and gifts, participation in events, donations and social management, sponsorships and undue payments to facilitate procedures. In addition, there are guidelines regarding donations or contributions to political organizations and fair competition, among others.

We also have a specific policy for preventing and combating corruption, called the Anti-Corruption Policy, which reaffirms internally and before public agents the commitment to ethical stance and absolute integrity, including due diligence against corruption in new businesses and the

non-tolerance of any act of bribery or corruption in our activities, as well as in interactions with public agents. There were no confirmed cases of corruption in the period. [GRI 205-1, 205-3](#)

In addition, the Policy on Interaction with Public Officials establishes appropriate rules of conduct in the relationship with representatives of the government. In the year, there were no lawsuits for unfair competition, trust practices or monopoly. [GRI 206-1](#)

In 2021, it should be noted that we restructured the Compliance and Internal Audit area hiring of new talents, and created a front dedicated to the use of data analytics to conduct preventive audits, through real-time identification of problems and the creation of *compliance* indicators.



Access our Anti-Corruption Policy [here](#).

Ethics Line GRI 102-17, 103-2, 103-3 | 205, 406, 205-3, 406-1

For questions about the application of the Code or for reporting situations contrary to the defined criteria, we have the Ethics Line channel. The information provided is treated under strict confidentiality and, if desired, reporting can be done anonymously.

In 2021, we launched a new employee-driven concern-receiving app with a dedicated session for health and safety reports and questions. The initiative integrates health and safety strengthening measures in the year. Learn more in [Attraction and development of talent](#).

Compliance with the Code of Ethics and Conduct is supervised by the chairman and the Board of Directors. In the event of non-compliance with the Code, the Ethics Committee will inform the internally defined body as to the procedures of its competence and will take the necessary corrective measures. **GRI 102-33**

In 2021, ISA CTEEP received 23 complaints, six related to misbehavior; two of moral harassment; two of non-compliance with internal procedures; two of incorrect payment or receipt; two of violation

of labor laws; one of conflict of interest; one to fraud; one of Health and Safety irregularity; and six out of scope. All 23 were addressed and completed in 2021.

Throughout the year, among the demonstrations and contacts substantiated, no human rights violations (discrimination, harassment, or child labor, among others) or cases of corruption were identified.

GRI 102, 34, 205-3, 406-1



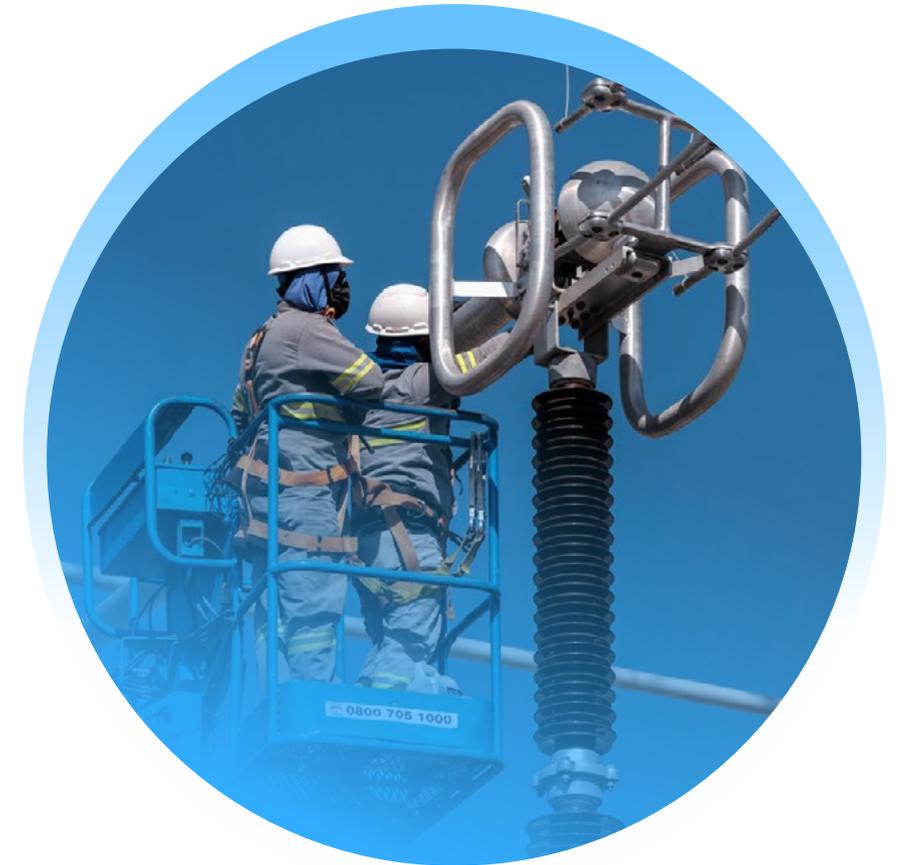
Access channels:

- Telephone: 0800 777 0775
– Monday to Saturday, from 9am to 5pm
- [Contact us here](#).



App:

- GRUPO ISA Línea Ética App, available for *download* on Android and Apple app stores



We have launched a new app for receiving concerns, aimed at employees and third parties

Awareness and training GRI 103-2, 103-3 | 205, 205-2

In order to reinforce the culture of integrity, our **Code of Ethics and Conduct is widely disseminated and must be signed** by all employees and members of the corporate governance bodies. In 2021, we launched a Code of Ethics and Conduct for Third Parties, for promoting environmental, social and corporate governance criteria throughout our value chain.

In addition, we conducted a series of training and webinars on the code's guidelines, including anti-corruption practices. The Compliance Coffee Breaks, which consist of meetings in which we

address concepts of ethics and our Integrity Program, shall be highlighted. We had 55 classes and trained 470 employees throughout the year, and 100% of the staff and partners were communicated and trained in anti-corruption policies.

We also conducted sessions with leaders, focusing on team management, situational pressure on employees and other topics related to ethical dilemmas. The Compliance Week had a debate between our CEO and two partners from Deloitte consultancy on ESG topics.

Business Pact for Integrity and Against Corruption GRI 103-2, 103-3, 205-2



In line with our commitment to ethics and integrity, in 2021, we joined the Business Pact for Integrity and Against Corruption and became part of the Business Movement for Integrity, Transparency and Anti-Corruption of Ethos Institute.

With this, we reinforce our commitment to disclose Brazilian anti-corruption legislation to our employees and stakeholders, in order to ensure compliance and inhibit conduct involving bribery and corruption practices.

General Data Protection Law (GDPL) GRI 103-2, 103-3 | 418, 418-1

Compliance with laws and regulations is a constant practice in our management. To comply with the General Data Protection Law (GDPL), we completed a diagnosis, with the support of internal consulting, involving the mapping and risk activities necessary to comply with the law, considering its 11 pillars.

In 2021, we reviewed some regulations focused on compliance with the GDPL and reassessed, with consultancy support, our Privacy Program, which achieved a high level of maturity. The program includes normative bases; data lifecycle mapping; data privacy clauses inserted in contracts; impact reports, when applicable; communication channels to serve the data subject and security mechanisms and protection of physical and digital data.

We also carry out specific training on GDPL for the entire company, as well as specific actions for areas with greater exposure to data. During the period, we did not receive complaints regarding privacy violations or loss of data under our responsibility. GRI 418-1

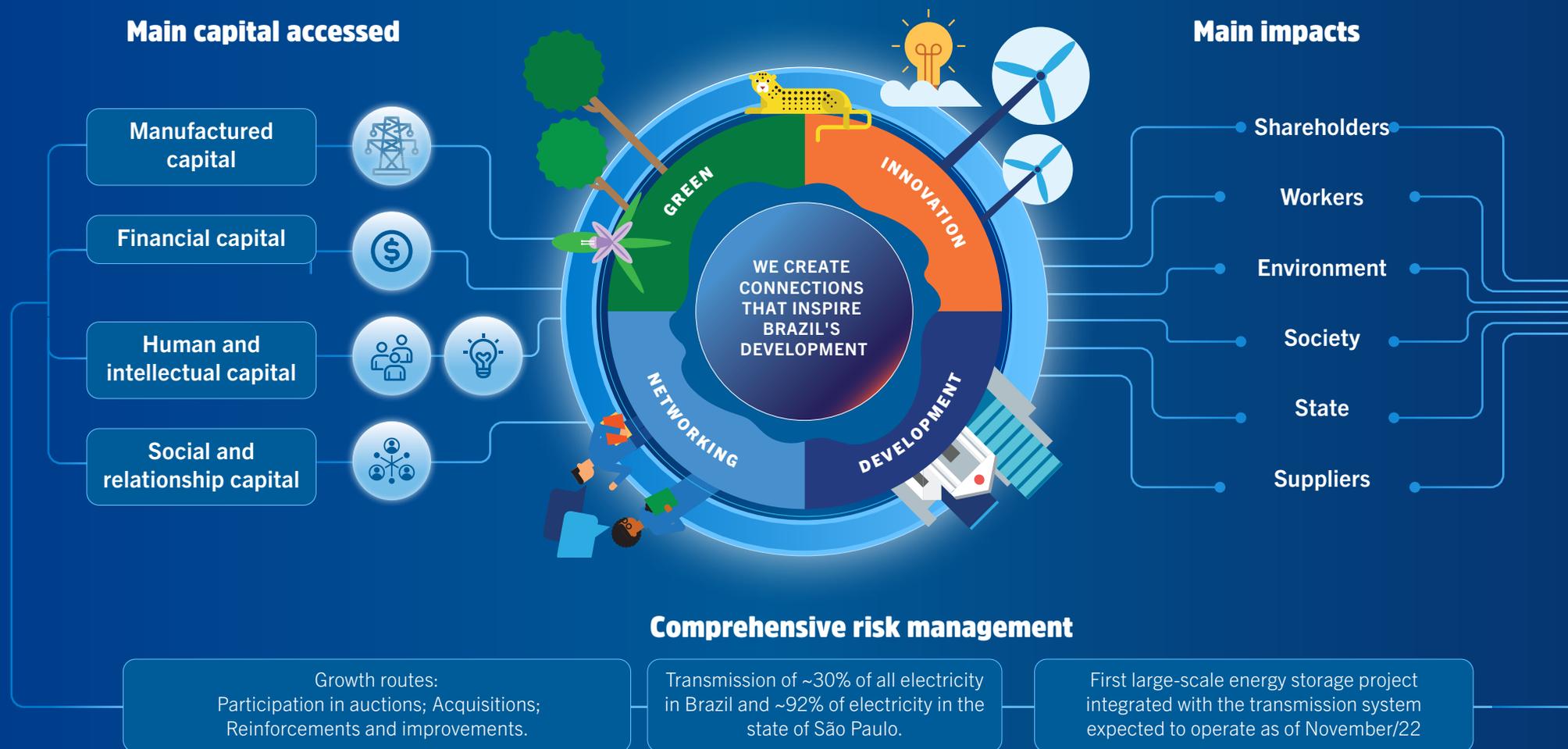
Cybersecurity

Cybersecurity is an area that also received attention in the year. The areas of Compliance and Internal Audit and Information Technology worked together to develop a diagnosis and create preventive controls related to the topic.

During the period, our Security Operation Center was implemented, which includes 24/7 monitoring to reinforce the security layer and support the ability to react to possible deviations. We have also implemented probes to listen to the traffic of our network, for greater surveillance, and we have addressed actions to strengthen our infrastructure, with reliable, integrated and secure information systems, as well as actions to raise awareness of employees.

In 2021, we deployed the Security Operations Center

Business model



Main capital accessed



Manufactured capital

Largest private transmission company in the country:

- Presence in 17 states
- 21,000 kilometers of lines
- 137 substations
- 81.4 thousand MVA of capacity



Financial capital

- Capex (IFRS) in 2021: R\$ 3.3 billion
- Opex (IFRS) in 2021: R\$ 1.6 billion
- R\$ 23.6 million in research and innovation investments



Human and intellectual capital

- More than 1,300 employees in 2021, with an average of 35.7 hours of training
- 22 years of industry experience with continuous knowledge development



Social and relationship capital

- Participation in the regulated market with free consumers, distributors, transmission companies and generators/self-producers
- Recognized environmental and social risk management systems and relationship initiatives with key stakeholders

Main impacts

Shareholders

- + Dividends, valuation of shares and predictability of results

Workers

- + Direct and indirect generation of employment and income through ISA CTEEP and its supply chain
- Accident frequency rate of 3.79
- + Professional, financial and personal development
- + 83% of favorability in the internal climate survey

Environment

- Greenhouse gas emissions
- Impacts on fauna and flora, especially in the process of building new assets
- + Compensation of all GHG emissions of scope 1 and scope 2 (except transmission losses)

Society

- + Energy integration between power generators and energy users
- + Private social investment, assessed and prioritized according to the impacts on the United Nations 2030 Agenda
- + All availability and quality indicators above the regulatory reference limit

State

- + Culture of transparency and anti-corruption

Suppliers

- + 98.38% local procurement
- + 74.91% of suppliers screened for environmental requirements and 76.74% in social aspects

2030 Strategy

- Risk management



Guga Kuerten Institute Project

Connected to our higher purpose "Connections that Inspire" and under the vision "Future Inspired by Sustainable Value", our strategy focuses on the long-term business continuity, in line with the maximization of value generation for our stakeholders. In line with this context, it comprises three vectors and strategic pillars that guide our activities.

Vectors for creating sustainable value

- **Generate shareholder value** – Grow in the transmission market through participation in auctions (greenfield), mergers and acquisitions (brownfield), and investments in asset reinforcements and improvements, while always maintaining financial discipline and appropriate profitability and risk criteria.
- **Create positive social and environmental impacts** – Create value for society and the planet through high-impact social and environmental projects and actions to reduce and mitigate the impacts of climate change.
- **Ensure corporate perpetuity** – Invest in new energy businesses and in the capacity for innovation and entrepreneurship, ensuring the continuity of our activities. Form high-performance teams and strategic partners, with a focus on improving competitiveness and developing capabilities.



Strategy focused on business continuity and generating value for our stakeholders



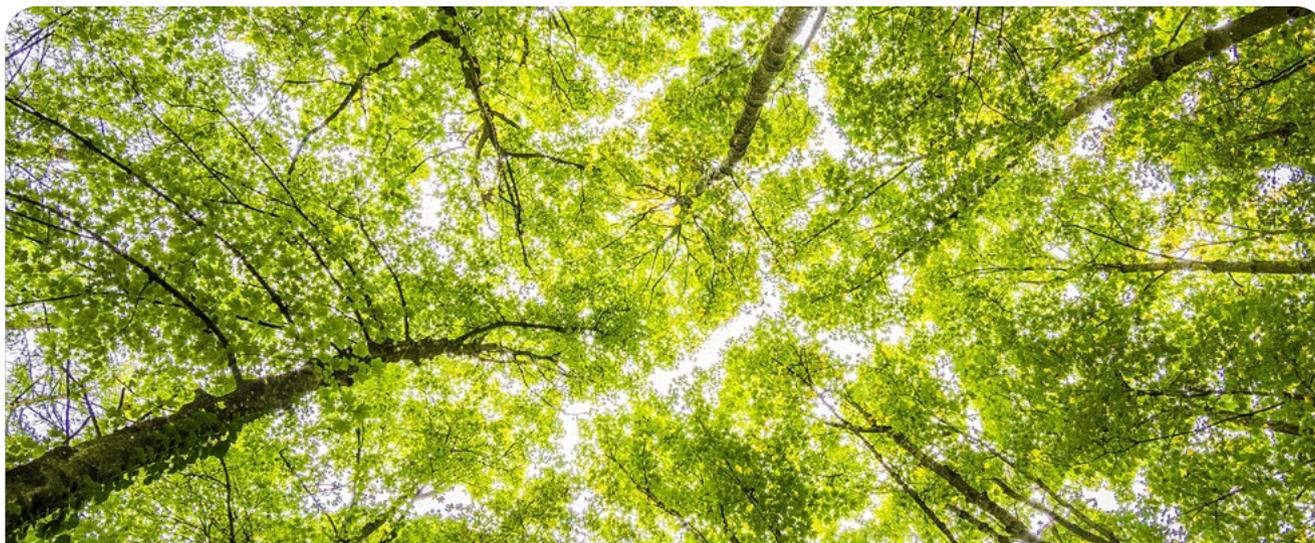
Strategic pillars

The 2030 Strategy is supported by four pillars that guide our daily actions and decisions, as well as how ISA CTEEP relates to all its stakeholders.

- Minimize the operations' environmental impacts
 - Foster initiatives that generate positive environmental impact
- Establish alliances to achieve the strategic goals



- Leverage the business opportunities for technological developments and trends in the electricity sector
- Develop organizational capabilities to address long-term challenges
- Contribute to the development of communities and the entrepreneurship ecosystem



Remuneration linked to ESG strategy and indicators

In line with our strategy, we annually define a portfolio of initiatives linked to our pillars that are monitored by senior management and comprise up to 25% of the variable pay of our leadership – which are added to the remaining 75% composed of General Performance Indicators.

Reducing the frequency of accidents, ensuring the physical progress of projects and reducing the unscheduled unsupplied energy index are

some of the ESG indicators that comprise the goals with an impact on the top management bonus. In 2021, another commitment was incorporated: the goal of reducing CO₂ emissions. Learn more about our initiatives regarding this topic in [Emissions](#).

In 2021, we started to hold monthly meetings to monitor the strategy with senior leadership and managers, in which we discussed the evolution of results, indicators, strategic initiatives and action plans. Quarterly meetings are also held between our CEO and employees to discuss the highlights of the period, called Conecta ISA CTEEP.

For the greenfield growth route and reinforcements and improvements, we consider the Ten-Year Energy Expansion Plan, updated in 2020 with a horizon up to 2030. The document outlines the perspectives for expansion of the energy sector, under an integrated vision for the various energy systems, including the transmission segment and is prepared annually by the Energy Research Company (EPE) under the guidelines and with the support of teams from the Department of Energy Planning and Development (SPE/MME) and the Department of Petroleum, Natural Gas, and Biofuels (SPG/MME).

Based on these guidelines, we monitor and prepare ourselves for any opportunities in transmission auctions, in addition to maintaining a careful and disciplined look at the opportunities for mergers and acquisitions that adhere to our strategic objectives and add value to our shareholders.

Investment potential

The Transmission Expansion Plan (PET), EPE's Long-Term Expansion Plan (PELP) and the renewal needs of the existing park indicate an investment potential of approximately R\$ 48 billion in greenfield projects for the whole country by 2031 and R\$ 5 billion in reinforcements and improvements, specifically in the system under concession from ISA CTEEP and subsidiaries.

Learn more about our performance on these fronts in [Strength and growth](#).

Future challenges and opportunities

Challenges

- Operational flexibility
- Speed in project execution
- Mastering physical space and new constructive technologies
- Efficiency in costs in the search for tariff modicity

Opportunities

- Battery energy storage
- Integrated and flexible planning
- Digital substations



Contributions to sustainable development

ISA CTEEP been a signatory to the Global Compact since 2011, and our commitments are reinforced by our 2030 Strategy, which focuses on creating sustainable value. For an effective contribution, we have listed six priority Sustainable Development Goals, with alliances and cooperation (SDG 17) as a transversal axis of support. This is because we operate in an integrated manner on the sustainable development of the areas where we are present, contributing directly to their social transformation.



Six priority SDGs, with 17 as the transverse axis



SDG 4 – Quality Education – We provide funds and knowledge for the benefit of the new generations, based on the strategy of private social investment and corporate volunteering to strengthen the capacities of the community ecosystem and generate transformations in the territories of influence.



SDG 7 – Affordable and clean energy and SDG 9 – Industry, innovation, and infrastructure

– Our contribution occurs through the transmission of electricity, through active participation in the electricity sector and in innovation ecosystems, as well as through initiatives to create a society with innovative infrastructure and that provides well-being and access to energy with reliability and safety for the population. We also reinforce our commitment to the connection of renewable energy, from issues of green debentures to carry out reinforcements, improvements and investments in new projects. Learn more at Green bonds.



SDG 13 – Climate action and SDG 15 – Life on land – Through the Conexión Jaguar Program, our flagship sustainability program, we work to conserve biodiversity, mitigate climate change and develop local communities. We have annual eco-efficiency targets to reduce CO2 emissions and fully offset Scope 1 and Scope 2 emissions, except for losses. Learn more in [Contributions to global environmental challenges](#).



SDG 16 – Peace, justice, and strong institutions

– We have the Business Ethics and Integrity Program, in addition to the Anti-Corruption Policy, which guides employees in interactions with their stakeholders. In addition, we adhere to Ethos Institute's Business Pact for Integrity and Against Corruption. Learn more in Ethics and Integrity.

Risk management

GRI 102-11, 102-15, 102-30

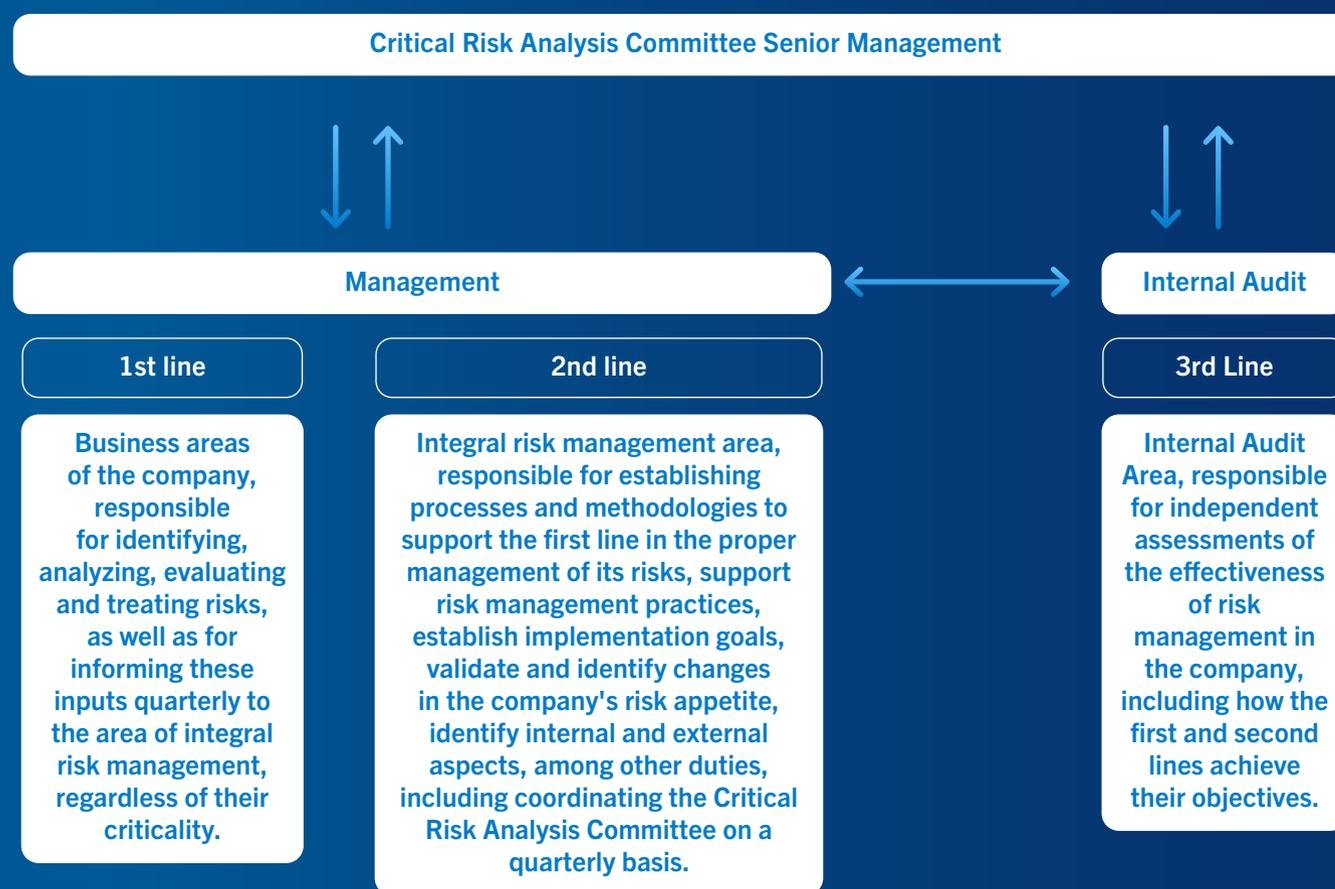
Based on the concepts of ISO-31000, our risk management process permeates all business areas and subsidiaries – controlled and joint ventures – and focuses on adopting measures to reduce or mitigate adverse effects on our strategic objectives or business resources. The process includes phases of communication and consultation, scope, context and criterion, identification, analysis, evaluation and treatment of risks, as well as registration, reporting, monitoring and critical analysis.

Risk management governance is aligned with the Three Lines Model (The Institute of Internal Auditors - IIA) that defines roles and responsibilities across business areas, comprehensive risk management, internal audit, and senior management.



Structured Risk Governance in the Three-Line Model

Risk management governance





In 2021, we implemented the Business Continuity Committee

As part of this model, we have, since 2020, a Critical Risk Analysis Committee, which has the participation of directors and those responsible for managing events capable of impacting the sustainable development of our business

In 2021, we focused on business continuity management and implemented the Business Continuity Committee, comprised by the areas of Risk Management, Communication, Crisis Management, Information Technology and Internal Audit. With periodic meetings, the purpose of the committee is to establish management standards that will be used by all areas of the company in the preparation and response to emergency, crisis, continuity and recovery.

In this context, in 2021 we applied the Business Impact Analysis and classified our processes into three levels: Critical, Important and Necessary. The next phases will involve the identification and analysis of risks that may cause business discontinuity and the preparation of plans and protocols to respond to these risks.

In addition, we monitor, in a timely manner, internal and external aspects related to processes, assets and projects. Based on analyses, we classified risks into four levels of criticality – low, moderate, tolerable and priority – and 18 groups in the economic, operational, and social and environmental categories.

Risk classification GRI 102-15



In the period, it should be noted that we started working on the implementation of risk management for climate events, with regional and integral analysis, observing the various aspects that can influence its materialization and the scope of its consequences in our assets. The integration of this analysis in Comprehensive Risk Management will contribute to the collection of information and as support in making short, medium and long-term decisions focused on minimizing, mitigating and/or addressing initiatives to adapt to adverse effects that may affect our strategic objectives and business resources. The process will be completed in 2022, in line with the Task Force on Climate-Related Financial Disclosures (TCFD), a movement that brings together organizations to develop a common standard to measure and disseminate climate-related financial risks. [GRI 201-2](#)

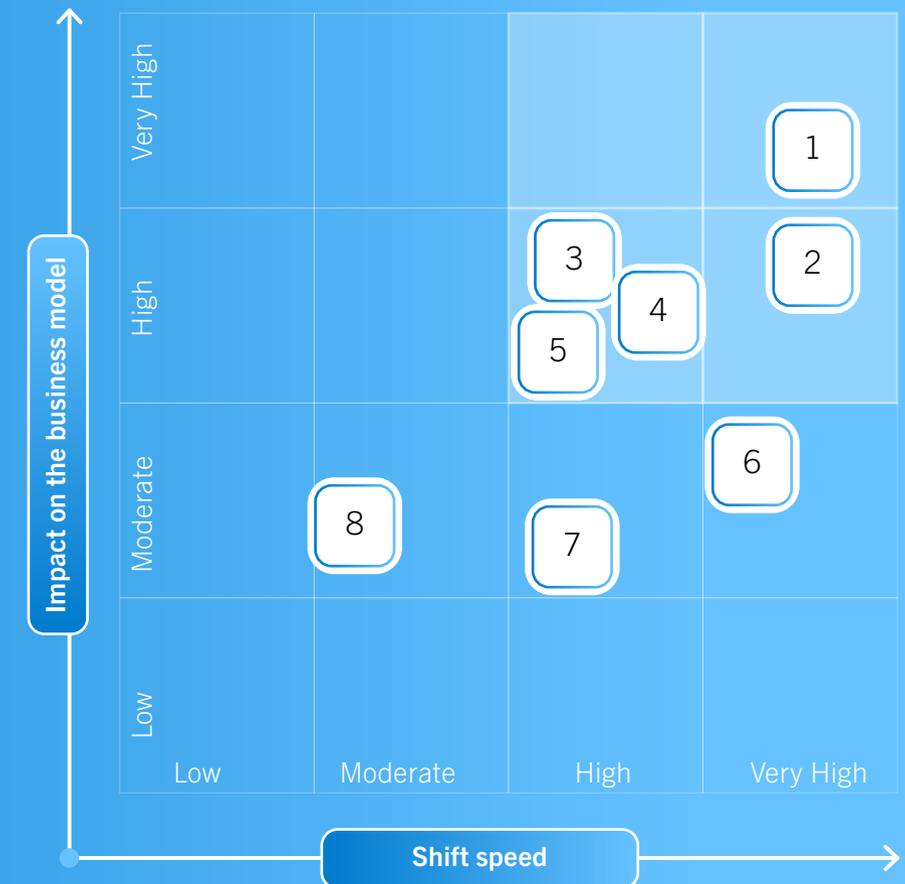


We have started working on the implementation of risk management for climate events

Emerging risks

Together with ISA and other companies of the group, we analyze uncertain events, usually of external and complex origin, that may affect, in addition to the current strategy, the business model. In this exercise, the trends of the main variables that can amplify them or change the relationship between them are monitored in order to reorient our strategy.

- 1 – Drastic changes in governance models and regulatory and legal uncertainties
- 2 – Inability to promote and implement effective actions against the climate crisis
- 3 – Deep social instability
- 4 – Acceleration of energy transition
- 5 – Uncertainty and failure to adapt to disruptive technological advances
- 6 – Cybersecurity
- 7 – High volatility in the labor market
- 8 – Infectious diseases of pandemic dimensions



Risks	Main impacts	Actions
<p>1  Drastic changes in governance models and regulatory and legal uncertainties</p>	<p>➖ Greater restrictions on operation and business growth</p> <p>➖ Changes in tax stability</p> <p>➖ Greater demands, expectations and non-conformity of interest groups</p>	<p>Technology</p> <ul style="list-style-type: none"> • Technological surveillance • Evolution of platforms and services • Protection mechanisms • Cybersecurity culture • Recovery plans
<p>2  Deep social instability</p>	<p>➖ Greater demands, expectations and non-conformity of interest groups</p>	
<p>3  Inability to promote and implement effective actions against the climate crisis</p>	<p>➖ Damage to property, infrastructure, service impact and higher <i>Capex and Opex</i> costs</p> <p>➕ Acceleration of climate finance and environmentally sound initiatives</p>	<p>Social/labor</p> <ul style="list-style-type: none"> • Promotion of the corporate brand • Knowledge management • Diversity and inclusion policies • Corporate social responsibility with a focus on science, technology and employment
<p>4  Acceleration of energy transition</p>	<p>➖ Substitute transmission services that may reduce expected investment</p> <p>➕ New investments and opportunities for growth in the value chain</p> <p>➕ Increased energy demand</p>	
<p>5  Uncertainty and failure to adapt to disruptive technological advances</p>	<p>➖ Obsolescence of solutions</p> <p>➖ Technological dependence</p> <p>➕ Improvement in analytical processes and new processes and innovation in the business model</p>	<p>Portfolio/new business</p> <ul style="list-style-type: none"> • Diversification of investments (segments, products and geographies) • <i>Hedges</i> and financial stocks • New energy businesses • Innovation in products, services, materials and processes
<p>6  Cybersecurity</p>	<p>➖ Unavailability of services</p> <p>➖ Allocation of information</p> <p>➖ Impact on productivity and competitiveness</p>	
<p>7  High volatility in the labor market</p>	<p>➖ Impact on competitiveness and business evolution</p> <p>➖ Operational inefficiencies</p> <p>➕➖ Geographical scattering of talents</p>	<p>Environmental</p> <ul style="list-style-type: none"> • Conexion Jaguar Program • Sustainability actions • Forest Compensation Portfolio • Incursion into green financial markets • Management and monitoring of critical areas and processes
<p>8  Infectious diseases of pandemic dimensions</p>	<p>➖ Impact on the supply chain (services, equipment and materials)</p> <p>➖ Additional costs and delays in projects</p> <p>➖ Impact on the health of employees hired</p> <p>➕➖ Permanent change in work dynamics</p>	<p>Surrounding/regulatory</p> <ul style="list-style-type: none"> • Monitoring of the social, political and regulatory environment • Proactive regulatory management

Materiality analysis

- Strength and growth
- Excellence
- Anticipation and innovation
- Transformational leadership and capacity for influence



Guilherme Soares Gurgel do Amaral, strategic management specialist, from the headquarters (SP)

Strength and growth

GRI 103-2, 103-3, 203-1

At ISA CTEEP, we understand that the transmission business is essential for delivery of reliable electricity to the population and to support the energy transition to clean sources, increasingly relevant in the electricity sector. In this context, our growth strategy is based on three routes:

- **Reinforcements and improvements:** increase in transmission capacity or connection of users and adequacy of facilities, focusing on keeping an adequate service provision.
- **Greenfield projects:** concessions for the construction, operation and maintenance of new ventures through active participation in auctions.
- **Brownfield projects:** merger or acquisition of projects under construction or operational assets.

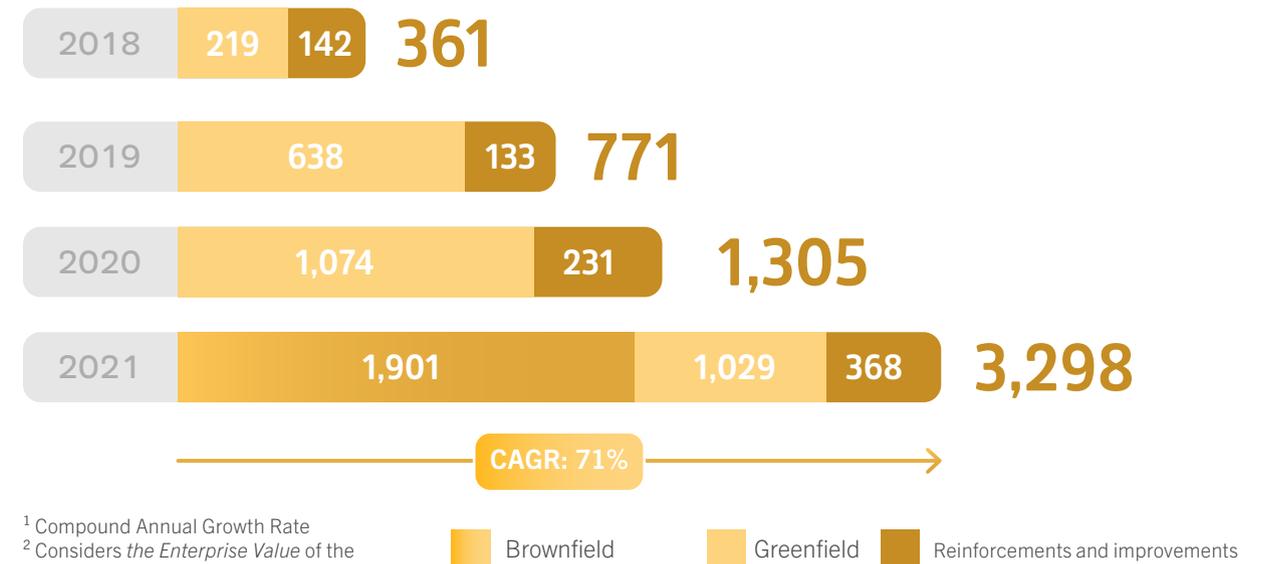
In 2021, ISA CTEEP, its wholly-owned subsidiaries and joint ventures invested R\$ 3.3 billion, representing an increase of 152% compared to 2020. The amount was allocated to our reinforcement and improvement, greenfield and brownfield projects, including the completion of the acquisition of PBTE (brownfield) in the period.

Reinforcements and improvements

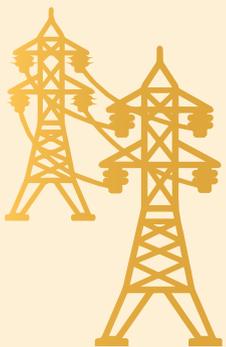
The renewal of our assets is linked to our commitment to ensure the continuous improvement of our network reliability and the modernization of the installed park. It also contributes to reducing operating and maintenance costs, as well as to advances in remuneration.

We ended 2021 with authorizations for 237 projects with Aneel investment of R\$ 2.7 billion, which may be executed in the next five years. Of this amount, we realized 9% and the remainder (R\$ 2.5 billion) will be realized in the coming years.

Evolution of investments made¹²³ R\$ million



We ended 2021, with authorizations for 237 projects with Aneel investment



Belo Monte energy transmission

One of the highlights in reinforcements and improvements is the investment authorized by Aneel, of approximately R\$ 220 million, in Bom Jardim-Água Azul transmission line, which will lead to the expansion of the generation flow from Belo Monte plant, in Pará, to São Paulo.

To this end, a stretch of 32 km of transmission line will be built, in double circuit, to connect this line with Fernão Dias Substation. The Permitted Annual Revenue (RAP) will be more than R\$ 33 million and the deadline provided by the regulatory agency for entry into operation is December 2025.



In 2021, we completed the acquisition of PBTE and continued with the greenfield projects

Investments in brownfield projects

Another growth front is the brownfield projects. In this pillar, in 2021, we completed the acquisition of PBTE, whose enterprise value of the transaction was R\$ 1,901 million, including the final price of R\$ 1,571 million and net debt of R\$ 330 million on the baseline date of December 31, 2020, with RAP of R\$ 179.1 million (21/22 cycle, baseline date: June 2021). The line connects two of our substations (Bandeirantes and Piratininga 2) and entered operation in April 2020.

For the next few years, we are constantly watching for market opportunities that can maximize our value generation. In this line, we carry out economic and financial evaluation studies, including comprehensive diligence of all operational, financial and legal aspects, among others, to ensure a risk relationship and adequate return on investment conditions.

Investments in greenfield projects

In the last six years, we have acquired 14 lots in transmission auctions held by Aneel, with investments approved by the regulatory agency

totaling R\$ 6.3 billion, with an increase in RAP (2021/2022 cycle) of approximately R\$ 683 million, after the start of operations of the assets.

To contribute to the availability and reliability of the National Interconnected System (SIN), we want to advance the energization of our projects. In 2021, we energized two projects (Itapura Lorena and Aguapeí), in addition to the two already energized in 2020 (Itaquerê and Tibagi). For 2022, six projects are expected to be energized: Biguaçu (SC), Itaúnas (ES), Três Lagoas (MS and SP), Ivaí (PR), Paraguaçu (BA and MG) and Aimorés (MG).

It is also worth mentioning the social and environmental aspect of the projects. In addition to seeking the maximum mitigation of negative social and environmental impacts and the enhancement of positive social and environmental impacts, endorsed by the licenses we obtain, we seek to promote local contracting for the works.

Efficiency and anticipation of deliveries

In 2021, in line with our strategic objectives, we carried out a complete re-engineering of the Project Board, a fundamental point for anticipation of works. We have been working in advance since before the auctions in which we participate and have a project manager (PMO) to monitor the projects, follow schedules and analyze risks in detail.

We also seek to bring more efficiency in procedures, through the digitization of processes, with more agile dynamics and a framework of tools that support documentation control, engineering and management, using business intelligence. It is worth mentioning Project Online, a project control tool whose data is made available in the cloud to update and monitor all managers.

In the period, we totaled two energized projects (Aguapeí and Itapura Lorena), in addition to two energized in 2020 (Itaquerê and Tibagi) and one energized in 2019 (Itapura Bauru), with average Capex efficiency of 39% and average anticipation of nine months.



Energized assets

IE Aguapeí

Interligação Elétrica Aguapeí S.A. (IE Aguapeí) is responsible for securing Lot 29 through Auction 005/2016 promoted by ANEEL in April 2017. The project is located in the State of São Paulo and consists of the implementation of 1,400-MVA substations and 121 km of transmission lines (140-km circuit). Energization occurred in the first quarter of 2021, 6 months ahead of the schedule set out by ANEEL, with a 40% CAPEX efficiency. The total Capex realized in the project was R\$360 million.

Lorena Substation – Interligação Elétrica Itapura

Lorena Substation is part of Interligação Elétrica Itapura S.A. (IE Itapura), an enterprise secured in Lot 10 through Auction 02/2018 (Itapura Lorena), held in 2018. It is the first digital substation of the National Interconnected System – with maximum power of 1,200 MVA and a 7-km circuit transmission line. This project was completed in 2021 with a CAPEX efficiency of 48% and 11 months ahead of schedule. Total CAPEX realized in this project was R\$ 123 million. Learn more in [Anticipation and innovation](#).

Assets under construction

IE Itaúnas

Interligação Elétrica Itaúnas S.A. (IE Itaúnas) is responsible for securing Lot 21 through Auction 013/2015 promoted by ANEEL in October 2016. The project is located in the State of Espírito Santo and consists of the implementation of 79 km of transmission lines, the construction of a new substation, and the expansion of an existing substation. Expansion work began in the third quarter of 2018, the installation licenses for the transmission line and for the construction of the substation were issued in August 2019 by Instituto Estadual de Meio Ambiente e Recursos Hídricos (IEMA) of the State of Espírito Santo, and construction work started in the third quarter of 2019. At the end of 2021, the total CAPEX realized in the project was R\$ 254 million.

IE Biguaçu

Interligação Elétrica Biguaçu S.A. (IE Biguaçu) is responsible for securing Lot 01 through ANEEL auction 002/2018, held in June 2018. The project is located in the State of Santa Catarina and consists of the implementation of a 300-MVA substation, the expansion of a substation, and the construction of a 57-km circuit transmission line, including overhead, submarine, and underground sections.

At the end of 2020, the project received the installation license for the Ratones substation and equipment for the transition zones, issued by Instituto de Meio Ambiente (IMA) of Santa Catarina. The licensing process for the transmission lines was completed in the first quarter of 2021. At the end of this year, the total CAPEX realized in the project was R\$ 343 million.

**We energized two assets in 2021: Lorena Substation
and Aguapeí Electrical Interconnection**

IE Paraguaçu

IE Paraguaçu is responsible for securing Lot 3 through Auction 013/2015 promoted by ANEEL in October 2016, in which ISA CTEEP participated in partnership with Transmissora Aliança de Energia Elétrica S.A. (Taesa), in an equal share of 50%. The project is located in the states of Bahia and Minas Gerais and is formed by the implementation of 338 km of transmission lines. In May 2019, the transmission company received the installation license for the project, issued by Instituto Brasileiro do Meio Ambiente e dos Recursos Renováveis (Ibama), and construction work began in the second half of 2019. At the end of 2021, the total CAPEX realized in the project related to ISA CTEEP's share was R\$ 271 million.

IE Aimorés

IE Aimorés is responsible for securing Lot 4 through Auction No. 013/2015 promoted by ANEEL in October 2016, in which the company participates in partnership with Taesa, in an equal share of 50%. The project is located in the state of Minas Gerais and is formed by the implementation of 208 km of transmission lines. In April 2019, the Installation License was issued by IBAMA, and construction work started in the second quarter of 2019. At the

end of 2021, the total CAPEX realized in the project related to ISA CTEEP's share was R\$ 171 million.

IE Ivaí

IE Ivaí is responsible for securing Lot 01 through Auction 05/2016 promoted by ANEEL in April 2017, in which the company participates in partnership with Taesa, in an equal share of 50%. The project is located in the State of Paraná and consists of the implementation of three substations with total power of 2,988 MVA, in addition to 600 km of transmission lines in Double Circuit, totaling 1,200 km. Construction work started in October 2019, after the issuance of the Installation Licenses, issued by Instituto Água e Terra (IAT) of the State of Paraná. At the end of 2021, the total CAPEX realized in the project related to ISA CTEEP's share was R\$ 795 million.

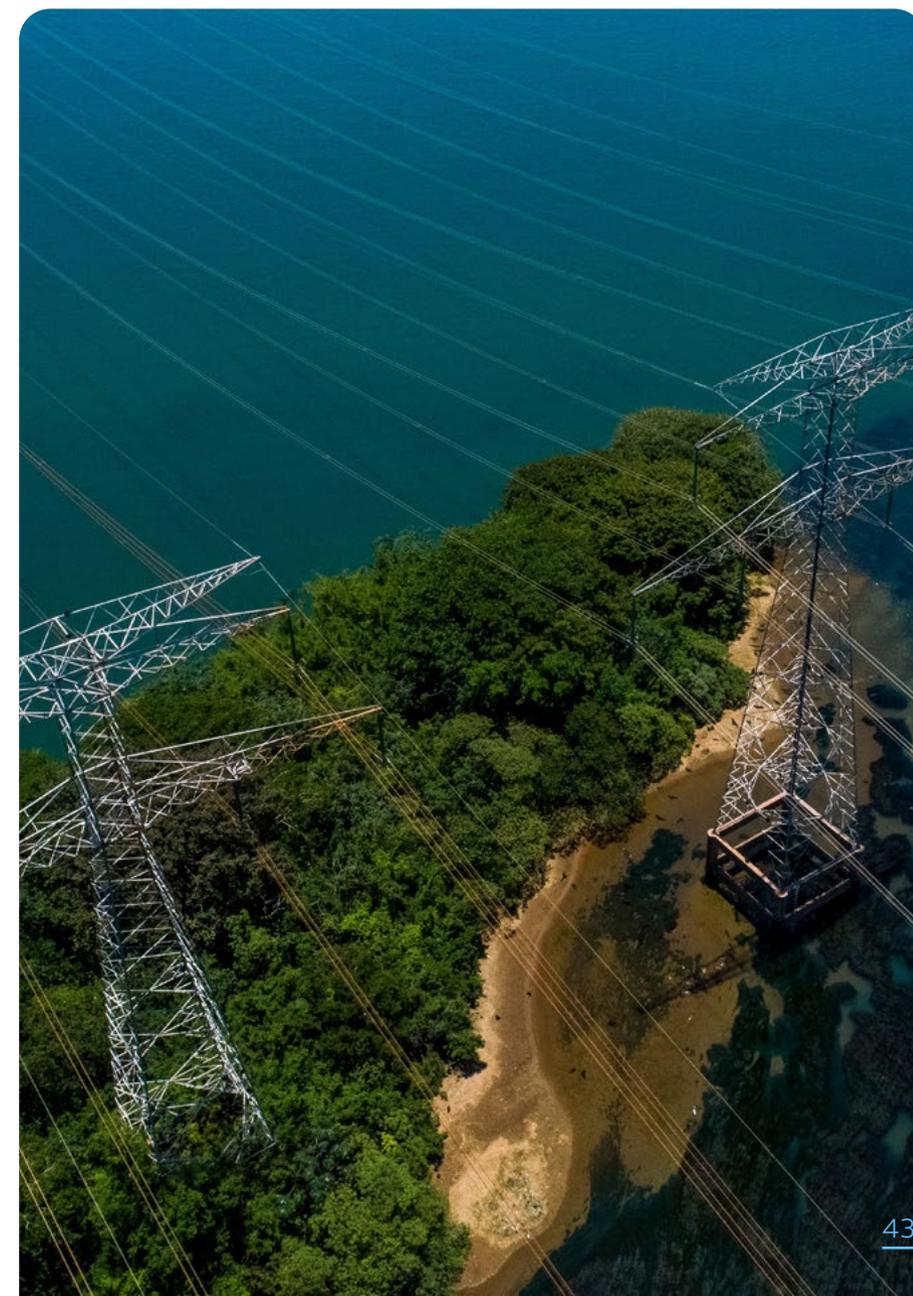
Minuano Project

The Minuano project is responsible for securing Lot 3 through Auction 02/2019 promoted by ANEEL in December 2019. The project is located in the State of Rio Grande do Sul and consists of the implementation of an 2,691 MVA substation, in addition to the construction of 169 km in

transmission lines. In the last quarter of 2020, the project obtained the installation license for the Caxias Norte substation, issued by Fundação Estadual de Proteção Ambiental Henrique Luís Roessler (FEPAM) of the State of Rio Grande do Sul. Construction work of the substation started in April 2021. The licensing process for the transmission lines is underway and is expected to be obtained in early 2022. At the end of 2021, the total CAPEX realized in this project was R\$ 76 million. This concession agreement is with the subsidiary Evrecy.

Três Lagoas Project

The Três Lagoas project is responsible for securing Lot 6 through Auction 02/2019 promoted by ANEEL in December 2019. The project is located in the states of São Paulo and Mato Grosso do Sul and consists of the implementation of 37 km of transmission lines, in addition to the expansion of two substations. The installation license for the project was issued in January 2021 by Ibama. Works started in April of this year and, until December, the total CAPEX realized in this project was R\$ 68 million. This concession agreement is with the subsidiary IE Tibagi.



Triângulo Mineiro Project

The Triângulo Mineiro project is responsible for securing Lot 7 through Auction 02/2019 promoted by ANEEL in December 2019. The project is located in the State of Minas Gerais and consists of the implementation of 4 substations with total power of 1,600 MVA, in addition to approximately 173 km of transmission lines. The Preliminary and Installation Licenses were obtained at the end of December 2021, issued by the State Department for Environment and Sustainable Development (SEMAD) of Minas Gerais, and construction work will start in 2022. At the end of the period, the total CAPEX realized in this project was R\$ 53 million. This concession agreement is with the subsidiary Interligação Elétrica de Minas Gerais S.A. (IEMG).

Riacho Grande Project

The Riacho Grande project is responsible for securing Lot 7 through Auction 01/2020 promoted by ANEEL in December 2020. The project consists of the implementation of 63 km of transmission lines with underground and overhead sections and 800 MVA of power to supply the loads in the North, South, and East regions of the municipality of São Paulo and the ABC region. The installation license for the underground section and for SE São Caetano do Sul is expected for the second quarter of 2023. At the end of 2021, the total CAPEX realized in the project was R\$ 59 million.

Mitigation of environmental impacts

We manage our projects, from planning to operation, focusing on mitigating negative environmental impacts and enhancing positive effects.

In addition to diagnosis in the planning and implementation phase of several programs in the construction stage, the legal commitments related to environmental management in the operation are expressed under environmental conditions in the Environmental Operating License (LO).

At this stage, for each project, we adopted a set of actions, among them, environmental management programs related to communication with the neighboring communities, waste management, management of the use of the safety strip, vegetation management, prevention and mitigation of erosion processes, forest compensation, among others.

Learn more in [Contributions to global environmental challenges](#).

New business

Our strategy for sustainable growth also involves business opportunities with our *real estate* assets. Through the sale of surplus areas to the public transmission service, we can provide cost reduction and opportunities for reinvestment in the concession. In this context, we continue with the analyses to maximize the use of our real estate and land assets.

Innovation for the electricity sector

In addition to the growth strands, we have explored new fronts with the potential to leverage our goals. In this context, it is worth mentioning the storage of energy in batteries – an innovation in the electricity sector that will contribute to greater robustness supporting the energy transition in the Country. Learn more in [Anticipation and Innovation](#).



Project management from planning to operation

Excellence

GRI 103-2, 103-3 | 203, 203-1, EU6, EU7, EU21

In order to maximize the availability of our equipment, substations and transmission lines, and to ensure the reliability of the services provided to society, we manage our assets through systematic and coordinated activities, in an optimized and sustainable manner, which are based on evaluations of cost, risk and performance throughout the entire life cycle of the assets.

Considering the implementation of good practices and an asset management culture to consolidate a management system, as well as the Strategic Asset Management Plan (PEGA - Plano Estratégico de Gestão de Ativos), we prepared and executed asset operation, maintenance and modernization plans focusing on operational efficiency. The principles for support in decisions, activities and behaviors can be found in our Asset Management Policy and consider an integrated view of life cycle and the optimization of cost, risk and performance, in order to maximize our value delivery.

The document's guidelines include prioritization of assets for maintenance and renewal, due to their degrees of failure risks, and the performance history, to optimize the resources necessary to comply with Brazilian laws and regulations.

Based on the performance, risk and cost analyses, we established the Integrated Asset Renewal Plan (PIRA), with prioritization for the renewal of assets in a strategic horizon for investments until 2030.

In 2021, it should be noted that we restructured the Operations Board to strengthen the planning of asset maintenance and renewal actions to generate sustainable value.

Our asset management vision



For monitoring and critical analysis of the current and future performance of the assets, we have a governance structure strengthened by the committees at different Strategic, Tactical and Operational levels.

Committed to operational excellence, we participate in quality benchmark programs, such as the indicators of The International Transmission Operations & Maintenance Study (ITOMS). For this purpose, we developed actions that involve: use of new monitoring technologies with *drones* and image analysis for inspection of transmission lines; use of artificial intelligence in the control center to support decision making; and regular updating of campaigns against slash-and-burn.

We also invest in innovation and technologies that optimize resources, reduce implementation costs and size of facilities, especially Digital Lorena Substation that we inaugurated in 2021. On the renovation front, we added more than 1,000 equipment replaced under the Reliability Program. Learn more in [Anticipation and Innovation](#).

Performance indicators ^{EU12}

In the constant search for best practices, strengthening the process of continuous improvement for the continuity of operational excellence, with the structuring and monitoring of action plans, involving the main stakeholders, and synergy in the use of resources, we have evolved positively in the availability indicators.

Average availability of transmission lines¹: We recorded 99.99% availability for transmission lines and 99.95% for transformers. Aneel reference in 2020 for the Operation Network was 96.83% for transmission lines and 97% for transformers.

- **Electrical Energy Not Supplied (EENS):** Measures the effectiveness of guaranteed energy supply. In 2021, the indicator was 0.0004% (0.0005% in 2020), while the SIN's EENS in the period was 0.0009%.
- **System Average Interruption Frequency Index (SAIFI):** Measures, on average, the number and frequency of interruptions. In 2021, the SAIFI was 0.0635 (0.0590 in 2020), while the SIN's SAIFI in the period was 0.02.

1. Until the closing date of this report, Aneel reference for 2021 had not yet been disclosed. In the 2019 and 2020 sustainability reports, the values of the System Average Interruption Duration Index (SAIDI) were reported. For 2021, it this index was excluded, as it is not strategic for the transmission segment and is not a legal obligation.

Average availability of lines and transformers (%)



Transmission lines



Transformers



Empowerment in forums in the sector

In the year, ISA CTEEP continued to play a leading role in several technical forums in the sector, with exchanges of knowledge and debates on relevant sectoral issues. Among them are the National Seminar on System

Operators and Electrical Installations (Senop), the National Meeting of the Agents of the Electric Sector (Enase), the Meeting of Asset Management for Companies of the Electric Sector (Egaese), the Meeting for Debates of Operation Matters (EDA0), the symposium of the Brazilian Electric Energy Companies Association (ABCE), Climatempo Panel, among others.

Anticipation and innovation ^{EU8}

Innovation is one of the levers of our strategic planning and our value generation. In 2021, we invested R\$ 23.6 million in innovation projects, compared to R\$ 14 million in 2020.

To further boost this agenda, in 2021 we constituted a new governance with the creation of the Innovation and Project Portfolio Committees, as well as restructured strategic innovation guidelines with the definition and prioritization of the areas of opportunity. To guide the project definition agenda of our pipeline, we built a map of technological trends and defined investment theses for the areas of strategic opportunities.

The initiatives are monitored monthly by the Portfolio Committee, together with the project managers, who report to the Innovation Committee that meets quarterly. The evolution of innovation governance has contributed to align efforts around a vision of the future, seeking to balance initiatives according to the defined investment theses.

Main initiatives in 2021

First digital substation

One of the main highlights that reflect the evolution of our digital transformation journey was the inauguration of the Digital Substation in Lorena (SP) in 2021, the first in the National Interconnected System (SIN).

In addition to representing a milestone towards Substation 4.0, the project reinforces our commitment to innovation. This is because it involves the application of digital systems with the use of technologies, such as big data and fiber optic connections, which provide greater availability and efficiency in the provision of services, better reliability and collection of information for decision making.

The substation, which is part of Itapura Electric Interconnection, has a bank of autotransformers with an installed capacity of 1,200 MVA, capable of supplying two cities the size of São José dos Campos (SP). The project, which employed more than 200 professionals during the work, will double the energy supply to the region of Vale do Paraíba, which now has a redundant system.



First digital substation of SIN

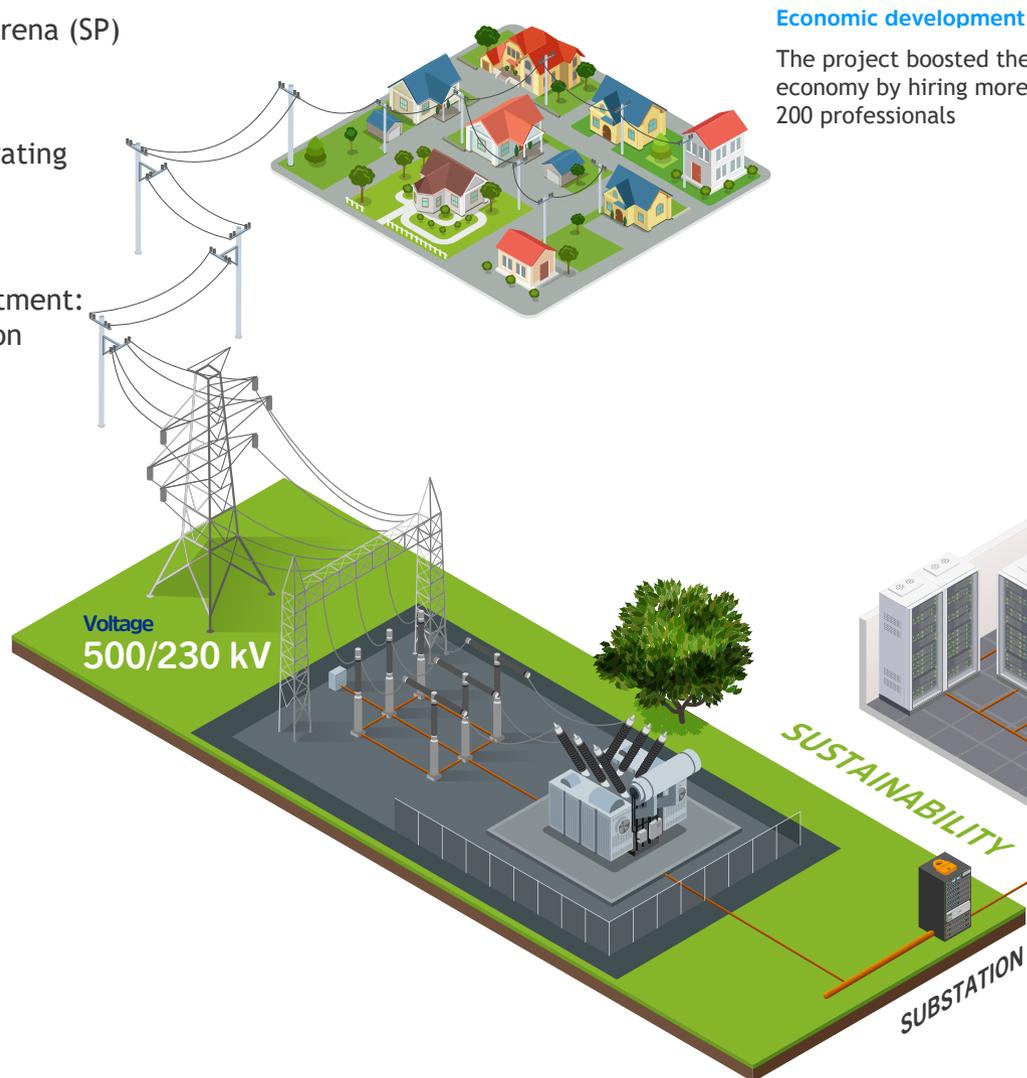
A milestone towards the concept of Substation 4.0

LORENA SUBSTATION

 Location: Lorena (SP)

 Started operating on: Sep/21

 ANEEL Investment: R\$ 238 million



Economic development

The project boosted the local economy by hiring more than 200 professionals



System robustness

Expands the scope of parameters and information collection that contribute to the reliability of the operation

Employee safety

The maintenance processes of optical fiber cables are safer

Sustainability

As it is designed with fiber optic cables, instead of copper, the substation uses 50% less cables and structures and, consequently, reduces the generation of waste for the environment

Battery energy storage

At the forefront of contributions to the future of the electricity sector, in 2021 we achieved another historic milestone: Aneel's approval of the first large-scale battery energy storage project in the Brazilian transmission system. The innovation will be installed at Registro Substation (SP), one of those responsible for meeting the maximum demand of the South Coast of São Paulo, benefiting about two million people.

Lithium batteries will be installed in an area of approximately 4,000 m², with a size equivalent to approximately 30 containers, and will have 30 MW of installed capacity. Technology will act during peak consumption, as a reinforcement to the power grid, ensuring additional energy for up to two hours, totaling 60 MWh, in order to avoid interruption in energy supply due to excess demand and ensure more security and reliability in the provision of service to society.

Aneel authorized an investment of R\$ 146 million and the expected delivery of the work is November 2022, in order to meet the demand of the summer as of 2022/2023. The Permitted Annual Revenue (RAP) will be approximately R\$ 27 million.



Synergy between innovation and sustainability

Battery energy storage technology is the materialization of advances for decarbonization, decentralization and digitalization agendas in the electricity sector.

In addition to facilitating the insertion of energy from renewable sources, it contributes to the reduction of operating costs and expansion of the system, since it allows postponing the construction of large projects, increasing the integration of economic energy sources and can be reused in other parts of the country that need reinforcement in the electricity system.

The system can be used in various applications, such as relieving points of congestion of the electrical system, in ancillary services, in order to ensure the operation of the system as a whole, such as voltage and frequency control, and in compensating for the variability of wind and solar power generation, enabling greater integration of these renewable sources into the National Interconnected System.

By acting as a backup to maintain the supply of electricity at times of peak consumption, storage contributes to the lower activation of thermal plants, which are more polluting, and consequently to the reduction of Greenhouse Gas emissions.

In addition to avoiding the application of systems that require diesel generation – which would require 350,000 liters of fuel for equivalent use – with the project's batteries, we will avoid the emission of 1,194 tons of Greenhouse Gases in two years of the technology in operation.

It should also be noted that the works should involve the generation of about 400 direct jobs until its inauguration, in addition to contributing to the offer of a better service for society as a whole.

Integrated and Flexible Planning of Transmission Systems

Also focusing on the transformations of the electricity sector, in 2021 we signed a strategic cooperation agreement with Energy Research Company (EPE - Empresa de Pesquisa Energética) for development of the Research and Development (R&D) project "Integrated and Flexible Planning of Transmission Systems", started in 2020 and lasting 24 months.

The purpose of the research is to foster the preparation of electricity transmission planning for the changes currently underway in the energy matrix and in the energy sector, due to the increasing entry of intermittent renewable sources and distributed generation, in addition to the need for energy storage and application of new technologies in the sector.

Among other fronts, the initiative encompasses the development of methodologies and improvement of computational tools that will assist in the evaluation of system planning, considering the analysis of a portfolio of technologies that maximize the flexibility of the transmission network.

The project was developed under Aneel's R&D program and is expected to invest approximately R\$ 5 million. In addition to EPE, it has the participation of technology solutions companies in the PSR, HPPA and MRTS electricity sector.

Digital transformation in operation and maintenance

In order to ensure the reliability of our projects, we invest in a timely manner in technologies for the operation and maintenance of our assets.



New features and interfaces for operation of the Transmission Operation Center electrical system.

In the operation center, we developed an Artificial Intelligence project that covers the treatment of alarms to support the identification of anomalies in our system, which provides greater security and agility in the maneuvers to control the assets and fosters greater reliability, productivity and auditability in the execution of coordinated maneuvers between the Transmission Operations Center (COT) and the facilities. We also have a teleassistance project in the operation, which aims to provide substations with complementary technological resources, such as video monitoring,



Intelligent data analysis to support decision making Operation and Maintenance Tracking Dashboard.

to increase the reliability of the operation through the Operation Center, in addition to mitigating the need to travel to these substations.

It should also be highlighted is the platform responsible for digitizing the management of our assets. Through satellite images, we monitor our entire concession area to optimize the identification of possible occupations and irregular uses of land and transmission line bands.



Application of technologies in maintenance activities in Transmission Lines.

We signed an agreement to start the "Integrated and Flexible Planning of Transmission Systems" project



QR Code for checking electrical equipment

In 2021, we started a project capable of assisting technical teams in detailed inspections of equipment installed in substations. Through a QR Code fixed to the equipment and with a reader, information on the operational status of the equipment is sent, in real time, to an integrated management system. With updated data it is possible to issue planned maintenance reports of every equipment.

Drones: technology for safety and reliability

As part of our digital transformation journey and to ensure greater safety for our employees who conduct system maintenance, in 2021 we developed, in partnership with Drone Power and pioneered in Brazil, a drone that incinerates objects that fall on the transmission lines and can affect the supply of electricity to society, such as balloons and kites.

The drone has a device attached that, with a quick and directed blow, can incinerate the objects. Approved in the year by the National Civil Aviation Agency (Anac), the technology contributes to reducing more than 80% of the time for removal of objects.

Open innovation

For ISA CTEEP, innovation derives from a diverse environment, enhanced through collaborations with startups, universities and other companies. In 2021, in partnership with 100 Open Startups, a leading open innovation platform in Brazil, we launched challenges for startups regarding solutions aimed at sustainability, construction management, infrastructure and construction for energy and excellence in maintenance.

The solutions should meet the following themes: gas monitoring and management; reduction in downtime for maintenance and replacement of assets; maintenance management in protection systems; and management of works, infrastructure and construction for energy. As a result, 158 startups applied their solutions to the proposed challenges, with 54 proposals (pitches) for new technologies, of which two were selected for proofs of concept.

100 Open Startups Ranking

In 2021, we were once again ranked in the TOP 100 Open Corps, promoted by the 100 Open Startups platform. Recognition is granted to companies that have greater interaction with the ecosystem of startups and open innovation. ISA CTEEP had already ranked second and fourth in 2018 and 2019, respectively.



People are at the center of the innovation process and they make this process happen



We have sought to eliminate repetitive and operational processes through robotization

Digital transformation journey

In order to map and plan actions that lead to transformation for the company to be efficient and scalable, in 2021 we established a Digital Transformation Committee, which meets monthly.

As part of our journey, we have sought to eliminate repetitive and operational processes through robotization. With the support of external consultancy, we mapped to identify opportunities, which were subsequently prioritized.

One of the developments is a project to robotize the financial operational processes of the supply area, the automation of the entry of invoices and another robotization project for the regulatory area, for automated capture of regulations and support in decision making.

For the coming years, our intention is to decentralize the robotization of the Information Technology area and empower employees to optimize processes in their areas, through training. On this front, we have the Digital Transformation Week, in which we bring reference speakers on topics such as robotization and user experience and install practical laboratories.

In addition, every two weeks we promote the “15 minutos sou digital”, which consists of a 15-minute presentation on digital topics, such as planner and blockchain, among others.

Ana Paula Brentan de Oliveira Analysis engineer, from Bom Jardim (SP).

Transformational leadership and influencing capability

GRI 102-12, 102-13

Our commitment to sustainable development is also leveraged by participation and support to external initiatives and associations, in order to contribute to the future of the electricity sector.

In addition to discussing with regulatory and government authorities, the company also acts in close relationship with sectoral institutions, seeking synergy in the performance and convergence of actions before the decision-making bodies and, primarily, the preservation of operating conditions and quality maintenance and fair compensation for their investments.

In this sense, it has been working with the Transmission Committee of the Brazilian Infrastructure and Heavy Industries Association (ABDIB) and the Brazilian Association of Electric Power Transmission Companies (Abrate), where it conducted and participated effectively in discussions related to important topics for the sector, such as the definition of methodologies for recognition of off-balance sheet assets, review of processes and standards for reinforcements and improvements, and correction of annual adjustment, among others.

We have been a signatory to the United Nations Global Compact since 2011, acting based on principles related to the protection of Human Rights and Labor, Environment, and Anti-Corruption. We also adhered to the Business Pact for Integrity and Against Corruption and the Business Movement for Integrity, Transparency and Anti-Corruption of Instituto Ethos.



We have been a signatory to the United Nations Global Compact since 2011

We also participate strategically in the following associations and entities:

- **ABCE** | Brazilian Association of Electric Energy Companies;
- **ABDIB** | Brazilian Infrastructure and Heavy Industries Association;
- **Aberje** | Brazilian Association of Corporate Communication;
- **ABGR** | Brazilian Risk Management Association;
- **Abrasca** | Brazilian Association of Publicly Held Companies;
- **Abrate** | Brazilian Association of Electric Power Transmission Companies;
- **AISCE** | Sociocultural and Business Exchange Association;
- **Bracier** | Brazilian Committee of the Regional Electrical Integration Commission;
- **Cepel** | Energy Research Center;
- **Cigre** | Brazilian Committee for Production and Transmission of Electricity;
- **Crea-SP** | Regional Council of Engineering and Architecture – São Paulo;
- **IBGC** | Brazilian Institute of Corporate Governance;
- **Instituto Ethos**.

Attendance in the United Nations Climate Change Conference (COP26)

Grupo ISA attended the 26th edition of the United Nations Climate Change Conference (COP26) in 2021. During the event, held in Glasgow, Scotland, we actively participated in the academic agenda to present actions and initiatives developed to combat climate change and to protect biodiversity in Latin America, where the company operates.

One of the highlights is the Conexión Jaguar Program, our flagship sustainability program, through which we address the preservation of more than 141,000 hectares in Serra do Amolar region, in the Pantanal.

Contributions in the regulatory context

We seek to actively participate in discussions in the regulatory environment about the future of the electricity sector, in order to leverage contributions to the agenda, promote advances in regulatory compliance and risk mitigation, as well as contribute to the company's goals.

Additionally, in 2021, we started a strategic project to review records in the regulatory environment, in order to optimize compliance with regulations.

Regulatory Board

In 2021, the Regulation management was assigned to the Executive Board, in order to maximize the contribution of the area to discussions on regulatory issues. The Executive Board performs a strategic role, contributing to the management of regulatory risks, to the capture of opportunities and to compliance with laws and regulations of the sector.

One of the main highlights of the year is the achievement of ISA CTEEP's authorization by Aneel for installation of the first large-scale battery energy storage system of the Brazilian transmission system. Learn more in [Anticipation and Innovation](#).

Another relevant fact for the company in 2021 was the change in the payment profile of the financial liabilities associated with transmission assets of the Existing Basic Network (RBSE). The measure announced by Aneel aims to mitigate costs for electricity consumers in the 2021 adjustments, keeping distributors' tariff increases below two digits.

In 2021, Aneel also published Homologatory Resolution No. 2,851, of April 22, 2021, which amends Resolution No. 2,714, of June 30, 2020, which approves the result of the 2018 periodic review of the Permitted Annual Revenue (RAP) associated with Concession Contract No. 059/2001, under ISA CTEEP's responsibility. At the time, Aneel decided to recognize the main Requests for Reconsideration issued by the company.

Regarding the sectoral themes, there was a Public Consultation to define the methodology

for calculating the X Factor and the gain in business efficiency for the transmission segment. We actively participated in the discussions, with the Brazilian Association of Electric Power Transmission Companies (Abrate), with the development of technical work to mitigate possible risks in the country's transmission sector.

In addition, Aneel decided, in 2021, to open the second phase of Public Consultation No. 30/2020 to discuss the Regulatory Impact Analysis (AIR) report on the evaluation and improvement of regulations associated with reinforcements and improvements in electricity transmission facilities and associated regulatory improvement proposals.

The proposals to be discussed in this second phase include the establishment of an explicit definition of large and small reinforcements and large and small improvements; full disconnection of large and small reinforcements, which would be authorized separately from the case; and a new normative concept of improvements, based on the investment accounting logic, differentiating them from operation and maintenance activities.



Claudio Hernan Domingorena, Chief Regulatory Management Officer.

Contributions to global environmental challenges

GRI 103-2, 103-3 | 307, 307-1

ISA CTEEP is committed to excellence and leadership in improving environmental conditions in the country. In this sense, it has constantly evolved the management of the impacts of its business from a proactive and transcendent contribution to adapting and combating climate change and protection and conservation of ecosystems and their biodiversity.

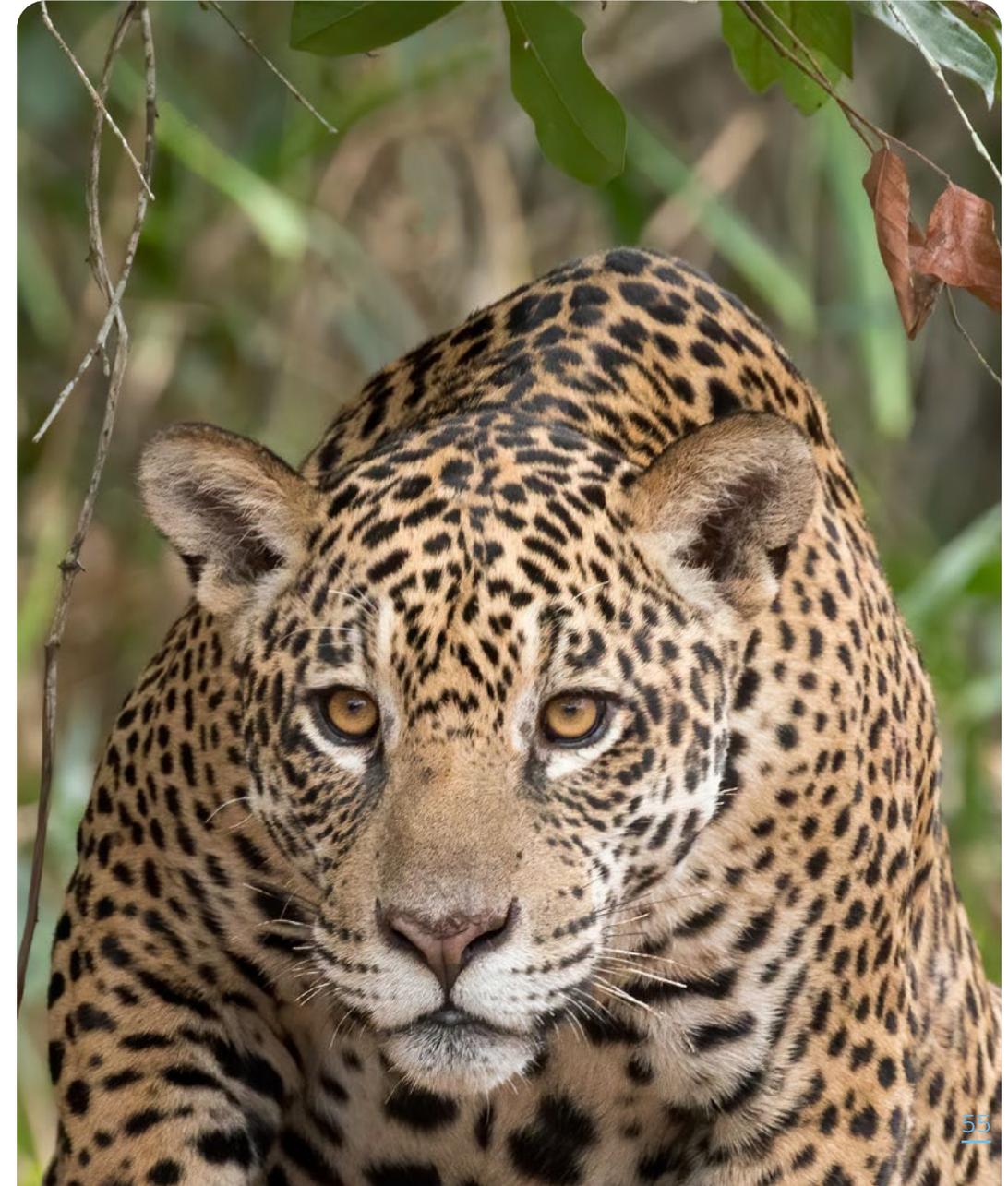
The care for the environment and society is expressed in our Environmental Policy. The document provides guidelines on the sustainable and efficient use of natural resources, as well as ensuring the quality and excellence of environmental management throughout the asset life cycle, reinforcing our commitment to meeting the legal requirements in force in the country. The management of these requirements started to be carried out in 2021 through an electronic tool, which has contributed to greater efficiency in the processes.

The care for the environment and society is expressed in our Environmental Policy

In this context, we promote sustainable management from the planning stage of our projects – with the preparation of a study for diagnosis, identification of possible impacts and construction of preventive and/or mitigating measures – to the implementation and operation stage of the projects. All projects must have an Environmental Preliminary License (LP), Environmental Installation License (LI) and Environmental Operating License (LO), in which environmental conditions are expressed in order to prevent, mitigate or correct the impacts generated by the project on the environment.

All guidelines followed by ISA CTEEP and our subsidiaries are practiced by all employees and contractors, who develop their activities with a focus on minimizing negative impacts on the environment, as well as enhancing positive impacts.

In the following subchapters, we present our management approach and main initiatives related to the management of relevant material aspects.



Conexion Jaguar Program



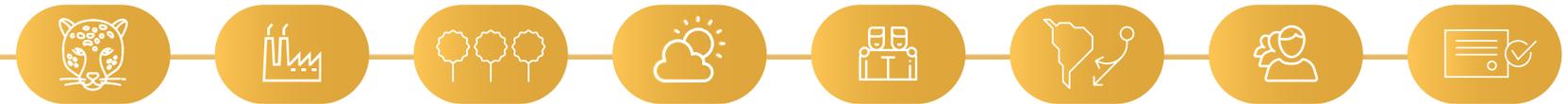
The main program for sustainability and protection of biodiversity, Conexion Jaguar Program was elected in 2020 the best corporate emission compensation program by the Environmental Finance Awards ranking. Through it, Grupo ISA and its companies endorse the commitment to sustainable business development, contributing to major global causes, which include compliance with the Convention on Biological Diversity (CBD - Convenção Sobre Diversidade Biológica) and with the commitments signed by countries at the UN Conference on Climate Change (COP26).

Started in 2017, the initiative encompasses the forestry projects to reduce greenhouse gas emissions in priority areas for the protection, recovery, and connection of the habitats and corridors of jaguar in territories where ISA operates.

At the end of 2021, Conexion Jaguar Program had eight projects in Latin America, one of them in Brazil, for the protection of 76 thousand hectares in Serra do Amolar, located in the Pantanal of Mato Grosso in partnership with Instituto Homem Pantaneiro (IHP). In the period, the expansion of the project in Brazil was approved, with the expansion of the protection area from 76 thousand to 141 thousand hectares. In addition, it should be noted that the project, classified as REDD+ (Reduction of Emissions from Deforestation and Forest Degradation) will be eligible for generation of carbon credits in the first half of 2022. Read more [here](#).

Partnership for conservation of biodiversity and mitigation of climate change

In 2021, we partnered with Reservas Votorantim to join efforts to conserve biodiversity and mitigate climate change. Through Conexion Jaguar Program the cooperation was designed in order to foster and implement joint actions that can contribute to the fauna and flora conservation agenda in the 31 thousand hectares of forest of Legado das Águas. This reserve is located in Vale do Ribeira – in the south of the State of São Paulo — and is part of the 12.4% of the forest that originally existed in this biome throughout Brazil.



- Preservation of the jaguar
- Emissions reduction
- Biodiversity conservation and ecological connectivity
- Mitigation of climate change
- Improvement of living conditions and strengthening of social organisations
- Protection and improvement of ecosystem services
- Awareness
- Increase in actions, benefits and partnerships



Aim to reduce 2 million of tCO₂ and potential emissions by 2030

PARTNER

TECHNICAL ALLIES:



Mitigation of impacts and protection of biodiversity

GRI 103-2, 103-3 | 304, 304-1, 304-2, 304-3, 304-4

We value the continuous improvement in the processes and management of our projects, focusing on the protection of ecosystems and biodiversity. Thus, the prevention, mitigation and compensation of the impacts caused to biodiversity involve actions in all phases of our projects.

Project management



- **Planning** – in this phase, to define the location of future projects, we evaluated social and environmental criteria, aiming to minimize the impacts on environmentally sensitive areas, such as conservation units, Permanent Preservation Areas (APP), native vegetation, traditional communities (indigenous, quilombolas, faxinals, riverside, etc.), rural settlements, archaeological sites and natural cavities, among others. Depending on the interference mapped, changes can be made to the proposed location for the future project, as well as for heightening of structures.



- **Implementation** – at this stage, we execute environmental management programs to prevent and/or mitigate possible negative impacts, as well as to potentiate the positive effects, both identified in the planning stage. They include the environmental programs of construction, prevention and control of erosion processes, recovery of degraded areas, waste management, social communication, environmental education for the surrounding population and for workers, scaring and rescue of fauna, fauna monitoring, germplasm rescue, forest replacement, environmental compensation, among others. In addition, we use technologies to minimize the impact on biodiversity, such as launching cables through unmanned aerial vehicles (UAVs) in environmentally sensitive areas.



- **Operation** – in the operation phase, we implemented environmental management programs with actions directed to the relationship with the neighboring communities, waste management, management of the use of the safety strip, vegetation management, prevention and mitigation of erosion processes, forest compensation, among others. The operation and maintenance activities conducted do not cause significant impacts on biodiversity, but specific, due to the need for vegetation management for guarantee and safety of operations. [GRI 304-2](#)



Preservation, mitigation and compensation of impacts caused to biodiversity in every phase of the projects





With a focus on preserving the biodiversity of where we operate, we also develop preventive and mitigating actions, such as the execution of periodic inspections to identify possible non-compliances; conducting social communication campaigns to guide the surrounding population to prevent fires and conscious use of the safety strip.

It should be noted that we prioritize, whenever possible, pruning instead of plant removal, and mowing/weeding in anthropized areas. If plant removal is necessary, we request the authorization of the licensing environmental agency previously, and conduct their respective forest compensation based on the impact on the local flora.

In order to enhance the environmental responses of our possible compensations for removal of vegetation, we preserve forests with a combined area of more than 46 hectares, whose preservation guarantees an established and ecologically-balanced forest. [GRI 304-3](#)

In 2021, we have transmission lines and substations located at 1,386 hectares in areas of fully protected conservation units recognized by the current legislation. We keep *protected* and/or preserved habitats under our responsibility, totaling 46 hectares in the year. The areas restored in 2021 through the planting of forests was 22.88 hectares. [GRI 304-1, 304-3](#)

Innovation and technology to mitigate impacts

Innovation and the use of technologies are also allies of our actions to minimize impacts. The use of drones in inspection operations and when pulling power lines contributes to reducing the need for pruning and removal of trees for implementation of new projects.

We also adopted tower height and special cables, that is, we increased the height of the towers and we use lightweight cables, which do not require reinforcement of structures.

Learn more in [Anticipation and Innovation](#).

Adaptation for preservation

The examples of our work include the relocation of the layout of Lorena Substation for preservation of a white fig tree specimen approximately 300 years-old.

At the Ratones Substation, it is worth mentioning the survey of the native grass species of the region for reforestation, the construction of an organic vegetable garden for consumption of workers, with input from a local compost plant using organic matter from the cafeteria residues, as well as the reuse of water from air-conditioners at the construction site to irrigate the garden.

In Biguaçu-Ratones transmission line, we contained the sediment plume during burial of the underwater cables, in order to mitigate the impacts on the adjacent mariculture.

Emissions

GRI 103-2, 103-3 | 305, 305-1, 305-2, 305-3, 305-4, 305-5

Due to the nature of our business, as we expand our assets, we contribute not only to greater robustness to the National Interconnected System, but also to the expansion of energy transmission from renewable sources, on the rise in the country. Thus, we seek to foster the energy transition to a low-carbon economy. In addition, we voluntarily published our inventory of greenhouse gas emissions that, for the second year, has received a Gold Seal by the GHG Protocol program. [Access the inventory here.](#)

Our contribution involves commitments related to the climate agenda. Since 2016, we have maintained eco-efficiency goals, in our direct subsidiaries, for the annual reduction in emissions of SF₆, a gas with insulating properties, but which also contributes significantly to global warming, energy consumption and water. In 2022, the waste generation reduction goal will be included. In addition, in 2021, emission reduction goals started being included in executives' compensation.

In 2021, the amount of leaks was above the maximum expected emission (59.22 kg). Through our actions, between 2017 and 2021 we reduced by 14% the amount of SF₆ emissions. In the period, we incorporated an SF₆ online gas regeneration machine in gas-insulated substations, which, in addition

to further reducing emissions, will result in more availability and tighter control of asset performance. We also have cameras to detect SF₆ leakage, which serve the company's substations, reducing the response time in leakage interventions.

We also take preventive measures to eliminate possible leaks in the medium and long term, which include elimination of GIS bus sections by dry insulated cables, online monitoring and use of external leakage containment equipment without the need for shutdowns for long periods. We also installed special tape to contain leaks, without the need for shutdowns.

Our direct (Scope 1) emissions totaled 20,083.33 tCO_{2e} and indirect (Scope 2, which includes company electricity consumption and technical losses) totaled 912,264.16 tCO_{2e}. Other indirect (Scope 3) emissions totaled 22,796,356.61 tCO_{2e} in the year.

According to the measures taken to protect employees from the COVID-19 pandemic, the avoided emissions goal related to employees working from home was also calculated and monitored, which, consequently, avoided the consumption of fossil fuels. On this front, we also prioritize the use of renewable fuels by the

mobile fleet. By the end of 2021, more than 98.77% of our fleet of flex-fuel light vehicles was running on renewable, less polluting fuel, and we started the pilot project to exchange light vehicles from the company's administrative fleet to electric cars.



Carbon neutral

Since 2019, we have committed to carbon neutrality, which involves the full offset of greenhouse gas (GHG) emissions related to Scope 1 (direct) and Scope 2 (indirect), except for those related to transmission losses. For offset, in 2021, we marketed and retired 21,000 carbon credits in forest projects certified by VCS and CCB-Biodiversity Gold; CCB-Climate Gold; CCB-Community Gold; CCB-Gold.



Carbon Intensity GRI 305-4

Total emissions^{1,2}/Energy transmitted (tCO₂e/MWh of energy transmitted)

2019

0.0031

2020

0.0026

2021

0.0052³

¹ The emission values used in the calculation refer to Scope 1 and 2.

² Does not include data on land use and occupation.

³ There was a total increase in transmitted energy compared to previous years, since new assets came into operation in 2021.

Risks due to climate change GRI 201-2

Our corporate matrix currently comprises four physical risks related to climate change that can affect our operations: winds, fires, soil erosion or land subsidence and atmospheric discharges.

Risk management is in line with ISO 31000 and comprises the stages of Communication, Context, Identification, Analysis, Evaluation, Treatment, Monitoring and Reporting. All events are analyzed for their probability of occurrence and financial and reputational impacts, considering the history of occurrences in the company, and discussed in the Critical Risk Analysis Committee, with participation of the senior management.

In 2021, we conducted a study to analyze the history of occurrences in relation to climate change that may occur until 2030. The SMAC/Climatempo projection tool of the National Institute of Space Research (INPE) was used, as well as studies and technical publications to evaluate the survey of the events.

The process was deployed in meetings with experts from the various areas of the company to map the impacts of risks on the operation. The study will be reviewed and incorporated into risk analyses in 2022.

Also in 2021, we joined the Climate Change Working Group of the Brazilian Association of Electric Power Transmission Companies (Abrate) to contribute to discussions on the subject.

It is also worth mentioning the studies of new materials for transmission tower structures, in order to increase the mechanical resistance with less weight due to climate events. We also adopted software for monitoring atmospheric discharges in real time.

Efficient use of resources

GRI 103-2, 103-3 | 302, 303, 306, 302-1, 302-4, 303-5, 306-1, 306-3

The efficient and responsible use of natural resources integrates our commitment to mitigating environmental impacts and our Environmental Policy.

In some facilities, we started to use more economical LEDs, and in 2021 the management of energy consumption per facility became part of our Power BI, which focuses on periodic monitoring of consumption and handling of deviations.

In our facilities, we also invest in the harvesting of rainwater and water reuse, and our headquarters is located in a building certified by the Leadership in Energy and Environmental Design (LEED), Gold category .

At the end of 2021, our energy consumption totaled 3,398,228.26 kWh. The total water consumed was 70,688.85 cubic meters.

GRI 302-4, 303-5

As for the waste generated, in turn, we ended with a total of 3,612.77 tons (of which 3,567.88 tons was sold), representing 99% of the total destined waste, which generated a revenue of R\$3,250,863.59. The other wastes were disposed of in an environmentally correct manner, in line with the applicable legislation.

It should be noted that, in the period, the evolution in the treatment of equipment for proper disposal of PCB oil – we reached 22.5% of the total contaminated equipment in the year against the goal of complete decontamination by 2025, according to the current legislation.

Waste from our operations is conditioned and disposed of in an environmentally sound manner, in compliance with applicable laws and corporate guidelines.

As of next year, a reduction target will be set for organic and recyclable waste. The units are monitored periodically and the management is carried out through an electronic tool with monitoring by the specialist area. The data are audited annually by a third party. GRI 306-1

Compensation-related goal

In 2021, the eco-efficiency goals related to the reduction of water and energy consumption started being related to the compensation of executives. For both indicators, a 1% reduction in consumption was established in 2021 compared to the base year 2019.

Main actions developed



Water consumption

- Installation of pilot water leak detection system in substations;
- Renovation of the hydrosanitary installation system to reduce leaks;
- Replacement of conventional taps with self-closing taps in sinks, bathrooms and pantry/kitchen;
- Use of rainwater collection system for

washing insulators in Baixada Santista Substation, with consumption reduction equivalent to 200 cubic meters of supply water per concessionaire;

- Implementation of a pilot project at Santo Angelo, Bauru and São Carlos Substations, for automatic data collection and intelligent monitoring of consumption at the facilities.



Energy consumption

- Replacement of existing systems with LED technology;

- Implementation of a pilot project at Santo Angelo, Bauru and São Carlos Substations, for automatic data collection and intelligent monitoring of consumption at the facilities.



Waste

- Reserve logistics project that involves washing maintenance cloths at the Taubaté regional unit;
- Composting of organic waste during the project construction stage;

- Acquisition of scales for weighing organic and recyclable waste in places not yet monitored;
- Reuse of uniforms that would be disposed in the production of new pieces delivered in the 2021 donate a coat campaign.

Commitment to socioeconomic development

GRI 103-2, 103-3 | 203, 413, 203-2, 413-1, 413-2

By the nature of our transmission business and focusing on creating Connections that Inspire, we effectively contribute to social transformation, through the economic progress and well-being of society. But we also seek to promote initiatives that generate value and positive impacts for communities where we operate.

To enhance our actions, we have in place a structured governance model for Private Social Investment (ISP), in line with our 2030 Strategy, which includes the social criteria for selecting projects and actions to be supported each year.

Our pillars of social investment



Youth empowerment – we invest and prepare the future of communities



Local development – we empower people and build solutions to local problems



Environment – we carry out initiatives to improve biodiversity and combat climate change

In the year, we invested over R\$ 3 million in initiatives for the benefit of society, of which R\$1.5 million were in incentive projects and R\$1.6 million in donations with own resources and social investments in the vicinity of our operations, including awareness campaigns and environmental education. We have 21 social projects in progress that will foster socioeconomic development actions focused on education and environmental awareness.



Panel "Protect without Owning: the importance of biodiversity within the ESG agenda" sponsored by ISA CTEEP at Virada Sustentável Festival.

R\$ 3 million

invested for the benefit of the company

SOCIAL INVESTMENT

Projects 2021	Investment (R\$)
Jaguar Parade SP and NYC 2022	1,500,000.00
Donations of Own Funds	72,500.00
Social and environmental investments	1,567,416.42
Total in 2021	3,139,916.42

Find below are the main initiatives developed.

R\$ 5 million

donated to actions to the benefit of the company since the beginning of the COVID-19 pandemic

Initiatives to fight COVID-19

Since the beginning of the pandemic, we have donated R\$ 5 million to initiatives to support society, with the creation of the “Todos Somos Um” movement. In 2020, we donated approximately R\$ 3.2 million to the construction of Instituto Butantan's Multipurpose Vaccine Production Center (CMPV), a work completed in 2021, through the government of the State of São Paulo, InvestSP and Fundação Butantan in partnership with the organization of Comunitas civil society. Our actions against the pandemic were recognized by the Government of the State of São Paulo, which granted the Solidarity Company medal to the company in December 2021.

In 2021, we participated together with our employees in the 13th edition of the Stop Hunger World Volunteer Marathon, in order to fight hunger and malnutrition with the donation of food staple baskets that benefited 2,860 families and 125 institutions distributed throughout Brazil.

We also donated blankets, bedding, pillows and bath towels, as well as beds, mattresses and other items that had been purchased for use in the camps of substation technicians during the red phase of the pandemic, in social isolation. 1,299 items were donated, sanitized and distributed to 16 institutions in the vicinity of our regional areas.

Sport and education

In 2021, we partnered with Instituto Guga Kuerten, with the Sport and Education Program – Life Champions, which works with social transformation and support for education actions in the state of Santa Catarina. 420 people will benefit, including children, youth and people with disabilities, from public schools in the municipalities of Biguaçu, Palhoça, São José and Florianópolis, in Santa Catarina.

With Instituto Esporte e Educação (IEE) we also support the Network of Multiplier Partners in Educational Sports Project, in partnership with the Municipalities and Departments of Education of several municipalities in Maranhão, Piauí and Tocantins. More than 200 education professionals from public schools in these cities will be trained free of charge, selected by the Department of Education.

CONEXÕES PARA O DESENVOLVIMENTO | isa

For 2022, all education projects will be developed and classified as Connections for Development Corporate Program, aimed at education and which seeks to contribute to present and future generations to strengthen the capacities of the community ecosystem to generate transformation in the territories of influence.

Support for social entrepreneurship

In 2021, we supported the initiative promoted by Yunus Negócios Sociais, the Brazilian arm of Yunus Social Business, and the Sociocultural and Business Exchange Association Brazil Colombia (AISCE) focused on supporting social entrepreneurship to support the development of businesses that offer solutions to problems mutual to both countries and Latin America. Find out more [here](#).

Awareness and safety of communities

To prevent risks and strengthen the relationship with the population around the transmission lines, we have the Social Communication Program (PCS) with the neighboring community of our enterprises. Coordinated by the Environment area, it aims to foster dialogue with the community, taking information on risks related to fires, forms of fire prevention and proper use of the right-of-way.

The area also conducts media initiatives around the projects. In 2021, to prevent fires, slash-and-burn and the irregular release of balloons, which are some of the main causes of forced shutdowns in the electricity transmission network, we developed a series of tips on the [website](#).

During the period, we invested R\$ 17 million in the prevention of slash-and-burn, among actions that covered an awareness campaign for the population and vegetation mowing of the company's easement strips.

Other Actions



- **Virada Sustentável:** For the third consecutive year, ISA CTEEP was present at the event, with highlight on the panel "Protect without Owning: the importance of biodiversity within the ESG agenda".



- **Knowing the Digital SDGs Festival:** In 2021, we attended the SDG 13 panel on climate change. At that time, we presented our environmental program, the Conexión Jaguar Program, which works to preserve biodiversity.



- **Balaio Encantado:** To value local culture, as well as to make the habit of reading a form of social inclusion, Balaio Encantado da Amazonia launched in 2021 the book "O Lendário dos Tapajóara e os Contos caboclo", sponsored by ISA CTEEP.

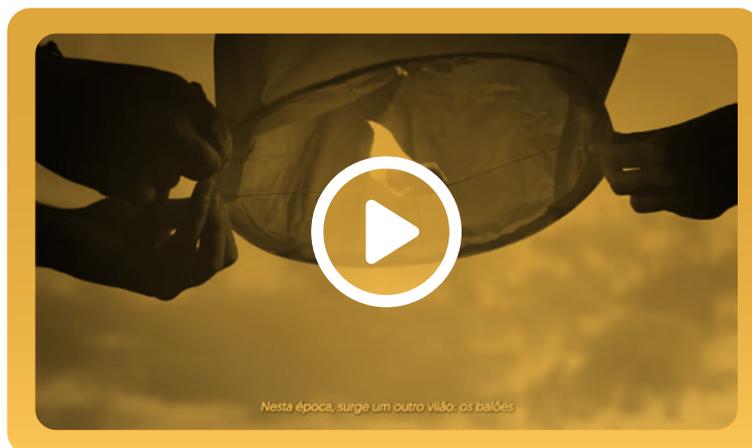


- **Jaguar Parade:** In celebration of the International Jaguar Day, we invited professional and amateur artists from all over the world to send their customization ideas to the sculptures that will be part of the 2022 edition of the event. Sponsored by ISA CTEEP, the event will bring together sculptures of about 40 jaguars stylized by artists at the exhibition, which will take place in the streets and squares of São Paulo and, for the first time, in New York, United States.



- **Onçafari:** In 2021, we supported the first photography competition conceived by the NGO Onçafari, which brought together works by professional and amateur photographers from all over Brazil with the theme "Brazilian nature". Two awards were given for visitation to the headquarters of Onçafari, in Caiman Pantanal, located in Pantanal, Mato Grosso do Sul.

See our fire prevention campaign [here](#).



Rights of indigenous peoples

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

As part of the environmental licensing process of our projects, there is an analysis of the interference of the project on traditional communities, such as indigenous and quilombolas.

When the project is close to these communities, the Quilombola / Indigenous Component Study and the Quilombola / Indigenous Basic Environmental Plan are conducted, through which the culture, tradition, history, land use by the community, impacts generated by the project on the community and mitigating and compensatory measures are studied. With the results, mitigating and/or compensatory measures are addressed.

It is worth mentioning that, in the planning of the enterprise, to define the layout, the guideline that does not intercept in indigenous and quilombola areas, as well as in its area of influence, is prioritized. In 2021, there was no record of violation of the rights of indigenous peoples.

Human rights and management of social impacts

GRI 103-2, 103-3 | 410, 412, 413, 419, 410-1, 412-1, 412-2, 413-1, 413-2, 419-1

We value the guarantee of preservation of human rights. This commitment is endorsed by our voluntary participation in the United Nations Global Compact and the ten universal principles, as well as through our Code of Ethics and Conduct, which determines guidelines regarding fair labor practices and human rights, including prohibitions on forced or child labor, which apply internally and in our value chain.

As for social impacts, we engage with local communities in all phases of the projects, from planning to operation. The initiatives include participatory social and environmental diagnosis with the surrounding community in its area of influence and several engagement programs, such as the Social Communication Program, Environmental Education Program, Degraded Areas Recovery Program, Program for Prevention and Control of Erosive Processes and Prevention and Measurement of Noise Levels in Critical Receivers, among others, as well as awareness and safety campaigns. Learn more in [Community Awareness and Safety](#).

In 2021, 100% of our operations underwent human rights or human rights impact assessments. In addition, 98% of our staff was trained in human rights. No violations of this aspect were identified in 2021, nor were operations identified with significant negative impacts on local communities.

100%

of operations subject to human rights assessments



Joint action with the city of Itaúnas (ES) for planting seedlings in ISA CTEEP area for environmental recovery.

Attraction and Talent Development

GRI 102-8, 102-41, 103-2, 103-3 | 401, 404, 410, 412, 401-1, 404-1, 404-2, 410-1, 412-2, EU14

Our human capital management is focused on attracting, developing and retaining talent. In recent years, we have outlined a journey that involved the reorganization of our management focusing on the skills necessary to comply with our 2030 Strategy and in line with our Leadership Brand, revised in 2021, which brings together essential attributes for current and future leaders who will contribute to our objectives and to prominence given the transformations in the sector in which we operate.



Attraction, development and retention of talent oriented management

Strategic objectives organizational talent





Organizational Capabilities

GRI 102-16

For all our employees to be aligned with our purposes, we create and disseminate the so-called organizational capabilities, described below, which bring training, engagement, communication and recognition initiatives. The themes are developed throughout the year, through a selection.

- **Adaptability** – We adapt our knowledge to face difficulties.
- **Networking** – We build alliances and sustainable relationships.
- **Innovation and entrepreneurship** – We improve and create solutions to add sustainable value to the business.
- **Customer guidance** – We offer solutions according to the needs of our customers.
- **Talent development and continuous learning** – We develop and enhance talents.
- **Operational excellence** – We ensure high levels of efficiency, considering cost, risk, and performance.
- **Digital transformation** – We maintain process efficiency through digital technologies, to respond to future scenarios and to include new business models.
- **Environmental and social management** – We guarantee solutions with environmental and social viability.



We closed 2021 with 1,324 employees, 100% covered by collective bargaining agreements

- **Ethics** – We act in coherence with our higher purpose.
- **Co-responsibility** – We take responsibility for our commitments and support others in building a common purpose.

We ended the year with 1,324* employees, 99.6% being covered by collective bargaining agreements, of which 1,140 were men and 184 were women. Our turnover rate was 11.22%, representing a reduction of 2.98% compared to 2020 due to the normal variation of the situation. Find below the main actions aimed at our human capital in the year. [GRI 102-8, 102-41, 401-1](#)

* Only employees hired under the CLT regime (Consolidation of Labor Laws). Board members, apprentices and interns are not included. [GRI 102-8, 102-41, 401-1](#)

Freedom of association and collective bargaining

GRI 103-2, 103-3 | 407 and 407-1

We guarantee all employees the full right to exercise union association. Collective bargaining is duly respected in all its scope, and the following are guaranteed to all union entities that govern the category: sending of negotiation agenda; participation of union negotiators in negotiation meetings; conducting the entire negotiation process and closing the collective bargaining agreement.

Culture of Safety

GRI 103-2, 103-3 | 403, 410, 403-4, 403-9, 410-1, EU16, EU18

Conectados com a Vida

For ISA CTEEP, security is a non-negotiable value and part of our commitment to ensure that people who work directly or indirectly for ISA CTEEP can return to their homes and families the same way they left: safe and sound. In 2021, in order to reaffirm this mission, we launched Conectados com a Vida, a program that encompasses not only our actions to promote safety, but also the care for the lives of our people, including our own employees and third parties.

As part of this front, we fostered greater strength in health and safety governance in 2021. Headed by our CEO, we instituted the Conectados com a Vida Committee,

which culminated in the review of the main Occupational Health and Safety (OSH) management tools, in the implementation of the Golden Rules, Weekly Dialogues and Safety Logs, development of a specific plan aimed at contracted companies, Safety Walks, among other actions.

In addition to a management dedicated to Health and Safety, our structure also includes 16 Internal Commissions for the Prevention of Occupational Accidents (Cipas), which promote Safety Meetings, in which employees and contractors participate, to discuss the most relevant topics, previously defined, to consolidate the safety culture. [GRI 403-4](#)

It should be noted that collective bargaining agreements cover topics of occupational health and safety, such as the communication of workplace accidents, election of CIPA members, and regular meetings on OHS.

We also have an Occupational Health and Safety Policy, revised in 2020, which establishes the focus on the continuous improvement of all occupational health and safety processes, both for our own employees and third parties. At ISA CTEEP we believe that safe behavior is directly related to a favorable work environment in which everyone is trained and empowered to perform their activities safely.

In addition, to recognize the commitment to safety, there is the + Segurança com Você (+Safety with You), one of the recognition initiatives of the + Conexões com Você (+Connections with You), whose goal is to encourage the adoption of safe habits and behaviors. In 2021, 80% of employees and subcontractors were trained on health and safety. [GRI EU16, EU18](#)

Aware of the risk in the construction activities of new assets, executed by third parties, in addition to the contractual clauses that establish safety requirements to be met, we have prepared a rigid plan to increase supervision and control on the various work fronts, in addition to a long-term culture improvement program. The year began with 16 construction inspectors and this number doubled at the end of the period due to the increase in demand in the project area. Thus, it was possible to intensify the dissemination actions of the Golden Rules.

There is also the involvement of the Compliance and Internal Audit area, which, in addition to being part of the committee, has supported the action plans and *feedbacks* for the areas on the activities. In 2021, a section was created on the exclusive Ethics Line channel to report and clarify specific questions on security issues. For 2022, *on-site* audits are planned in the works and projects for inspection of safety practices.

The measures, in addition to reinforcing our commitment to occupational safety, are a response to the unacceptable fatal accidents that we registered with professionals of companies contracted in the period. In this difficult time, we seek to provide all the support to the families involved with the performance of a multidisciplinary team. In addition, we work to identify all opportunities for improvement in our processes not to allow the recurrence of events of this magnitude.

We carried out a detailed investigation process for each accident and improved the risk analysis related to the activities, as well as reinforced the training and recycling of various training focused on the elimination of accidents. Other actions were the Safety Stop, which involves dialogues between our CEO, senior management and the administrative and field teams, and *workshop* with suppliers of works and maintenance on the Golden Rules.

In 2021, the percentage of security personnel who were formally trained in the organization's specific human rights policies or procedures and their application in security was 60%. [GRI 410-1](#)

Ethics Line

exclusive for reporting and clarifying specific questions on security issues

Deliberation of critical matters

Through the Central Committee of the Connected with Life Program, we instituted five working tables to discuss critical issues, such as accident investigation, culture and leadership, critical risks, third-party management and business continuity. Meetings take place on a monthly basis and are supported by an external consultancy. In addition, the topic also started to be treated as the first agenda at the meetings of the Board of Directors.

98%

of our team vaccinated in 2021

Innovation is also an ally in promoting safety. On this front, we highlight the use of *drones* for inspections, which contribute to safety in maintenance, as they avoid escalations. We have also evolved in digital tools for training, using concepts of virtual and augmented reality.

In the period, there were seven lost time accidents in the staff and three non-lost time accidents, with a frequency rate of 3.79 and no fatality. Regarding third-party professionals, there were 18 lost time accidents, 10 non-lost time accidents and a frequency rate of 7.18 and three fatalities. [GRI 403-9](#)

Fighting Covid-19

In 2021, due to the COVID-19 pandemic, which has not ceased, we followed the protocols to ensure the health and safety of our employees and prevent the spread of the SARS-CoV-2 coronavirus in the workplace.

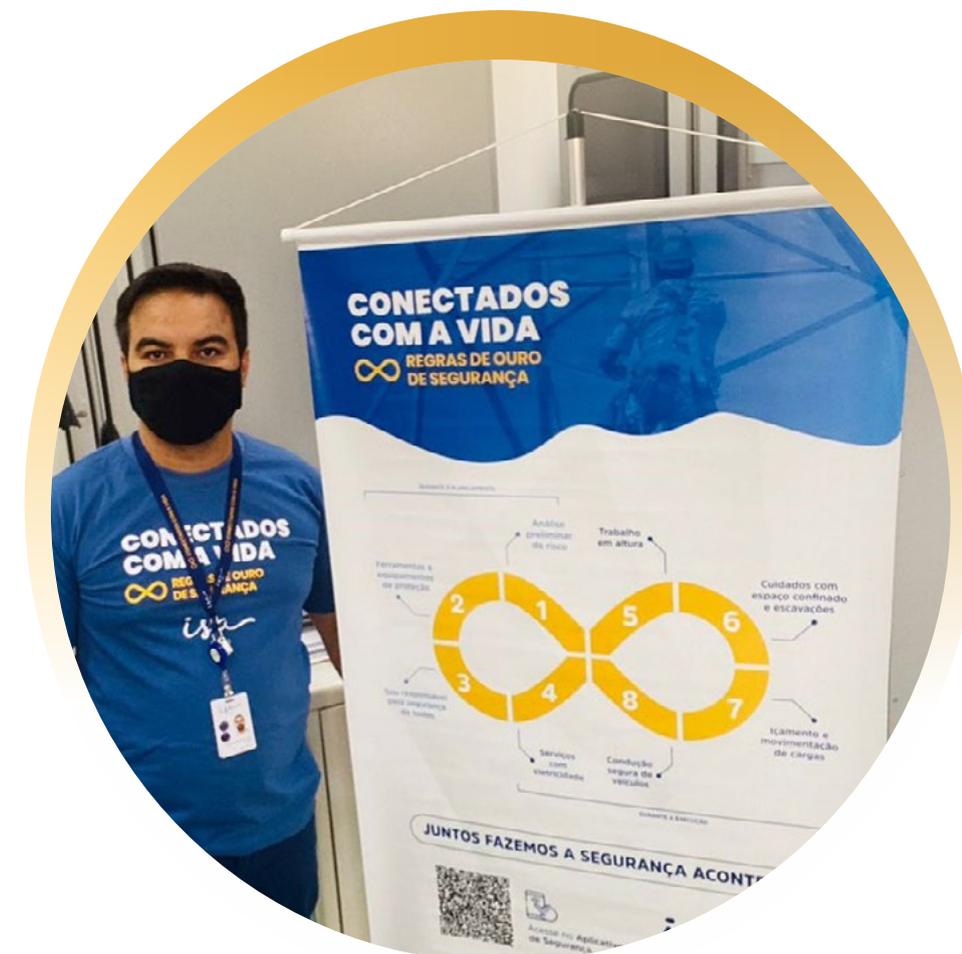
Among the main fronts adopted by the company, the following stand out: implementation of remote work for specific positions; contingency plan with redistribution of shifts in substations and control centers at critical times to reduce the move of teams and eventually put their own health and that of their families at risk;

programs aimed at mental health such as online therapy sessions; an application focused on telemedicine; an exclusive portal with reliable information on health, safety and quality of life and the Health Channel.

In addition, we launched the vaccine meter and engaged in campaigns to raise awareness and encourage vaccination. With this, we ended the year with 98% of our team immunized (single dose or two doses).

Since the beginning of the pandemic in 2020, we have instituted and maintained an internal committee comprised by the executive board and senior management, in favor of the health and safety of employees. With biweekly meetings, the committee monitors the evolution of the disease in the country and adapts in order to ensure the continuity of essential activities for society. Throughout the pandemic, until the time this report was produced, we had one fatality caused by the disease among our own employees.

For 2022, we are closely following the scenario and structuring all measures for the safe return to offices.



Paulo Henrique Melo Silva
Installation substation
technician, of the National
Expansion (ES) regional unit.



Priscila Bernardeli Miranda, Electrical Engineer, headquarters (SP).

Quality of Life – 360° Life

As part of the Culture in Safety pillar, we also address initiatives aimed at the health and well-being of our employees. In this sense, in 2021, we relaunched the Quality of Life – 360° Life program, which proposes integral action to adopt healthier habits, inside and outside the corporate environment, considering the four pillars of the World Health Organization (WHO): physical health, professional health, mental health and financial health.

The program included weekly work gymnastics and guided meditation classes for all employees and nutritional care aimed at chronic patients, as well as webinars such as “Childhood in the pandemic” to support fathers and mothers in the balance between professional and family life, clarifications on health with an infectious disease specialist, as well as expository presentations on financial health. Awareness campaigns such as yellow September, pink October and blue November were also carried out.

We also implemented the Psychosocial Questionnaire, with individualized guidance and care by an occupational psychologist, and reinforced the "Pass Support" service, which guarantees psychological care and legal advisory services, financial consulting and social assistance for employees and family members.

After two years of major adaptations due to the pandemic, we carried out a pilot project to return to the offices. In 2022, we will return to the hybrid model, working in the office three times a week, always seeking a balance between remote and office work.

Sustainable value culture

Valuing performance and meritocracy management and developing our leaders to be models of our leadership brand are elements that make up our strategy for the coming years.

In this context, we renewed our leadership in the period, hiring of 26 leaders aligned with our Leadership Brand. In addition, we implemented development initiatives focusing on people management tools: feedback, performance, compensation, diversity, among other topics.

Based on meritocracy and performance management, we conduct performance management linked to our strategic objectives and seek to value good performance. In the period, 330 merits and 185 promotions were granted.

Talent sustainability

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

We seek to leverage the development of individual and organizational capabilities and attract the best talents in the market. We invest in knowledge and thoroughly investigate the needs and skills of all areas of the company, in order to create a specific training grid and an Individual Development Plan (PDI - Plano de Desenvolvimento Individual).

Among the prominent initiatives, we launched LinkedIn Learning in 2021, a tool that brings content that provides learning in several areas, we granted more than 50 incentives for education and gave special attention to the Board of Operations, with technical and soft skills training.

In addition, the pandemic scenario accelerated digital transformation projects, with important reflections on employee training actions. We launched the Knowledge Space, where we concentrated online almost all of our training, knowledge and development processes. The virtual environment allows the storage, sharing and dissemination of knowledge through the use of different systems and tools for knowledge management. **GRI EU14**

In order to ensure the sustainability of talents and their appreciation, we have an internal exploitation policy. In 2021, 60% of the vacancies were filled following this premise.

The identification of potentials and preparation for succession were other important work fronts in 2021. From this analysis, we conducted action plans with potential employees and leaders, so that the development processes are accelerated. We invested R\$1.4 million in development actions in 2021 and ended the year with more than 47,438 hours of training (an average of 35.8 per employee), most of it focused on health and safety. Approximately 47% were held *online*. 1,295 employees from our staff had regular performance and development reviews. [GRI 404-1, 404-3](#)

Diversity & Inclusion

[GRI 103-2, 103-3](#) | [401, 405, 401-4, 405-1, 405-2](#)

We value diversity and inclusion and wish to build a company that represents society in all its multiplicity. We want to develop a welcoming environment where people can feel safe to be who they are and to build a legacy from differences.

Our strategy to leverage this commitment is based on Outros Olhares program, which aims to foster discussions and awareness on the theme, focusing on the pillars of gender equity; people with disabilities; LGBTI+ and ethnic-racial, as well as the themes of generation and multiculturalism that intersect among the other actions of the pillars.



Luciana Florêncio, management secretary, of the Cabreúva (SP) regional unit.



Internal climate survey

In the organizational climate survey made with our employees in the year, we obtained 95% adherence. The result indicated a favorability index of 83%, which represents satisfaction with our management initiatives of the organization.

OTHER PERSPECTIVES:
Our Diversity and Inclusion Program



Aspiration:

Diversity and Inclusion are essential components to enhance our multicultural essence and our mission of human development and innovation, acting as a catalyst for the theme in the electricity sector.

Motivators:

We believe that diversity and inclusion are accelerators of innovation, fostering more humanized and inspiring environments that strengthen the connection with our purpose and our relationship with all stakeholders;

We believe that diversity and inclusion generate an environment of greater psychological security, providing everyone with the opportunity to bring the best version of themselves, acting as agents of transformation at work;

We believe that our actions have the potential to positively impact society to the extent that we empower our employees and foster inclusion and appreciation of diversity.

Pillars



Gender equity:

attractiveness and retention, talent development and new work models and flexibility policies.



Race & Ethnicity:

attractiveness and retention, talent development and development of partnerships for social impact projects.



People with disabilities:

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



LGBTI+

attractiveness and retention, engagement of allied people and review of policies and processes.

Cross-cutting D&I Drivers:

Leadership engagement and education, cultural change and the establishment of KPIs

We focus on raising awareness and creating affirmative actions under four pillars

In 2021, we launched the Strategic Diversity Committee, comprised by five Directors and other executives, with the objective of discussing and addressing affirmative diversity and inclusion policies.

After reviewing institutional documents, we implemented a number of recommendations and updated our ISA CTEEP Census. Among the highlights of the period, we evolved in the awareness of our employees and leaders and in the integration and inclusion of people with disabilities.

The initiative involved measures such as review of the recruitment process, training of recruiters, rounds of conversations with our employees with disabilities, analysis of positions and review of processes and policies and awareness.

Also in the pillar of people with disabilities, we worked on both physical and digital accessibility, so that professionals could continue their activities, and we offer digital tools for new admissions (programs, systems, larger screens, etc.). In terms of attractiveness and retention, we reviewed the candidate's experience in a more inclusive way during the selection process and entered into partnerships with NGOs to disseminate vacancies aimed at this audience. In addition, we offer employees with children with disabilities 12 aids in the amount of R\$902

per month. As of December 31, 2021, we recorded 3.7% of our staff made up of people with disabilities, compared to the 5% target.

In gender equity, we are currently the company in the Brazilian electricity sector with the highest participation of women in board positions, reaching 60% of the staff. The female representation in the management body is 29%, against an average of 18% in companies in Latin America, according to a survey carried out in 2020 by the International Business Review. We also mentor executive women and webinars and lectures focusing on women and their roles in society-career-family. [GRI 405-1](#)

In addition, we have breastfeeding rooms; conversation groups; and general and dental health benefits for spouses including same-sex marriage. [GRI 401-3](#)

In addition, for the first time our internship program prioritized diversity and inclusion, with a selection process mainly aimed at women, black and brown people and people with disabilities. Under the theme “Your energy transforms the

future”, the foreign language is also no longer a mandatory criterion to fill one of the 35 vacancies. 43 interns were hired, of which 54% are women and 30% black people.

In order to strengthen the company's talent pool, so that they can take key and strategic positions in a short period, we launched our trainee program, Young Talent, which had 60% of women.

As of 2022, new employees have the opportunity to experience the exchange of experiences and practice an immersion in the business; develop their expertise in several areas; undergo mentoring and individual evaluations; as well as training aimed at gaining soft skills.



over 108

leaders trained on diversity at all levels



More than 50

people trained in areas that influence the inclusion processes



More than 70

hours of mentoring for Executives



Training

exclusive for women in March focusing on diversity



Clodoaldo Morais Pinto, maintenance technician and commands of TELECOM controls, in the Cabreúva regional unit (SP).



We started a project focused on knowledge management and ensuring organizational effectiveness

Organizational Effectiveness

To provide a structure aimed at responding to organizational objectives and challenges, as well as to the transformations of the sector, this front involves the construction of an architecture oriented to productivity and efficiency, which supports business growth, continuous improvement of processes and knowledge management.

In this context, in 2021 we dedicated ourselves to designing our future organization considering the business challenges. As a result of this pillar, we reviewed the structures of the Projects, Operations, Finance and Service Center (CS) boards.

We also started a project focused on knowledge management in the company. We map competency needs to key areas, including maintenance operators and technicians. The diagnosis was the base for structuring a training grid linked to the organizational strategy, connected to the Individual Development Plan.

For the coming years, we are aware of the trends and challenges involving the management of our human capital, including the hybrid model, which should be initiated from 2022, ambitions and talent career expectations in the post-pandemic period and new capabilities necessary for the *business*. We are also attentive to the future of the business, with the possible integration with other companies, and to the risks and opportunities linked to the ESG agenda.

Strategic alliances for transformation

GRI 102-9, 102-10, 103-2, 103-3 | 204, 308, 408, 414, 204-1, 308-1, 308-2, 408-1, 414-1

Creating sustainable value also involves establishing responsible and long-term partnerships with our supply chain, composed of material and equipment supply partners, third-party professionals to act in the construction of new assets and provision of services. In 2021, we had 699 active suppliers, of which 98.28% are local and we spent R\$ 2.3 billion on this front. **GRI 102-9, 204-1**

Attentive to long-term partnerships, we value strengthening the relationship with suppliers and, at the same time, supporting our business partners. In the period, the COVID-19 pandemic, which has not yet ceased, caused difficulties related to the procurement of basic inputs and labor shortages, especially for

construction works. In response, we continued renegotiating contracts with strategic sourcing strategies according to each procurement category, with the establishment of long-term solutions. It should be noted that, due to the measures adopted, there were no relevant impacts on the delivery of equipment. **GRI 102-10**

At the end of 2021, we had 86 procurement categories, 70% of which were covered by the strategic sourcing strategy, an evolution of 20% compared to the previous year. We also continue with umbrella contracts for the different items to be purchased, in order to mitigate possible impacts to the business and contribute to our sustainable growth strategy. In order to support the long-term investment strategy, the supply area was restructured in terms of resources to adapt to the increased demand.

699 active suppliers, of which 98.28% are local





74.91% of suppliers were hired based on assessments of environmental aspects and 76.74% on social aspects

Evaluation and monitoring GRI 103-2, 103-3 | 308, 408, 409, 414, 308-1, 308-2, 408-1, 409-1, 414-1

Our supply chain management comprises evaluations, annual or at the end of contracts, of activities and services provided, with feedback to partners. Criteria such as quality, term, health and safety at work and management are analyzed, as well as topics such as ethics and compliance.

In addition, the Code of Ethics and Conduct guidelines, applied to 100% of contracts, require compliance with legislation and encompass guidelines regarding fair labor practices and human rights, including prohibitions on forced or child labor. In 2021, 741 contracts included clauses relating to human rights and inhibition of forced or compulsory labor. GRI 408-1, 409-1

According to their procurement category, suppliers undergo detailed analysis in relation to financial aspects and reputational due diligence, both carried out by third parties, specialists in the area. For 2022, sustainability audits are planned on pre-selected suppliers to verify ESG practices.

In addition, 100% of the registration base undergoes a pre-assessment of topics such as anti-corruption and money laundering practices. The contractual clauses cover these topics, as well as items to combat the financing of terrorism, human rights and related to the GDPL. In 2021, we launched the specific Code of Conduct for suppliers, which is mandatory to register with ISA CTEEP.

The Compliance area is also responsible for conducting investigations in the absence of valid information from suppliers. In 2021, the same department created indicators that involve analysis of issues related to labor rights, occupational safety and training certifications.

We also require environmental certifications according to the type of service contracted, which include aspects related to waste disposal, contamination, emissions, and ISO certifications. In 2021, 74.91% of suppliers were hired based on assessments of environmental aspects and 76.74% on social aspects. GRI 308-1, 414-1

For the coming years, eight practices related to supplier management are under development: supplier development, sustainability audit, supplier surveillance, timely monitoring, prior audits, supplier of the supplier, execution audit and transfer of good practices.

Inventory management

In 2021, we continued the strategic asset management planning process and the reorganization of equipment in the various yards of the Distribution Center, as well as the replacement of items that are unnecessary or outdated after technical analysis.

A process pilot was implemented with the main equipment in order to guarantee the quality of the equipment in stock in the long term. The project foresees the expansion of this pilot in 2022.

In addition, the review of the registration base of materials was completed, bringing greater reliability in the system information and security in compliance with Aneel's rules (Manual of Patrimonial Control of the Electric Sector). In the period, we held a scrap auction for the first time, which contributed to financial gains and the correct final disposal.

Economic and financial results

GRI 103-2, 103-3 | 201, 201-1, 201-4

- Financial indicators
- Value Added Statements (VAS)
- Green bonds



Rafaela da Silva, Auditor Engineer, of the headquarters (SP).



ISA CTEEP is committed to sustainability in the broadest sense, mitigating environmental impacts in the construction, operation and maintenance of assets, seeking to generate sustainable value for society and for the shareholder.

An important advance occurred in 2021, with the approval by Aneel of the reprofiling of the Base Network of the Existing System (RBSE). The measure closes the regulatory discussion of almost a decade on the payment of RBSE and, although it reflects the mismatch of the financial flow established in Homologatory Resolution No. 2.714/2020, it preserves the economic value for ISA CTEEP, guarantees the payment of the financial component of RBSE until 2028 and maintains the remuneration for the regulatory cost of capital (WACC) defined in the Periodic Tariff Review of 2018.

As of the 2023/2024 cycle, the payment flows provided by Aneel return to levels similar to those approved in Homologatory Resolution No. 2.714/2020. Thus, it should be noted that the measure does not change our strategy of sustainable growth, investment and cost austerity in the search for maximizing value generation for our shareholders and stakeholders.

Another highlight in 2021 was the completion of the acquisition of PBTE (Piratininga – Bandeirantes Transmissora de Energia), which became part of the company's economic and financial result as of March 2021.

In addition, it should be noted that, once again, Fitch Ratings, a credit risk rating agency, reaffirmed our Long-Term National Rating in 'AAA(bra)', reflecting our strong credit quality, due to the low business risk of the electricity transmission sector in Brazil, as well as our performance with capital discipline and growth with sustainable value generation.

RBSE reprofiling
Sustainable growth strategy and cost austerity to maximize value generation



¹ Values in the graph represent amounts defined for the 2017/2018 cycles (REH ANEEL No. 2,258), 2018/2019 (REH ANEEL No. 2,408), 2019/2020 (REH ANEEL No. 2,565) and 2020/2021 (REH ANEEL No. 2,725). Premises for future cycle according to REN ANEEL No. 762/2017 and based on the spreadsheets published at the end of CP No. 22/2020. Nominal values - baseline date: June 2021



■ Ke (Portion of remuneration of the cost of equity)
 ■ Ex-Ke Financial Component
 ■ Economic Component

Consolidated DRE IFRS

(R\$ million)	2020	2021	vs (%)
Gross Operating Revenue	4,241.0	6,335.7	49.4%
Infrastructure Revenue	1,135.5	1,150.2	1.3%
Gross Revenue from Operation and Maintenance	1,071.1	1,130.0	5.5%
Efficiency gain in infrastructure implementation	153.0	142.2	-7.1%
Compensation of the concession assets	1,846.1	3,867.7	109.5%
Other Revenue	35.2	45.6	29.5%
Deductions from Operating Revenue	(544.6)	(801.6)	47.2%
Net operating revenue	3,696.4	5,534.1	49.7%
Operating Costs and Expenses	(1,389.5)	(1,636.5)	17.8%
Revenue - Periodic Tariff Review (RTP)	1,477.6	54.8	-96.3%
Other Revenue/Operating Expenses	170.2	(33.8)	-119.9%
Equity Accounting	472.5	518.5	9.7%
Financial result	(209.2)	(631.0)	201.6%
Income tax and social contribution on income	(835.4)	(768.4)	-8.0%
Net income	3,382.6	3,037.7	-10.2%
EBITDA	4,449.6	4,460.1	0.2%
Gross Indebtedness	4,535.7	7,416.5	63.5%
Remuneration of shareholders (*)	747.4	2,656.5	255.4%

(*) amounts paid in the year of Dividends and JCP.

Value Added Statements (VAS) GRI 201-1

In 2021, the Value Added totaled R\$ 5.73 billion (R\$ 5.7 billion in 2020), being distributed as follows:

Revenue	Unit	2019	2020	2021
Operational	R\$ thousand	3,788,758	5,718,617	6,390,455
Other operational	R\$ thousand	16,892	192,760	24,718
	R\$ thousand	3,805,650	5,911,377	6,415,173
Supplies purchased from third parties				
Cost of services provided	R\$ thousand	(43,613)	(57,837)	(1,083,328)
Materials, energy, outsourced services and others	R\$ thousand	(751,761)	(970,429)	(188,508)
	R\$ thousand	(795,374)	(1,028,266)	(1,271,836)
Gross value added	R\$ thousand	3,010,276	4,883,111	5,143,337
Withholdings				
Depreciation and amortization	R\$ thousand	(19,963)	(19,791)	(22,802)
Net value added produced by the entity	R\$ thousand	2,990,313	4,863,320	5,120,535
Received in transfer				
Result of equity accounting	R\$ thousand	179,788	472,525	518,548
Financial income	R\$ thousand	439,041	371,349	87,530
Total value added for distribution	R\$ thousand	3,609,142	5,707,194	5,726,613
Value added distribution				
Personnel				
Direct remuneration	R\$ thousand	(174,409)	(191,638)	(179,049)

Benefits	R\$ thousand	(62,948)	(69,106)	(109,843)
FGTS (Government's severance fund)	R\$ thousand	(21,435)	(16,254)	(22,148)
		(258,792)	(276,998)	(311,040)
Taxes, fees, and contributions				
Federal	R\$ thousand	(906,556)	(1,424,598)	(1,615,078)
State	R\$ thousand	(1,385)	(1,507)	(1,019)
Municipal	R\$ thousand	(34,988)	(38,566)	(38,942)
		(942,929)	(1,464,671)	(1,655,039)
Remuneration of third-party capital				
Leases	R\$ thousand	(5,994)	(3,265)	(6,369)
Interest and monetary and foreign exchange adjustments	R\$ thousand	(621,976)	(579,610)	(716,357)
		(627,970)	(582,875)	(722,726)
Remuneration of Equity Capital				
Interest on Equity and Dividend	R\$ thousand	(917,459)	(1,670,630)	(1,309,030)
Retained profit	R\$ thousand	(861,992)	(1,712,020)	(1,728,778)
		(1,779,451)	(3,382,650)	(3,037,808)
Total value added distributed	R\$ thousand	3,609,142	5,707,194	5,726,613



Learn more in ISA CTEEP's
Green Bonds Framework

Green bonds

We actively work for the transmission of renewable energy and in innovation ecosystems, through the development of initiatives for the creation of a society with innovative infrastructure and that provides access to energy with reliability and security for the population.

In this context, we have reinforced our commitments to sustainable development and the transition to a low-carbon economy through green bond issues since 2018 to finance the reinforcements, improvements and investments in new projects.

In 2021, we raised funds through the issuance of green bonds in the amount of R\$ 672.5 million, fully allocated to the new transmission line projects (greenfield) of Três Lagoas (SP and MS), Triângulo Mineiro (MG) and Minuano (RS), auctioned in the December 2019 auction.

In addition, we have adhered to the Green Bond Transparency Platform (GBTP). The tool was developed by the Inter-American Development Bank (IDB) to disseminate information in a standardized manner on the use of resources, impacts, methodologies and standards used in the issuance of green bonds.



Annexes



Jonathas Jose Dos Santos, real-time potential system operator, from Bom Jardim (SP) office.

- Complement of GRI indicators
- GRI content index
- Letter of assurance
- Credits

Complement of GRI indicators

102-7 Scale of the organization

		ISA CTEEP			Serra do Japi			Evrecy			IEMG			Pinheiros			IENNE		
	Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total energy transmitted	GWh	140,013.40	134,933.03	136,812.30	7,008	7,008	7,008	1,314	1,314	1,314	1,799.63	1,799.63	1,799.63	17,082	17,082	17,082	3,599.27	3,599.27	3,599.27
Installed transformation capacity	MVA	48,804.93	48,824.93	50,057.40	2,000	2,000	2,000	450	450	450	-	-	-	4,200	4,200	4,500	-	-	-
Number of substations	Number	110	110	110	2	2	2	2	2	2	-	-	-	6	6	5	-	-	-
Number of municipalities	Number	402	86	87	12	2	2	7	3	2	13	-	-	6	6	5	19	-	-

		IE SUL			IE Itaquerê			IE Aguapeí			IE Itapura			IE Tibagi		
	Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total energy transmitted	GWh	3,285	3,285	3,285	-	-	110.48	-	-	5,601.60	-	-	1,520.84	-	-	2,190.00
Installed transformation capacity	MVA	900	900	900	-	-	900	-	-	1,400	-	-	1,450	-	-	500
Number of substations	Number	2	2	2	-	-	0	-	-	2	-	-	1	-	-	0
Number of municipalities	Number	17	7	2	-	-	0	-	-	2	-	-	1	-	-	0

The companies IE Itaquerê, IE Aguapeí, IE Itapura and IE Tibagi started operating in 2021, therefore, the data are represented by one - in previous years. The companies IENNE and IEMG do not have their own assets.

GRI 102-8. Information on employees and other workers

Employees by type of employment contract and gender

Type of contract	2019			2020			2021 ¹		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	1,206	191	1,397	1,216	192	1,408	1,140	184	1,324
Temporary	23	16	39	16	16	32	0	0	0
Total	1,229	207	1,436	1,217	194	1,440	1,140	184	1,324

¹ For 2021, the premise was revised and the calculation does not include board members, interns and apprentices, as in 2019 and 2020.

GRI 102-8. Information on employees and other workers¹

ISA CTEEP

Employment category	2019	2020	2021	2021		Under 30		30 to 50		Over 50	
	Total	Total	Total	Man	Woman	Man	Woman	Man	Woman	Man	Woman
Chairman	1	1	1	1	0	0	0	0	0	1	0
Board members ¹	21	19	9	7	2	0	0	2	1	5	1
Directors	2	7	8	4	4	0	0	4	4	0	0
Managers	30	27	26	21	5	0	0	14	4	7	1
Coordinators	71	70	69	57	12	1	0	40	12	16	0
Specialists	28	22	22	13	9	1	1	10	8	2	0
Administration	277	266	255	121	134	21	31	84	98	16	5
Operational	968	999	943	923	20	119	13	614	6	190	1
Apprentices	10	8	9	3	6	3	6	0	0	0	0
Interns	28	21	5	4	1	4	1	0	0	0	0
Total	1,436	1,440	1,347	1,154	193	149	52	768	133	237	8

¹ For 2021, the premise was revised and the calculation does not include board members, interns and apprentices, as in 2019 and 2020.

GRI 203-1. Infrastructure investments and services supported

Private Social Investment (incentive and own – R\$)

	2019	2020	2021
Education	990,293.00	5,393,402.00	0.00
Institutional strengthening	3,003,252.40	6,489,481.00	0.00
Local development	100,000.00	0.00	2,500.00
Infrastructure	0.00	347,147.00	1,567,416.42
Health and Wellbeing	2,193,305.38	6,652,552.00	70,000.00
Culture and sport support	1,807,595.00	0.00	1,500,000.00
Total	8,094,445.78	18,882,582.00	3,139,916.42

GRI 204-1. Proportion of spending on local suppliers¹

		ISA CTEEP			Serra do Japi			Evrecy			IEMG		
	Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Percentage of spending on local suppliers	%	99.69	99.81	99.18	100.00	100.00	100.00	100.00	100.00	99.93	100.00	100.00	99.86
Local purchases	R\$	301,584,843.20	1,106,090,090.36	1,442,957,400.77	1,249,648.87	2,125,836.91	4,907,247.65	1,367,555.81	442,370,356.19	125,592,639.74	1,661,088.53	418,003,684.88	61,759,530.93
Total purchases	R\$	302,515,915.92	1,108,192,113.69	1,454,846,160.10	1,249,648.87	2,125,836.91	4,907,247.65	1,367,555.81	442,370,356.19	125,676,639.74	1,661,088.53	418,003,684.88	61,843,530.93

		Pinheiros			IENNE			IE SUL		
	Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021
Percentage of spending on local suppliers	%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Local purchases	R\$	14,632,827.85	14,709,063.24	12,910,816.04	5,370,530.00	24,248,808.04	11,568,570.25	809,644.44	9,710,377.21	45,986,902.20
Total purchases	R\$	14,632,827.85	14,709,063.24	12,910,816.04	5,370,530.00	24,248,808.04	11,568,570.25	809,644.44	9,710,377.21	45,986,902.20

¹ The companies IE Aguapeí, IE Itapura, IE Itaquê, IE Tibagi started operating in 2021. The companies IE Itaúnas, IE Biguaçu, IE Riacho Grande do not have data prior to 2021 because they are still under construction.

	Unit	IE Aguapeí			IE Biguaçu			IE Itapura			IE Itaquerê		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2021		
Percentage of spending on local suppliers	%	-	-	100.00	-	-	95.66	-	-	100.00	-	-	100.00
Local purchases	R\$	-	-	29,952,294.18	-	-	60,938,033.34	-	-	12,585,372.20	-	-	7,754,055.58
Total purchases	R\$	-	-	29,952,294.18	-	-	63,703,283.34	-	-	12,585,372.20	-	-	7,754,055.58

	Unit	IE Itaúnas			IE Riacho Grande			IE Tibagi		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
Percentage of spending on local suppliers	%	-	-	99.46	-	-	95.12	-	-	100.00
Local purchases	R\$	-	-	51,740,538.69	-	-	461,028,594.32	-	-	22,286,829.02
Total purchases	R\$	-	-	52,020,538.69	-	-	484,662,628.65	-	-	22,286,829.02

¹ The companies IE Aguapeí, IE Itapura, IE Itaquerê, IE Tibagi started operating in 2021. The companies IE Itaúnas, IE Biguaçu, IE Riacho Grande do not have data prior to 2021 because they are still under construction.

EU4. Length of above and underground transmission and distribution lines by regulatory regime – 2021

	Transmission Lines (km)	Circuit (km)	Substations	Capacity (MVA)		Transmission Lines (km)	Circuit (km)	Substations	Capacity (MVA)
Operational	19,045	26,140	126	71,721	Under construction	1,661	2,324	11	9,729
ISA CTEEP	14,632	19,285	110	50,057	Biguaçú	27	57	1	300
IENNE	710	710	-	-	Itaúnas	79	79	1	1,350
Evrecy	163	163	2	450	Paraguaçú ¹	338	338	-	-
IEMG	173	173	-	-	Aimorés ¹	208	208	-	-
Pinheiros	1	1	5	4,500	Ivaí ¹	600	1,200	3	2,988
Serra do Japi	137	137	2	2,000	Minuano (Evrecy)	169	169	1	2,691
IE SUL	179	202	2	900	Três Lagoas (Tibagi)	37	37	-	-
Itapura – Bauru – Lorena ²	-	-	1	1,450	Triângulo Mineiro (IEMG)	172	173	4	1,600
Madeira ¹	2,385	4,770	-	7,464	Riacho Grande	31	63	1	800
Garanhuns ¹	633	633	2	2,100	Total (Operation + under construction)	20,707	28,463	137	81,450
Itaquerê	-	-	-	900					
Tibagi	17	34	-	500					
Aguapeí ²	-	-	2	1,400					
PBTE	15	30	-	-					

¹ 100% project information.

² Values of lines and circuit zeroed due to non-expensive transfer of assets to ISA CTEEP.

GRI 302-1. Energy consumption within the organization

Fuel consumption (L) ¹

	2019	2020	2021
Gasoline	19,816.20	9,131.97	23,665.17
Diesel	477,643.24	522,426.13	689,988.07
Ethanol ³	722,992.14	652,229.11	674,287.06
Total	1,220,451.58	1,183,787.21	1,387,940.30

Fuel consumption (GJ) ²

Gasoline	638.87	294.41	762.97
Diesel	16,956.34	18,546.13	24,494.58
Ethanol ²	16,166.10	14,583.84	15,077.06
Total	33,761.31	33,424.39	40,334.60

¹ Fuel consumption is not segregated by company. The data refer to the consolidated of each year.

² As of 2021, the calculation criterion was adjusted to adjust to the National Energy Balance standard of the corresponding years.

³ Renewable source fuel.

		ISA CTEEP			Serra do Japi			Evrecy			IEMG		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Energy consumed (KWh)													
Total electricity consumption	KWh	3,738,548.66	2,768,868.60	2,740,789.86	0	0	0	63,550.00	63,058.00	74,330.00	191,815.00	188,380.00	186,332.00
Energy consumed (GJ)¹													
Total electricity consumption	GJ	13,458.78	9,967.93	9,866.84	0	0	0	228.78	227.01	267.59	690.53	678.17	670.80
		PINHEIROS			IENNE			IE SUL			ITAPURA ²		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Energy consumed (KWh)													
Total Electricity Consumption	KWh	4,878.50	6,083.22	0	360,034.00	356,310.00	303,384.00	46,251.00	47,394.00	46,101.00	0	0	47,291.40
Energy consumed (GJ)¹													
Total Electricity Consumption	GJ	17.56	21.90	0	1,296.12	1,282.72	1,092.18	166.50	172.56	165.96	0	0	170.25

¹ As of 2021, the calculation criterion was adjusted to adjust to the National Energy Balance standard of the corresponding years.

² IE Itapura started operating in 2021, so there is no data available for 2019 and 2020.

GRI 303-5 (2019). Water consumption

	Unit	ISA CTEEP			Serra do Japi			Evrecy			IEMG		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Water from wells	m ³	55,535.60	46,600.90	48,993.08	94.85	115.47	274.09	0	0	2.27	0	0	52
Water from utilities	m ³	19,519.06	12,926.83	18,990.40	132	127	105	62	63.3	68.3	74	60	81.8
Water from tank trucks	m ³	410	250	140	0	0	0	0	0.01	0	0	0	0
Rainwater harvesting	m ³	9.83	3	17	0	0	0	0	0	0	0	0	0

	Unit	Pinheiros			IENNE			IE SUL			IE Itapura ¹		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Water from wells	m ³	483	493	692	0	0	208.45	0	262.44	266	-	-	118.00
Water from utilities	m ³	1,979	1,262	559	0	0	0	0	218.87	121.19	-	-	0
Water from tank trucks	m ³	0	0	0	0	0	0	0	0	0.40	-	-	0
Rainwater harvesting	m ³	0	0	0	0	0	0	0	0	0	-	-	0

² IE Itapura started operating in 2021, so there is no data available for 2019 and 2020.

GRI 304-1, 304-2 and 304-3. Protected/restored/impacted areas

		ISA CTEEP			Serra do Japi			Evrecy			IEMG			Pinheiros			IENNE			IE SUL			
		Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total area impacted	Total number of trees removed		7	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Protected/ Conservation Areas	Hectares		46.43	46.43	46.43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Restored Areas	Hectares		14	17.6	22.88	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GRI 305-1, 305-2 and 305-3. Greenhouse Gas (GHG) Emissions

Direct GHG emissions (t CO₂ equivalent)^{1,2,3}

	Unit	2019	2020	2021
Direct (Scope 1) GHG emissions ¹	tCO ₂ e	19,371.79	17,908.37	20,083.33
Energy indirect (Scope 2) GHG emissions	tCO ₂ e	522,914.71	417,524.57	912,264.16
Other indirect (Scope 3) GHG emissions	tCO ₂ e	13,058,342.18	10,433,193.13	22,796,356.61

¹ Scope 1 - Emissions from changes in land use and occupation were not considered.

This information will be provided in the Registry of Public Emissions.

² In 2021, the GHG Protocol calculation tool updated the GWP of some emission sources.

³ There was an increase compared to previous years, since new assets came into operation in 2021.

GRI 305-4. GHG emissions intensity

	Carbon Intensity		
	2019	2020	2021
Total emissions/Energy transmitted (tCO ₂ e/MWh of energy transmitted)	0.0031	0.0026	0.0052

306-3 – Total weight of waste by type and disposal (tonnes)¹

		ISA CTEEP			
		Destination	2019	2020	2021
Hazardous Waste	Recycling		541.61	348.63	465.72
Hazardous Waste	Co-processing		2.88	26.51	27.49
Hazardous Waste	Landfill		0	16.1	0.12
Hazardous Waste	Reuse		0	0	0
Hazardous Waste	Refining		950.29	2.57	0
Hazardous Waste	Incineration		0	0	14.50
Hazardous Waste	Other type of disposal		0	0	0.28
Non-Hazardous Waste	Recycling		2,307.9	1,083.36	2,932.59
Non-Hazardous Waste	Composting		0	0	0
Non-Hazardous Waste	Co-processing		0	0.55	1.32
Non-Hazardous Waste	Landfill		13.27	330.41	170.26
Non-Hazardous Waste	Other type of disposal		0	0	0.50

¹ In order to record the volume of waste generated, the destination of recoverable and non-recoverable waste was considered.

GRI 308-1. New suppliers that were selected based on environmental criteria; GRI 308-2 Negative environmental impacts on the supply chain and measures taken; GRI 414-1 New suppliers selected based on social criteria

		ISA CTEEP			Serra do Japi			Evrecy			IEMG			Pinheiros			IENNE			IE SUL		
	Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Environmental aspects																						
Total number of suppliers with contracts signed in the reporting year	Number	143	231	226	5	14	21	5	27	37	7	27	37	13	23	30	11	20	33	5	24	34
Percentage of new suppliers evaluated and selected according to environmental criteria	%	53.15	70.56	77.43	40	57.14	66.67	40	59.26	78.38	57.14	62.96	78.38	53.85	69.57	73.33	72.73	60	72.73	40	58.33	79.41
Number of suppliers assessed for environmental impacts	Number	133	198	277	2	9	19	2	17	34	4	18	35	7	20	27	8	14	30	2	14	33
Human Rights Criteria ¹																						
Total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Number	116	227	386	2	9	23	3	18	37	5	22	45	11	20	39	7	14	34	3	14	34
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	%	66.67	76.17	83.73	40	64.29	74.19	60	64.29	74	71.43	73.33	80.36	78.57	80	81.25	63.64	58.33	75.56	75	58.33	79.07

	Unit	IE Aguapeí			IE Biguaçu		
		2019	2020	2021	2019	2020	2021
Environmental aspects							
Total number of suppliers with contracts signed in the reporting year	Number	-	-	18	-	-	20
Percentage of new suppliers that were screened using environmental criteria	%	-	-	72.22	-	-	70
Number of suppliers assessed for environmental impacts	Number	-	-	14	-	-	21
Social Assessments ¹							
Percentage of new suppliers that were screened using social criteria	%	-	-	77.78	-	-	75
Number of suppliers assessed for social impacts	Number	-	-	15	-	-	20
Human Rights Criteria ¹							
Total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Number	-	-	19	-	-	27
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	%	-	-	73.08	-	-	79.41

	Unit	IE Itapura			IE Itaquerê		
		2019	2020	2021	2019	2020	2021
Total number of suppliers with contracts signed in the reporting year	Number	-	-	14	-	-	18
Percentage of new suppliers that were screened using environmental criteria	%	-	-	57.14	-	-	77.43
Number of suppliers assessed for environmental impacts	Number	-	-	11	-	-	14
Social Assessments ¹							
Percentage of new suppliers that were screened using social criteria	%	-	-	64.29	-	-	72.22
Number of suppliers assessed for social impacts	Number	-	-	12	-	-	14
Human Rights Criteria ¹							
Total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Number	-	-	17	-	-	17
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	%	-	-	73.91	-	-	73.91

	Unit	IE Itaúnas			IE Riacho Grande		
		2019	2020	2021	2019	2020	2021
Total number of suppliers with contracts signed in the reporting year	Number	-	-	20	-	-	17
Percentage of new suppliers that were screened using environmental criteria	%	-	-	70	-	-	14
Number of suppliers assessed for environmental impacts	Number	-	-	14	-	-	14
Social Assessments ¹							
Percentage of new suppliers that were screened using social criteria	%	-	-	75	-	-	82.35
Number of suppliers assessed for social impacts	Number	-	-	22	-	-	14
Human Rights Criteria ¹							
Total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Number	-	-	20	-	-	18
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	%	-	-	68.97	-	-	81.82

		IE Tibagi		
	<i>Unit</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>
Total number of suppliers with contracts signed in the reporting year	Number	-	-	21
Percentage of new suppliers that were screened using environmental criteria	%	-	-	61.9
Number of suppliers assessed for environmental impacts	Number	-	-	24
Social Assessments ¹				
Percentage of new suppliers that were screened using social criteria	%	-	-	66.67
Number of suppliers assessed for social impacts	Number	-	-	25
Human Rights Criteria ¹				
Total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Number	-	-	25
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	%	-	-	69.44

¹ Regarding the items on identification of suppliers with negative impacts requested by the GRI indicator, at the moment we do not have evaluation processes that can answer them. For this reason, there is no data available at this time.

² The companies IE Aguapeí, IE Itapura, IE Itaquerê, IE Tibagi started operating in 2021. IE Itaúnas, IE Biguaçu, IE Riacho Grande do not have data prior to 2021 because they are still under construction.

GRI 401-1. New employee hires and employee turnover

	Turnover ¹		
	2019	2020	2021
	No.	No.	No.
New hires	98	207	115
Total terminations	161	202	182
Hiring rate (%)	7.12	14.38	8.71
Turnover Rate – Total (%)	9.40	14.20	11.22
Turnover Rate – Men (%)	7.90	9.65	9.44
Turnover Rate – Women (%)	19.15	4.55	22.65
Number of voluntary terminations – Men	21	45	61
Number of voluntary terminations – Women	18	19	29
Total number of voluntary terminations – Men + Women	101	64	90
Number of dismissals or terminations of contracts – Men	21	92	77
Number of dismissals or terminations of contracts – Women	128	46	14
Total number of dismissals or terminations of contracts – Men + Women	144	138	91
Percentage of positions occupied by internal recruitment	7.02	0.00	17.39
Average permanence of active employees	13.20	12.20	11.89

¹ Only CLT employees were considered. Advisors, apprentices and trainees are not included.

GRI 401-3. Maternity/paternity leave

	Maternity/paternity leave	
		2021
Employees who <u>took</u> leave (No.)	men	26
	women	7
Employees who <u>returned</u> to work, in the reporting period, after the end of the leave (No.)	men	26
	women	7
Employees who returned to work after their leave and remained employed 12 months after returning to work (No.)	men	23
	women	6
Return Rate (%)	men	100
	women	100

GRI 404-1. Average hours of training per year per employee

Average hours of employee training by gender

	2019	2020	2021
Men	89.50	48.67	39.47
Women	28.90	31.43	13.19

Average hours of employee training by employment category

	2019	2020	2021
Board members	0	0	0
Chairman	0	1	4
Directors	51	4.76	9.25
Managers	41.03	13.22	12.64
Coordinators	61.95	31.34	23.16
Specialists	34.07	19.18	17.95
Administration	20.83	22.20	9.16
Operations technicians	104.34	53.19	43.89
Interns	0	210.16	268
Apprentices	0	3.69	1.88

GRI 403-9 (2019). Workplace accidents

Indicator Company Employees

	2019	2020	2021
Number of lost time accidents	5	5	7
Number of non-lost time accidents	6	2	3
Number of fatal accidents	0	0	0

Indicator Company Employees

	2019	2020	2021
Frequency rate	4.76	2.8	3.79
Rate of lost days	23.78	28.01	51.48

Indicator Contractors

	2019	2020	2021
Number of lost time accidents	17	17	18
Number of non-lost time accidents	8	10	10
Number of fatal accidents	0	1	3
Frequency rate	11.01	8.94	7.18

Indicator Company Employees and third parties

	2019	2020	2021
Number of lost time accidents	22	22	25
Number of non-lost time accidents	14	12	13
Number of fatal accidents	0	1	3
Frequency rate	7.85	6.21	5.89

**According to Grupo ISA guidelines, to calculate the frequency rate of accidents, CTEEP considers the total number of accidents recorded, divided by the total Man Hours Worked, multiplied by 1,000,000*

GRI 404-3. Total number of employees receiving regular performance and career development reviews

	2021	
	Men	Women
Board members	0	0
President	1	0
Directors	5	3
Managers	22	5
Coordinators	53	11
Specialists	13	8
Administration	112	128
Operational	874	17
Interns	20	4
Apprentices	3	6

GRI 405-1. Diversity of governance bodies and employees

Individuals within the governing bodies of the organization, by gender (%)

		Members of the governance bodies	
2020	Men		20
	Women		7
	Total		27
2021	Men		12
	Women		6
	Total		18

Individuals within the governance bodies of the organization by age group (%)

		Members of the governance bodies	
2020	Under 30		0
	From 30 to 50 years		11
	Over 50 years		16
	Total		27
2021	Under 30		0
	From 30 to 50 years		11
	Over 50 years		7
	Total		18

Employees of underrepresented groups, by gender

				2021
	Black and brown people	Black and brown people in managerial positions	Persons with disabilities	
Men	236	1		28
Women	46	0		21
Total	282	1		49

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

Mathematical ratio between basic salary for women and men by functional category (%)

	2019	2020	2021
Board members	1.00	1.00	0.64
Chairman	NA	0.00	0.00
Directors	NA	0.90	1.10
Managers	1.03	0.97	0.82
Coordinators	1.07	0.98	1.06
Specialists	1.02	0.98	0.95
Administration	0.96	0.93	0.97
Operations technicians	1.41	1.34	1.42

GRI 408-1. Operations and suppliers at significant risk for incidents of child labor;

GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

Percentage of suppliers/operations with significant risk of child, forced or compulsory labor (%)	NA	NA	NA
Measures adopted that aim to abolish child, forced or compulsory labor in suppliers	Suppliers' code of conduct, contractual clauses, supplier performance evaluation	Suppliers' code of conduct, contractual clauses, supplier performance evaluation	Suppliers' code of conduct, contractual clauses, supplier performance evaluation
Total number of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	116	227	741
Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	66.67	76.17	79.18

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

	Unit	2019	2020	2021
AS - Alternative sources of electricity generation	R\$	0.00	0.00	0.00
TG - Thermoelectric Generation	R\$	0.00	0.00	0.00
MW - Management of Watersheds and Reservoirs	R\$	0.00	0.00	0.00
EN – Environment	R\$	1,812,792.65	542,198.56	93,669.74
SA - Safety	R\$	1,841,982.50	0.00	0.00
EE - Energy Efficiency	R\$	0.00	0.00	0.00
PL - Planning of Electric Energy Systems	R\$	0.00	2,683,378.00	2,216,777.46
OP – Operation of Electric Energy Systems	R\$	7,097,246.08	4,459,771.16	4,616,630.04
SC - Supervision, Control, and Protection of Electric Energy Systems	R\$	0.00	3,709,657.80	9,182,770.43
QR – Quality and Reliability of Electric Energy Services	R\$	0.00	0.00	0.00
MB – Measurement, billing, and combating commercial losses	R\$	0.00	0.00	0.00
OT – Other	R\$	2,631,371.63	2,093,263.21	3,319,790.08
Total	R\$	13,383,392.86	13,488,268.73	19,429,637.75

Serra do Japi					Evreco				
	Unit	2019	2020	2021		Unit	2019	2020	2021
AS - Alternative sources of electricity generation	R\$	0.00	0.00	0.00	AS - Alternative sources of electricity generation	R\$	0.00	0.00	0.00
TG - Thermoelectric Generation	R\$	0.00	0.00	0.00	TG - Thermoelectric Generation	R\$	0.00	0.00	0.00
MW - Management of Watersheds and Reservoirs	R\$	0.00	0.00	0.00	MW - Management of Watersheds and Reservoirs	R\$	0.00	0.00	0.00
EN – Environment	R\$	0.00	0.00	0.00	EN – Environment	R\$	0.00	0.00	0.00
SA - Safety	R\$	0.00	0.00	0.00	SA - Safety	R\$	0.00	0.00	0.00
EE - Energy Efficiency	R\$	0.00	0.00	0.00	EE - Energy Efficiency	R\$	0.00	0.00	0.00
PL - Planning of Electric Energy Systems	R\$	0.00	0.00	0.00	PL - Planning of Electric Energy Systems	R\$	0.00	0.00	0.00
OP – Operation of Electric Energy Systems	R\$	300,400.00	233,600.00	40,000.00	OP – Operation of Electric Energy Systems	R\$	75,000.00	79,000.00	0.00
SC - Supervision, Control, and Protection of Electric Energy Systems	R\$	0.00	0.00	0.00	SC - Supervision, Control, and Protection of Electric Energy Systems	R\$	0.00	0.00	0.00
QR – Quality and Reliability of Electric Energy Services	R\$	0.00	0.00	0.00	QR – Quality and Reliability of Electric Energy Services	R\$	0.00	0.00	0.00
MB – Measurement, billing, and combating commercial losses	R\$	0.00	0.00	0.00	MB – Measurement, billing, and combating commercial losses	R\$	0.00	0.00	0.00
OT – Other	R\$	0.00	0.00	117,426.00	OT – Other	R\$	0.00	0.00	66,956.00
Total	R\$	300,400.00	233,600.00	157,426.00	Total	R\$	75,000.00	79,000.00	66,956.00

		IEMG		
	Unit	2019	2020	2021
AS - Alternative sources of electricity generation	R\$	0.00	0.00	0.00
TG - Thermoelectric Generation	R\$	0.00	0.00	0.00
MW - Management of Watersheds and Reservoirs	R\$	0.00	0.00	0.00
EN – Environment	R\$	0.00	0.00	0.00
SA - Safety	R\$	0.00	0.00	0.00
EE - Energy Efficiency	R\$	0.00	0.00	0.00
PL - Planning of Electric Energy Systems	R\$	0.00	0.00	0.00
OP – Operation of Electric Energy Systems	R\$	0.00	103,000.00	0.00
SC - Supervision, Control, and Protection of Electric Energy Systems	R\$	0.00	0.00	0.00
QR – Quality and Reliability of Electric Energy Services	R\$	0.00	0.00	0.00
MB – Measurement, billing, and combating commercial losses	R\$	0.00	0.00	0.00
OT – Other	R\$	0.00	0.00	0.00
Total	R\$	0.00	103,000.00	0.00

		Pinheiros		
	Unit	2019	2020	2021
AS - Alternative sources of electricity generation	R\$	0.00	0.00	0.00
TG - Thermoelectric Generation	R\$	0.00	0.00	0.00
MW - Management of Watersheds and Reservoirs	R\$	0.00	0.00	0.00
EN – Environment	R\$	0.00	0.00	0.00
SA - Safety	R\$	0.00	0.00	0.00
EE - Energy Efficiency	R\$	0.00	0.00	0.00
PL - Planning of Electric Energy Systems	R\$	0.00	0.00	0.00
OP – Operation of Electric Energy Systems	R\$	263,040.00	308,900.00	17,700.00
SC - Supervision, Control, and Protection of Electric Energy Systems	R\$	0.00	0.00	0.00
QR – Quality and Reliability of Electric Energy Services	R\$	0.00	0.00	0.00
MB – Measurement, billing, and combating commercial losses	R\$	0.00	0.00	0.00
OT – Other	R\$	0.00	0.00	0.00
Total	R\$	263,040.00	308,900.00	17,700.00

IENTE

	Unit	2019	2020	2021
AS - Alternative sources of electricity generation	R\$	0.00	0.00	0.00
TG - Thermoelectric Generation	R\$	0.00	0.00	0.00
MW - Management of Watersheds and Reservoirs	R\$	0.00	0.00	0.00
EN – Environment	R\$	0.00	0.00	0.00
SA - Safety	R\$	0.00	0.00	0.00
EE - Energy Efficiency	R\$	0.00	0.00	0.00
PL - Planning of Electric Energy Systems	R\$	0.00	0.00	0.00
OP – Operation of Electric Energy Systems	R\$	265,000.00	0.00	0.00
SC - Supervision, Control, and Protection of Electric Energy Systems	R\$	0.00	0.00	0.00
QR – Quality and Reliability of Electric Energy Services	R\$	0.00	0.00	0.00
MB – Measurement, billing, and combating commercial losses	R\$	0.00	0.00	0.00
OT – Other	R\$	0.00	0.00	90,360.00
Total	R\$	265,000.00	0.00	90,360.00

IESUL

	Unit	2019	2020	2021
AS - Alternative sources of electricity generation	R\$	0.00	0.00	0.00
TG - Thermoelectric Generation	R\$	0.00	0.00	0.00
MW - Management of Watersheds and Reservoirs	R\$	0.00	0.00	0.00
EN – Environment	R\$	0.00	0.00	0.00
SA - Safety	R\$	0.00	0.00	0.00
EE - Energy Efficiency	R\$	0.00	0.00	0.00
PL - Planning of Electric Energy Systems	R\$	0.00	0.00	0.00
OP – Operation of Electric Energy Systems	R\$	134,000.00	0.00	0.00
SC - Supervision, Control, and Protection of Electric Energy Systems	R\$	0.00	0.00	0.00
QR – Quality and Reliability of Electric Energy Services	R\$	0.00	0.00	0.00
MB – Measurement, billing, and combating commercial losses	R\$	0.00	0.00	0.00
OT – Other	R\$	0.00	0.00	0.00
Total	R\$	134,000.00	0.00	0.00

EU12. Transmission and distribution losses as a percentage of total energy

		ISA CTEEP			Serra do Japi			Evrecy			IEMG		
	Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total transmission losses	GWh	5,600.54	5,397.32	5,472.49	280.32	280.32	280.32	52.56	52.56	52.56	71.99	71.99	72.00
Total transmission losses	%	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

		Pinheiros			IENNE			IE SUL		
	Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total transmission losses	GWh	683.28	683.28	683.28	143.97	143.97	143.96	131.4	131.4	131.40
Total transmission losses	%	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

		IE Aguapeí			IE Itaquerê			IE Itapura			IE Tibagi		
	Unit	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Total transmission losses	GWh	-	-	224.08	-	-	4.40	-	-	60.84	-	-	87.60
Total transmission losses	%	-	-	4	-	-	4	-	-	4	-	-	4

GRI Content Index GRI 102-55

GENERAL DISCLOSURES

GRI Standard	Disclosure	Page/URL	Omission	SDG	Assurance
Organizational profile					
GRI 102: General Disclosures 2016	102-1 Name of the organization	14			
	102-2 Activities, brands, products and services	14			
	102-3 Location of headquarters	15 and 16			
	102-4 Location of operations	15 and 16			
	102-5 Ownership and legal form	14			
	102-6 Markets served	9 and 14		7, 8, 9	
	102-7 Scale of the organization	9, 14, 15, 16 and 82		7, 8, 9	
	102-8 Information on employees and other workers	12, 14, 66, 67 and 83		8, 10	
	102-9 Supply chain	11 and 75		9, 11	
	102-10 Significant changes in the organization and in its supply chain	9, 11 and 75		7, 8, 9	Yes
	102-11 Precautionary Principle or approach	9 and 35		7, 8, 9, 11	Yes
	102-12 External initiatives	11 and 53			
	102-13 Membership of associations	53			11

GRI Standard	Disclosure	Page/URL	Omission	SDG	Assurance
Strategy					
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	3			
	102-15 Key impacts, risks and opportunities	10, 35 and 36		7, 8, 9, 11	Yes
Ethics and integrity					
GRI 102: General Disclosures 2016	102-16 Values, principles, standards and norms of behavior	9, 17, 25 and 67		16	
	102-17 Mechanisms for advice and concerns about ethics	9 and 27		16	Yes
Governance					
GRI 102: 2016 General Disclosures	102-18 Governance structure	9 and 19		16	
	102-19 Delegating authority	Bylaws of the Board of Directors – available here .		16	
	102-20 Executive level responsible for economic, environmental and social topics	9, 21 and 22		16	
	102-21 Consulting with stakeholders on economic, environmental and social topics	8, 9 and 11		16	
	102-22 Composition of the highest governance body and its committees	9, 21 to 23		5, 16	
	102-23 Chair of the highest governance body	9 and 21		16	
	102-24 Nominating and selecting the highest governance body	9 and 21		5, 16	
	102-25 Conflicts of Interest	9, 11 and 26		11, 16	Yes

GRI Standard	Disclosure	Page/URL	Omission	SDG	Assurance
GRI 102: General Disclosures 2016	102-26 Role of highest governance body in setting purpose, values, and strategy	21		16	
	102-27 Collective knowledge of highest governance body	Senior leadership (directors) is covered in our capacity building initiatives. Each director has his/her own development plan, like all employees.		16	
	102-28 Evaluating the highest governance body's performance	9 and 20		16	
	102-30 Effectiveness of risk management processes	9, 10 and 35		16	Yes
	102-33 Communicating critical concerns	9 and 27		16	Yes
	102-34 Nature and total number of critical concerns		Confidentiality Restrictions – The information was not reported to preserve the identity of the reporters.	16	Yes
Stakeholder engagement					
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	8 and 11		16	
	102-41 Collective bargaining agreements	12, 66 and 67		8	
	102-42 Identifying and selecting stakeholders	8 and 11		16	
	102-43 Approach to stakeholder engagement	8 and 11		16	
	102-44 Key topics and concerns raised	8 and 11		16	

GRI Standard	Disclosure	Page/URL	Omission	SDG	Assurance
Reporting practice					
GRI 102: 2016 General Disclosures	102-45 Entities included in the consolidated financial statements	7			
	102-46 Defining report contents and topic boundaries	8 and 9			
	102-47 List of material topics	8 and 9			
GRI 102: General Disclosures 2016	102-48 Restatements of information	The reformulations in the assumptions of the indicators are described throughout the report as footnotes with the marking of this indicator.			
	102-49 Changes in reporting	There were no changes.			
	102-50 Reporting period	7			
	102-51 Date of most recent report	2020			
	102-52 Report cycle	7			
	102-53 Contact point for questions regarding the report	7 and 128			
	102-54 Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the GRI Standards, Core option			
	102-55 GRI content index	107			
	102-56 External assurance	7			

MATERIAL TOPICS

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Economic Performance						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 77				
	103-3 Evaluation of the management approach	77				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	9, 10, 77 and 79		7, 8, 9		
	201-2: Financial implications and other risks and opportunities due to climate change	10, 37 and 60		7, 13, 15	IF-EU-110a.3: Discussion of the long and short-term strategy or plan for managing Scope 1 emissions, emission reduction targets and an analysis of performance against those targets	Yes
Market presence						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	22 and 27				
	103-3 Evaluation of the management approach	22				
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	11 and 22		8, 11, 16		

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Indirect economic impacts						
	103-1 Explanation of the material topic and its boundary	9				
GRI 103: management approach 2016	103-2 The management approach and its components	27 and 62				
	GRI 103-3 Evaluation of the management approach	62				
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	9, 10, 40, 45 and 84		7, 8, 9		
	203-2 Significant indirect economic impacts	9 and 62		7, 8, 9, 11		
Purchase practices						
	103-1 Explanation of the material topic and its boundary	9				
GRI 103: management approach 2016	103-2 The management approach and its components	27 and 75				
	103-3 Evaluation of the management approach	75				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	11, 75 and 85		11		

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Anti-corruption						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	25 and 27				
	103-3 Evaluation of the management approach	25				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	9, 25 and 26		16		Yes
	205-2 Communication and training about anti-corruption policies and procedures	9, 25 and 28		16		Yes
	205-3 Confirmed incidents of corruption and actions taken	9, 25 to 27		16		Yes
Anti-competitive behavior						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	25 and 27				
	103-3 Evaluation of the management approach	25				
GRI 206: 2016 Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	9, 25 and 26		16		

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Energy						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 61				
	103-3 Evaluation of the management approach	61				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	10, 61 and 88		7, 13, 15		Yes
	302-4 Reduction of energy consumption	10 and 61		7, 13, 15		Yes
Water						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 61				
	103-3 Evaluation of the management approach	61				
GRI 303: Water and Effluents 2018	303-5: Water consumption	10, 61 and 90		7, 13, 15	IF-EU-140a.1: Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	
Biodiversity						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 57				
	103-3 Evaluation of the management approach	57				

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	10, 57, 58 and 91		7, 13, 15		
	304-2 Significant impacts of activities, products and services on biodiversity	10, 57 and 91		7, 13, 15		
	304-3 Habitats protected or restored	10, 57, 58 and 91		7, 13, 15		
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	No fauna and flora monitoring studies were carried out for ISA CTEEP's operating projects in 2021.	Yes	7, 13, 15		
Emissions						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 59				
	103-3 Evaluation of the management approach	59				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	10, 59 and 92		7, 13, 15	IF-EU-110a.1: (1) Gross global Scope 1 emissions, percentage covered by (2) emission limitation regulations and (3) emissions reporting regulations	Yes
	305-2 Energy indirect (Scope 2) GHG emissions	10, 59 and 92		7, 13, 15	IF-EU-110a.2: Greenhouse gas (GHG) emissions associated with energy supply	Yes
	305-3 Other indirect (Scope 3) GHG emissions	10, 59 and 92		7, 13, 15		Yes

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
GRI 305: Emissions 2016	305-4 GHG emissions intensity	10, 59, 60 and 92	Yes	7, 13, 15	IF-EU-110a.3: Discussion of the long and short-term strategy or plan for managing Scope 1 emissions, emission reduction targets and an analysis of performance against those targets	Yes
	305-5 Reduction of GHG emissions	10 and 59		7, 13, 15	IF-EU-110a.3: Discussion of the long and short-term strategy or plan for managing Scope 1 emissions, emission reduction targets and an analysis of performance against those targets	Yes
Effluents and waste						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 61				
	103-3 Evaluation of the management approach	61				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	61				
	306-3 Waste generated	10, 61 and 92		7, 13, 15		Yes
Environmental compliance						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 55				
	103-3 Evaluation of the management approach	55				

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	In 2021, we recorded nine non-monetary sanctions due to environmental non-conformities related to environmental damage, vegetation suppression and burning, one of which was solved in the period itself. We have not recorded significant fines (amount above \$10,000).		7, 13, 15		
Environmental evaluation of suppliers						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 76				
	103-3 Evaluation of the management approach	76				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	11, 75, 76 and 93		9, 11		
	308-2 Negative environmental impacts in the supply chain and actions taken	11, 75, 76 and 93		9, 11		
Employment						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 66				
	103-3 Evaluation of the management approach	66				

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	12, 66, 67, 98 and 99		5, 8, 10		
	401-3 Parental leave	12, 73 and 98		3, 5, 8		
Occupational health and safety						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 68				
	103-3 Evaluation of the management approach	68				
GRI 403: 2016 Occupational Health and Safety	403-4 Worker participation, consultation, and communication on occupational health and safety	12 and 68		8		
	403-9 Work-related Injuries	12, 68, 69 and 98		8	IF-EU-320a.1: (1) Total Recordable Incident Rate (TRIR), (2) fatality rate, and (3) Near Miss Frequency Rate (NMFR)	Yes
Training and education						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 70				
	103-3 Evaluation of the management approach	70				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	12, 66, 70, 71 and 99		4, 5, 8, 10		
	404-2 Programs for upgrading employee skills and transition assistance programs	12, 66 and 70		8		
	404-3 Percentage of employees receiving regular performance and career development reviews	12, 70, 71 and 100		5, 8, 10		

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Diversity and equal opportunity						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 71				
	103-3 Evaluation of the management approach	71		8, 16		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	9, 12, 21, 22, 71, 73 and 101		5, 8, 16		
	405-2 Ratio of basic salary and remuneration of women to men	12, 71 and 101		5, 8, 10		
Non-discrimination						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27				
	103-3 Evaluation of the management approach	27				
GRI 406: 2016 non-discrimination	406-1 Incidents of discrimination and corrective actions taken	12 and 27		5, 8		
Freedom of association and collective bargaining						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 67				
	103-3 Evaluation of the management approach	67				
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	12 and 67		8		

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Child Labor						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 76				
	103-3 Evaluation of the management approach	76				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	12, 75, 76 and 102				Yes
Forced or compulsory labor						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 76				
	103-3 Evaluation of the management approach	76				
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	12, 76 and 102		8		Yes
Security practices						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 68				
	103-3 Evaluation of the management approach	68				

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
GRI 410: 2016 Safety Practices	410-1 Security personnel trained in human rights policies or procedures	11, 65, 66 and 68		16		
Rights of Indigenous and Traditional Peoples						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 65				
	103-3 Evaluation of the management approach	65				
GRI 411: Rights of Indigenous and Traditional Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	11 and 65		11, 16		Yes
Human rights evaluation						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 65				
	103-3 Evaluation of the management approach	65				
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	11 and 65		11, 16		Yes
	412-2 Employee training on human rights policies or procedures	11, 65 and 66		11, 16		

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Local communities						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 65				
	103-3 Evaluation of the management approach	65				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	11, 62 and 65	Yes	11, 16		Yes
	413-2 Operations with significant actual and potential negative impacts on local communities	11, 62 and 65		11, 16		Yes
Social assessment of suppliers						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 65				
	103-3 Evaluation of the management approach	65				

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	11, 75, 76 and 93	Data not available because we do not have an internal process that addresses items on social assessments.	5, 8, 11, 16		Yes
Public policies						
	103-1 Explanation of the material topic and its boundary	9				
GRI 103: management approach 2016	103-2 The management approach and its components	25 and 27				
	103-3 Evaluation of the management approach	27				
	GRI 415: Public Policy 2016	415-1 Political contributions	We do not make a contribution to political parties, a commitment signed in our Code of Ethics.	16		
Customer Privacy						
	103-1 Explanation of the material topic and its boundary	9				
GRI 103: management approach 2016	103-2 The management approach and its components	27 and 28				
	103-3 Evaluation of the management approach	28				
	GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	10 and 28	7, 8, 11	IF-EU- 550a1: Number of incidents of non-compliance (non-compliance) with physical and/or cyber security standards or norms	

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Socioeconomic compliance						
GRI 103: management approach 2016	103-1 Explanation of the material topic and its boundary	9				
	103-2 The management approach and its components	27 and 65				
	103-3 Evaluation of the management approach	65				
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	In 2021, we did not record fines or non-monetary sanctions for failure to comply with laws and/or regulations in the economic and social areas. For this indicator, we consider fines and sanctions related to cases of: forced labor, child labor and legal quotas (young apprentice and PwD).		7, 8, 9, 11		
Organizational profile						
Energy Sector Supplement - Organizational Profile	EU3 Number of residential, industrial, institutional and commercial customer accounts	11 and 14		7, 9, 11		
	EU4 Length of above and underground transmission and distribution lines by regulatory regime	10, 14 and 87		7, 9, 11	IF-EU-000.C: Length of transmission and distribution lines	
Availability and reliability						
Energy Sector Supplement - Availability and reliability	EU6 Management approach to ensure short and long-term electricity availability and reliability	10 and 45		7, 9, 11	IF-EU-000.D: Total electricity generated, percentage of main energy source, percentage in regulated markets	

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Demand Management						
Energy Sector Supplement - Demand Management	EU7 Demand management programs, including residential, commercial, institutional and industrial programs	10 and 45	Yes	7, 8, 9, 11		
Research and development						
Energy Sector Supplement - Research and Development	EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	10, 47 and 102		7, 8, 9, 11		
System efficiency						
Energy Sector Supplement - Efficiency of the system	EU12 Transmission and distribution losses as a percentage of total energy	10, 46 and 106		7, 8, 9, 11	IF-EU- 550a2: (1) Average System Outage Duration Index (SAIDI), (2) Average System Outage Frequency Index (SAIFI), and (3) Average Customer Outage Duration Index (CAIDI), including days of important events	
Employment						
Energy Sector Supplement - Employment	EU14 Programs and processes to ensure the availability of a skilled workforce	12, 66 and 70		7, 8, 9		
	EU16 Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	12 and 68		8		Yes

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Energy Sector Supplement - Employment	EU18 Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	12 and 68		8		Yes
Planning and response for emergencies and disasters						
Energy Sector Supplement - Planning and response for emergencies and disasters	EU19 Stakeholder participation in the decision making processes related to energy planning and infrastructure development	Decision making processes for energy planning and transmission infrastructure development are under the responsibility of sector agencies such as the Energy Research Company (EPE - Empresa de Pesquisa Energética) for medium and long-term planning, and the ONS for short-term planning. Planning the expansion of the Brazilian electric system is consolidated based on the Ten-Year Transmission Plan and the Transmission Expansion Program (PET). There is also an Expansion and Reinforcement Plan (PAR) in place, with a three-year horizon, developed by the ONS, with a short-term vision.		7, 9, 11		

GRI Standard	Disclosure	Page/URL	Omission	SDG	SASB Correlation	Assurance
Energy Sector Supplement - Planning and response for emergencies and disasters	EU21 Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	ISA CTEEP follows the international standard ISO 14001:2015, in which in addition to the strategic environmental management standards, there are also guidelines and minimum requirements for compliance with the Preparedness and Emergency Response Plan at the company's facilities, with a focus on mitigating these risks. The plan considers situations that may occur unexpectedly and that are likely to cause damage to the environment, such as an emergency situation in the installation, the occurrence of fires, explosion, leaks or accidents that require the use of material and human resources.		7, 8, 11		
	EU22 Number of persons physically and economically displaced and indemnity, detailed by type of project	There were no compensations related to impacts on properties due to expropriation.		11, 16		Yes
	EU25 Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	There were no legal cases in the period. However, for the infrastructures that require social communication, the company has a Program intended to create and maintain the communication channels necessary for a good relationship with the various social players involved. For more information, click here .				

Independent Auditors' Limited Assurance Report on the non-financial information included in the 2021 Sustainability Annual Report

To the Board of Directors and Stockholders

Companhia de Transmissão de Energia Elétrica Paulista

São Paulo – SP

Introduction

We have been engaged by Companhia de Transmissão de Energia Elétrica Paulista (“Company” or “CTEEP”) to present our limited assurance report on the non-financial information included in the 2021 Sustainability Annual Report of CTEEP for the year ended December 31, 2021.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2021 Sustainability Annual Report, including any incorporated images, audio files or videos.

Responsibilities of the management of CTEEP

The management of Companhia de Transmissão de Energia Elétrica Paulista is responsible for:

- selecting or establishing adequate criteria for the preparation and presentation of the information included in the 2021 Sustainability Annual Report;
- preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-Standards) and with the basis of preparation developed by the Company;
- designing, implementing and maintaining internal controls over the significant information for the preparation of the information included in the Sustainability Annual Report, which is free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion on the non-financial information included in the 2021 Sustainability Annual Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 – Issuance of Assurance Reports related to Sustainability and Social Responsibility, issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that the auditor complies with ethical requirements, independence requirements, and other responsibilities of these standards, including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2021 Sustainability Annual Report, taken as a whole, is free from material misstatement.

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

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the 2021 Sustainability Annual Report, other circumstances of the

engagement and our analysis of the activities and processes associated with the significant information disclosed in the 2021 Sustainability Annual Report in which significant misstatements might exist. The procedures comprised, among others:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2021 Sustainability Annual Report;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries of the managers responsible for the preparation of the information;
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2021 Sustainability Annual Report; and
- (d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the analysis of the compliance with the guidelines and criteria of the Global Reporting Initiative (GRI-Standards) and the provisions established in the basis of preparation developed by the Company.

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

Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. If we had performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2021 Sustainability Annual Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual

assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods nor future projections and goals.

The preparation and presentation of non-financial information and indicators followed the definitions of the basis of preparation developed by the Company and the guidelines of the Global Reporting Initiative (GRI-Standards) and, therefore, the information included in the 2021 Sustainability Annual Report does not have the objective of providing assurance with regard to the compliance with social, economic, environmental or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

Conclusion

Based on these procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the 2021 Sustainability Annual Report of Companhia de Transmissão de Energia Elétrica Paulista has not been prepared, in all material respects, in accordance with the criteria of the basis of preparation and guidelines of the Global Reporting Initiative (GRI-Standards).

São Paulo, April 20, 2022

PricewaterhouseCoopers

Independent Auditors Ltda.
CRC 2SP000160/O-5

Maurício Colombari
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Corporate Credits and Information

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

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BASIS OF PREPARATION

**ANNUAL SUSTAINABILITY
REPORT AND THE 2021**

PWC ASSURANCE

April - 2022

isa
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Summary

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1. Introduction

We are the largest private transmission company in the Brazilian electricity sector. Present in 17 Brazilian states, the Company operates a complex transmission network, through which 30% of all electricity transmitted in Brazil, and 92% of the State of São Paulo.

We are part of ISA, a multi-Latin company belonging to the Ecopetrol Group, comprised of 47 companies operating in the sectors of electricity transmission, highway concessions, telecommunications and smart management of real-time systems, present in Argentina, Bolivia, Brazil, Chile, Colombia and Central America.

In our ISA 2030 strategy, our mission is to operate, maintain and expand electric power transmission systems with excellence in the provision of services, based on the development of human capital and the ability to innovate, in order to create value for our shareholders and other stakeholders and contribute for the generation of sustainable value, forming Connections that Inspire.

In order to ensure success and excellence in our operation and, in line with our commitment to transparency, we carried out the assurance process and independent external audit with PricewaterhouseCoopers LLP (PwC), which aims to obtain evidence regarding the information described in the 2021 Annual Sustainability Report and the 2021 Greenhouse Gas Emissions Inventory Report (GHG Protocol), providing limited assurance on measures of our performance.

As part of such assurance process, we have prepared this document, titled **Basis of Preparation**, according to the update of PwC's assurance methodology, based on the ISAE 3000 standard, in order to serve as a guide and direct and complement the reporting of sustainability information contained in the **2021 Annual Sustainability Report**.

The information was prepared in accordance with the GRI Standards: Essential option, from Global Reporting Initiative (GRI), in addition to the principles of Integrated Reporting, of the International Integrated Reporting Council (IIRC). Additionally, the report complies with the provisions of the Electricity Sector Accounting Manual, which guides the Annual Social and Environmental Responsibility Report of the Brazilian Electricity Regulatory Agency (ANEEL), the regulatory body for our activities.

The study on **Materiality**, used in the 2021 Report, was carried out in 2019 by ISA Group and involved a survey with 985 representatives of our stakeholders: employees, shareholders, investors, media professionals, members of associations and communities, customers, financial analysts and representatives of the Federal Government, Non-Governmental Organizations (NGOs) and the new generations, in interviews via telephone, online media, and discussion groups. In the approaches, themes and concerns were not mentioned in addition to those presented in the initial scope of the research by the business.

The 2021 Annual Sustainability Report, containing the study on materiality, is available for consultation [here](#).

The items comprising of our Basis of Preparation are described below: - **organizational boundaries** considered for reporting sustainability information and exceptions to these limits, when applicable; - **monetary information** reported and accounting information relating the Financial Statements; - the main **systems used for the collection**, recording and reporting sustainability information and; the **reporting criteria** for each of the GRI Standards indicators reported.

2. Organizational limits and exceptions in reporting scope

In this item, we detail the scope and its exceptions and the organizational limits of the company described in the 2021 Annual Sustainability Report.

The scope of the Report includes the assets in operation owned by ISA CTEEP and subsidiaries in which we have full interest (100%), except where indicated in a footnote. We have also included, throughout the report, some highlights of assets in which we only hold equity interest and on assets under construction.

In 2021, we completed the acquisition of Piratininga – Bandeirantes Transmissora de Energia (PBTE), which began to be consolidated in the Company's economic and financial results as of March 2021. Additionally, we completed two projects in the year, the Aguapeí Electric Interconnection (IE Aguapeí) and the Lorena Substation for the Electric Interconnection project (IE Itapura).

All exceptions and/or changes in the organizational limits of specific indicators, as listed in the column "Exceptions in limits and reporting period" of the Indicators and Criteria Table, are available in the Table of item 5 below.

3. Accounting information, currencies and conversion

For the 2021 Annual Sustainability Report, we followed the guidelines of the Annual Accountability (PAC), of ANEEL's Electric Sector Accounting Manual (MCSE), in which the financial results are shown based on the company, and not only on the regulatory framework, following the international accounting standards from International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

The economic and financial data is presented in the 2021 Report on a consolidated basis (wholly-owned subsidiaries and equity-accounted companies), in line with our Financial Statements for the same period, available for consultation [here](#).

It is worth mentioning that our individual and consolidated financial statements for the year 2021 were audited by an independent third party.

Also based on the Financial Statements, for the 2021 Report, the currency used was the Brazilian real and there was no conversion of values.

4. Reporting Systems

The main systems used to obtain the primary data that supported the construction of the indicators reported in the 2021 Annual Sustainability Report were:

- **Sustainability Indicator System (SIS)**, platform acquired by ISA CTEEP to manage indicators and sustainability performance, by obtaining the data comprising of the quantitative indicators reported, with the Sustainability area responsible for managing, consolidating the data and administering the tool.

The operational and administrative areas are responsible for collecting, entering and validating data on the platform. The frequency of data insertion varies according to the types, themes and demands of the process and GRI indicators, and may be on a monthly, quarterly or annual basis.

- Specifically for the management of the sulfur hexafluoride (SF6) indicator, we currently use **SAP**, in which the technical and operational areas enter the information and then forward the consolidated data to the Sustainability area. The integration of SAP with SIS is under implementation, in order to facilitate the management of indicators in a single tool.

5. Details of the reporting criteria

This item includes the reporting criteria and assumptions included in the “Indicators and Criteria Table”, which was prepared following the guidelines of the PwC methodology. It also presents the GRI Standards indicators corresponding to our business, with the description and detailing of the criteria corresponding to each indicator, in addition to highlighting the exceptions and/or changes occurred in the limits and reporting periods (January 1, 2021 to December 31, 2021), where applicable.

The contents and indicators defined as mandatory for the report are in accordance with GRI Standards, materiality and available both throughout the Report and in the Table below.

Seeking to improve the transparency of our reporting, this year some indicators were reported considering not only the assets in operation, but also the entire value chain (projects still under construction). For these cases, explanatory notes were indicated in the text or in footnotes.

With respect to exceptions and/or changes in reporting limits, these have been included and explained throughout the table, when applicable to each indicator.

[Click here](#) to access the “Indicators and Criteria Table”.

Indicator / Disclosure / GRI Content (Note: GRI Standards published up to September 2021 were taken into consideration)	Content Title	Criteria breakdown (Note: Additional items are included here regarding to what the GRI already requests, for example: if the GRI has listed six (a-f) items for an indicator and we consider that item b needs complementation, only item b is in this column, but the report should also consider the other items)	Exceptions to reporting limits and period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
102-1	Organization name	Trade name: ISA CTEEP	n/a	n/a	n/a
102-7	Organization size	We count as "employees" CLT collaborators and Statutory Directors, who appear on our Payroll, excluding Apprentices, Board Members and Interns. However, it is important to pay attention to some indicators, where these (Apprentices, Counselors and Interns) are included, such as some DHO indicators. For most GRI indicators, we use the database mirror (December). We consider the operation as units that are already in operation. From the moment the Operating License - LO is obtained and as TLDs, the preparations to operate begin."	n/a	n/a	n/a
102-8	Information about employees and other workers	We count as "employees" full-time CLT employees and Statutory Directors, who appear on our Payroll, excluding Apprentices, Directors and Interns. However, it is important to pay attention to some indicators where these groups (Apprentices, Counselors and Interns) are included, such as some DHO indicators. For most GRI indicators, we use the base data mirror (December). Interns and apprentices are hired under specific terms, taking into account current legislation. The directors are chosen by vote, through an Ordinary General Meeting, with the presence of the shareholders.	n/a	n/a	n/a
102-9	Supply chain	The composition of the main elements, products and services is given by the ranking of the highest financial volume of contracting. In addition, supplies are being worked on with the Kraljic matrix, which segments all purchase categories into "Critical, Restrictive, Relevant and Routine", depending on the criticality of the business and purchase complexity vs. financial volume. In this way, the categories of suppliers that have the most impact are related to the company's operation and with high purchase volume, being positioned in the internal Kraljic matrix as Critical and Relevant and appearing in the first places of the financial ranking used for the main products and services.	n/a	n/a	n/a
102-10	Significant changes in the organization and its supply chain	Significant changes may be the inclusion of new companies in the group, changes to the Articles of Incorporation of the ISA Group or any other factor that requires restructuring the area or too much additional effort in Supplies. External factors, such as the financial health of suppliers, pandemic, etc., that impact the smooth running of projects at once.	n/a	In the 2020 report, we had forecast the performance of 100% of the Strategic Sourcing, however in 2021 we reached 70%.	It was not possible to reach 100% of the strategy in 2021, due to the challenges of closing the long-term engagement strategy in the midst of a scenario of uncertainties (COVID-19).
102-11	Precautionary principle or approach	All risks are evaluated by two criteria: Probability and Impact. Probability: Estimated quantitatively between 1% and 99%. Impact: Two impact variables are evaluated: Financial and Reputational. The financial impact is quantitative with values in BRL, and the reputational impact is qualitative, following a scale of evolution of consequences. Such criteria combined allow the creation of two matrices with 4 levels of criticality, being: light (green), moderate (yellow), tolerable (orange) and priority (red). The risk management cycle takes place on a quarterly basis following the governance format of the three management lines (IA). The business areas, responsible for the risks, forward the information to the risk management area. Specifically for the Environment, during the stage of study and definition of the location where each project will be implemented, a multidisciplinary analysis is carried out involving engineering, land and environmental, where socio-environmentally sensitive areas are evaluated, which are premised on avoiding interference in these areas, areas or minimize the intervention, according to the levels of restrictions previously defined according to each typology of socio-environmental characteristics. In addition to this step, in the environmental licensing processes, in the preparation of studies, based on the diagnoses of the physical, biotic and socioeconomic environments, the identification of environmental impacts is carried out, with the proposal of preventive and/or mitigating measures, as a precautionary principle.	n/a	n/a	n/a
102-15	Main impacts, risks and opportunities	All risks are evaluated by two criteria: Probability and Impact. Probability: Estimated quantitatively between 1% and 99%. Impact: Two impact variables are evaluated: Financial and Reputational. The financial impact is quantitative with values in BRL, and the reputational impact is qualitative, following a scale of evolution of consequences. Such criteria combined allow the creation of two matrices with 4 levels of criticality, being: light (green), moderate (yellow), tolerable (orange) and priority (red).	a. Reinforcement and Improvement Projects are not integrated into the business analysis	a. Review of financial and reputational risk appetite.	a. Review carried out to reflect the financial growth of recent years.
102-22	Composition of the highest governance body and its committees	The Board of Directors, as well as the Committees, have a term of office of 1 (one) year (Article 18 of the Bylaws), and reelection is permitted. The Board of Directors must be composed of up to ten members, shareholders or not, resident in the country or not, elected and removed by the General Meeting, as provided for in the company's Bylaws. In 2021, there were eight members on the Board, one woman and two independent members. The Fiscal Council is established by the General Assembly as a supervisory body, independent from the Board of Executive Officers and the Board of Directors, which seeks, through the principles of transparency, equity and accountability, to contribute to the best performance of the company. AI ISA CTEEP, the Fiscal Council operates on a permanent basis and is composed of three to five effective members and an equal number of alternates, with a term of office of one year, reelection being permitted, elected by the Annual General Meeting. In 2021, it consisted of five full members and four alternates.	n/a	n/a	n/a
102-23	Chairperson of the highest governance body	The Executive Board has a term of office of 3 (years), and reelection is permitted (article 23 of the Bylaws). The period considered for reporting is 12/31, which remains the same as the current one. With functions established by law and by the Bylaws, the Board of Executive Officers is responsible for performing all acts necessary for the regular operation of the company. It can be composed of up to five members, elected by the Board for three-year terms, whose attributions involve implementing and maintaining effective mechanisms, processes and programs for monitoring and reporting financial and operational performance and the impacts of activities on society and the environment. In 2021 (3/1/21), it was composed of five members, three of them women.	n/a	n/a	n/a
102-25	Conflicts of interest	The concept adopted for "conflict of interests" is defined in the Conflict of Interest norm NOR-CP2, which aims to establish guidelines and guide in the identification and resolution of situations that may characterize real, potential and apparent Conflicts of Interest, in order to protect the all Managers and Employees in situations related to Conflict of Interest and that may negatively affect the image and business of ISA CTEEP ("Company") and its subsidiaries. According to this rule, a conflict of interest is the situation that occurs when, due to their functions, an Administrator or an Employee of ISA CTEEP or its Subsidiaries, must make a decision or omit an action and are in a position to choose between the interest of ISA CTEEP or the corresponding company and its own interest or that of a Third Party, so that, to opt for either of the latter two, it compromises its objectivity and independence. The Conflict of Interest can be temporary or permanent, the latter when it is reiterated over time.	n/a	n/a	n/a
102-30	Effectiveness of risk management processes	The risk management cycle takes place on a quarterly basis following the governance format of the three management lines (IA). The business areas responsible for the risks forward the information to the risk management area, which critically analyses, monitors ongoing actions, consolidates business risks and assesses changes in risk levels, inclusion of new events or materializations in the period. Every quarter, the most relevant risks are presented to the Critical Analysis Committee, formed by the company's senior management and other risk managers. At this meeting, the risks and their mitigation actions are presented and discussed. Subsequently, the events are presented to the Board of Directors. All information is shared with Internal Audit, Vice President of Corporate Strategy and External Audit (when requested).	n/a	n/a	n/a
102-33	Communicating critical concerns	The concept of "critical concerns" is the same as RISK, which is an uncertain event that may prevent the company from meeting its strategic objectives and/or affect business resources (see internal standard NOR-E11). The Audit and Compliance department is the responsible and independent body for evaluating and sufficiency of controls and issues related to misconduct and anti-corruption issues. Any identification and reporting of crucial concerns/relevant risks that the organization exposes are submitted to Scopex/ISA and ISA CTEEP corporate governance, according to the thematic calendar of the respective governance bodies, such as the Board of Directors, Committees (Audit and Compliance, Ethics, as well as in the meetings of the executive board of ISA CTEEP.	n/a	n/a	n/a
102-34	Nature and total number of critical concerns	The Audit and Compliance department is the responsible and independent body for evaluating and sufficiency of controls and issues related to misconduct and anti-corruption issues. Any identification and reporting of crucial concerns/relevant risks that the organization exposes are submitted to Scopex/ISA and ISA CTEEP corporate governance, according to the thematic calendar of the respective governance bodies, such as the Board of Directors, Committees (Audit and Compliance, Ethics, as well as in the meetings of the executive board of ISA CTEEP. The identification of crucial concerns can be obtained through the Ethics Line Channel, when reports considered critical are verified and concluded as valid or through consultations with potential reports of misconduct by the Compliance area.	n/a	n/a	n/a
102-41	Collective bargaining agreements	No interns, apprentices, board members and statutory directors were accounted for. CLT employees only	n/a	n/a	n/a
102-49	Changes in the report	Significant changes are considered when they occur: - operations of new units; - revisions to the indicators' assumptions; - inclusion of new indicators/projects/processes; - exclusion of indicators; - scope changes; - processes improvement	n/a	n/a	n/a
103-1	Explanation of the material topic and its Limit	The impacts are considered according to the scope of the Report, which includes the assets in operation of ISA CTEEP and the subsidiaries in which we have a full interest (100%), except when indicated in a footnote. We have also included, throughout the report, some highlights of assets in which we only hold equity interest and on assets under construction. All sectors of the company are involved in the report.	n/a	n/a	n/a
201-1	Direct economic value generated and distributed	The information filed in the SVA worksheet for the Sustainability report was based on the financial statements that follow the technical pronouncement of CPC 09 - Statement of Added Value (SVA). The SVA informed refers to CTEEP and its subsidiaries, that is, consolidated.	n/a	n/a	n/a
201-2	Financial implications and other risks and opportunities arising from climate change	All risks are evaluated by two criteria: Probability and Impact. Probability: Estimated quantitatively between 1% and 99%. Impact: Two impact variables are evaluated: Financial and Reputational. The financial impact is quantitative with values in BRL, and the reputational impact is qualitative, following a scale of evolution of consequences. Such criteria combined allow the creation of two matrices with 4 levels of criticality, being: light (green), moderate (yellow), tolerable (orange) and priority (red). The risk management cycle takes place on a quarterly basis following the governance format of the three management lines (IA). The business areas, responsible for the risks, forward the information to the risk management area. We are still in the process of implementing climate risk management. In 2021, we started work to implement risk management for climate events, with regional and comprehensive analysis, observing the various aspects that may influence its materialization and the scope of its consequences on our assets. The integration of this analysis in the Comprehensive Risk Management will contribute to the collection of information and support in the making of short, medium and long-term decisions with a focus on minimizing, mitigating and/or addressing initiatives to adapt to the adverse effects that may impact our objectives, strategic and business resources.	n/a	In the 2020 Report, that indicator was omitted as we did not, at the time, have an assessment of the financial implications and other risks and opportunities related to climate change.	In 2021, it is worth noting that we started a work to proactively implement risk management for climate events, with regional and comprehensive analysis, in compliance with the different aspects that may influence its materialization and the scope of its consequences on our assets. The integration of the analysis into Comprehensive Risk Management will contribute to the collection of information and support short, medium and long-term decision-making processes focused on minimizing, mitigating and/or addressing initiatives to adapt to adverse effects on our business and objectives. The process will be completed in 2022, in line with the TCFD (Task Force on Climate-Related Financial Disclosures).
203-1	Investments in infrastructure and support services	a) Investments considered significant refer to the implementation of new substations or transmission lines, or innovative and pioneering solutions, as well as the set of reinforcements and improvements implemented in the existing system. b) Impacts are considered relevant when they provide benefits to a region, or to the whole of the existing system, being positive when they solve problems that affect load handling, generation flow or system reliability. The negative impacts for this type of investment are generally not relevant, as the choice of work (investment) to be implemented in the transmission system is assessed as being in the public interest, with solutions being previously evaluated for socio-environmental impact and affordability.	The battery project in Registro was evaluated and approved by ANEEL in 2021, but its implementation will be completed in 2022	Inclusion of the approval of innovative and trailblazing projects, such as that in Registro.	It is important to highlight this trailblazing project that aims to promote the discussion on the insertion of that type of storage into the transmission network. Technology is able to contribute to the advancement of decarbonization, decentralization and digitalization, as it facilitates the insertion of renewable sources; it reduces operating costs and system expansion, as it makes it possible to postpone the construction of large projects, increase the integration of economic energy sources and may be reused in other parts of the country that need reinforcement in the electric system.
203-2	Significant indirect economic impacts	The indirect socio-economic impacts are guided by the purpose of creating Connections that inspire and promoting initiatives that generate value and positive impacts for the communities where we operate. To enhance our actions, we maintain a structured Private Social Investment (ISPI) governance model, aligned with our 2030 Strategy, which includes social criteria for the selection of projects and actions to be supported each year.	n/a	n/a	n/a
204-1	Ratio of expenditures with local suppliers	a. Value of local purchases / Total value of purchases. There is no supplier category not considered in the calculation.	n/a	n/a	n/a
205-1	Operations evaluated for corruption-related risks	a. The total and percentage of Operations was considered the company ISA CTEEP and its wholly-owned subsidiaries, in this sense the Compliance Program covers the entire ISA CTEEP and its subsidiaries. b. In relation to Anti-Corruption Compliance, any event and/or incident related to anti-corruption, money laundering and bribery in all its forms were considered, regardless of their severity of significant risks.	n/a	n/a	n/a
205-2	Communication and training on anti-corruption policies and procedures	a, b, c, d and e. All corporate compliance policy guidelines are submitted for knowledge and approval by members of corporate governance. Through the Intranet portal (TransNet) and the area of governance of norms and procedures, the compliance documents are informed to all employees and are reinforced in the ethics e-learning training. The segregation of categories was completed based on the list of active employees who participated and/or received training, the communications do not have a tangible measurement, capillarly is achieved through the company's communication channels. In the responses to each item, only the reporting period, which is from January to December 2021, were considered.	n/a	Yes	Launch of the new Code of Ethics and Conduct approved by the Board of Directors and conduction of e-learning training on ethics and acceptance of the Code's terms of commitment.
205-3	Confirmed cases of corruption and actions taken	a. Reports received via the Ethics Line Channel classified as incident type "corruption" and after the necessary investigations were concluded as valid. b. Classifieds of categories aligned with the Communication and Sustainability team based on the list of active employees.	n/a	n/a	n/a
206-1	Legal proceedings for unfair competition, trust practices and monopoly	We do not have a legal basis for lawsuits relating to unfair competition and violations of antitrust and antitrust laws. We have a Policy for Interaction with Public Officials, which establishes appropriate rules of conduct in the relationship with representatives of public authorities. In 2021 there were no lawsuits for unfair competition, trust or monopoly practices. However, the general criterion used is to analyze the scope of notifications or general actions received and to deal with them accordingly.	n/a	n/a	n/a

Indicator / Disclosure / GRI Content (Note: GRI Standards published up to September 2021 were taken into consideration)	Name	Criteria breakdown (Note: Additional items are included here regarding to what the GRI already requests, for example if the GRI has listed six (a-f) items for an indicator and we consider that item b needs complementation, only item b is in this column, but the report should also consider the other items)	Exceptions to reporting limits and period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
302-1	Energy consumption within the organization	Energy monitoring takes place at 87 facilities (headquarters, warehouse, workshop, substations, microwaves) that have their own consumption meter. The power supply comes exclusively from the electric power distribution company.	In 2020, the energy consumption of the Regional Cabreova sandblast installation was deactivated and the consumption of SE Ipirati became exclusively from the auxiliary service and no longer from the energy concessionaire.	In 2021 we included the monitoring of SE Governador Valadares and SE Lorena	In 2021, we included the monitoring of SE Governador Valadares, which had no meter installed in 2020, monitoring started in February'21 and SE Lorena, which went live in 2021 and started to be monitored as of Jun'21.
302-4	Energy consumption reduction	The assumption considered for calculating the reduction is the total energy consumption monitored each year for fuel and electricity. The tool used for information management is the SIS - Sustainability Indicators System and the emission calculation tool following the GHG Protocol v.2022.01.0 methodology.	n/a	In 2021 we included the monitoring of SE Governador Valadares and SE Lorena	In 2021, we included the monitoring of SE Governador Valadares, which had no meter installed in 2020, monitoring started in February'21 and SE Lorena, which went live in 2021 and started to be monitored as of Jun'21.
303-5	Water consumption	Water monitoring takes place at 97 facilities (headquarters, warehouse, workshop, substations, microwaves) that have their own consumption meter. The source of consumption comes exclusively from the water distribution concessionaire and underground capture (wells) b) We do not report areas with water stress c) Significant consumption of water resulting from a leak, for example.	n/a	In 2021, we included water monitoring in the following facilities: SE Lorena, SE Almorós, SE Colinas, SE Governador Valadares, SE Mesquita, SE Neves 1, SE Ribeiro Gonçalves, SE São João do Piauí and SE Tubarão Sul	In 2021, we included the monitoring of SE Almorós, SE Colinas, SE Governador Valadares, SE Mesquita, SE Neves 1, SE Ribeiro Gonçalves, SE São João do Piauí and SE Tubarão Sul that had no meter installed in 2020 and SE Lorena that went live in 2021.
304-1	Owned, leased or managed operating facilities within or surrounding environmental protection areas and areas of high value of biodiversity located outside areas of environmental protection	a) Own, leased and managed operational unit: enterprise whose management is ISA CTEEP. b) Environmental protection areas: integral protection conservation units, whose definition by the Chico Mendes Institute for Biodiversity Conservation is "Are those Conservation Units whose basic objective is to preserve nature, freeing it, as much as possible, from interference human resources; as a rule, only the indirect use of natural resources is allowed, that is, that which does not involve consumption, collection, damage or destruction, with the exception of the cases provided for in the Law of the National System of Conservation Units (SNUC)." c) Areas of high biodiversity value: same concept adopted in item "b".	n/a	For such indicator, in 2021, ISA CTEEP projects (transmission lines and substations) that pass through integral protection conservation units were considered. In 2020, ISA CTEEP projects (transmission lines and substations) that pass through integral protection conservation and sustainable use units were considered.	In 2020, after entering the data regarding such indicator, it was requested to indicate only the ISA CTEEP projects that pass through integral protection conservation units, thus disregarding the projects that pass through sustainable use conservation units. In this regard, seeking an alignment of expectations, in 2021, only projects that pass through integral protection conservation units were reported.
304-2	Significant impacts of activities, products and services on biodiversity	a) Significant direct impact: impact on the environment resulting from the implementation and/or operation of ISA CTEEP's projects based on a simple cause and effect relationship. b) Significant indirect impact: impact on the environment resulting from the implementation and/or operation of ISA CTEEP's projects resulting from a secondary reaction in relation to action, or when it is part of a chain of reactions.	n/a	n/a	n/a
304-3	Protected or restored habitats	a) independent external experts: a specialist who has no connection with the company, and who has the expertise to audit the data under analysis.	n/a	n/a	n/a
304-4	Species included in the IUCN red list and in national lists of conservation with habitats in areas affected by the organization's operations	Date considered: from January 1, 2021 to December 31, 2021.	n/a	n/a	n/a
305-1	Direct emissions (Scope 1) of greenhouse gases (GHG)	The sources of emissions considered for Scope 1 emissions: (fuel, SF6, fire extinguisher recharge, compensators) The tool used for information management is the SIS - Sustainability Indicators System and the emission calculation tool following the GHG Protocol v.2022.01.0 methodology.	For scope 1 emission sources, there were no scope exclusions in the period.	For scope 1 emission sources - Fuel: there was an expansion of 11 vehicles in the fleet. SF6, synchronous compensators and fire extinguisher recharge did not change the scope in the period. There was an update in the emission factor of sulfur hexafluoride (SF6), methane and nitrous oxide.	Fuel Acquisition of 11 vehicles in the fleet to service projects under construction/operation. Emission factor: according to the publication of the GHG technical note, we use the ARG version.
305-2	Indirect emissions (Scope 2) of greenhouse gases (GHG) from the purchase of energy	0 % of technical losses is 4% as established by ANEEL's technical guideline. The tool used for information management is the SIS - Sustainability Indicators System and the emission calculation tool following the GHG Protocol v.2022.01 methodology	n/a	Update on the energy emission factor. Inclusion of the following companies: IE Tibagi, IE Itapura, IE Aguapei, IE Itaquere	According to the update of the GHG tool version 2022. The companies went live in 2021.
305-3	Other indirect emissions (Scope 3) of greenhouse gases (GHG)	Concept of significant changes: refers exclusively to any change in the methodology used to calculate the technical data of transmitted energy. The tools used for scope 3 emissions are: the SIS - Sustainability Indicators System and the emissions calculation tool following the GHG Protocol v.2022.01 methodology.	n/a	Update on the energy emission factor.	According to GHG tool version 2022.
305-5	Reduction of greenhouse gas (GHG) emissions	The tool used to manage the information is the SIS - Sustainability Indicators System and the emission calculation tool following the GHG Protocol v.2022.1.0 methodology.	n/a	n/a	n/a

Indicator / Disclosure / GRI Content (Note: GRI Standards published up to September 2021 were taken into consideration)	Name	Criteria breakdown (Note: Additional items are included here regarding to what the GRI already requests, for example if the GRI has listed six (a-f) items for an indicator and we consider that item b needs complementation, only item b is in this column, but the report should also consider the other items)	Exceptions to reporting limits and period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
306-3	Generated waste	<p>The information entered in the SIS refers to the sale processes generated by the various areas of ISA CTEEP. After the write-offs and the due validations (Regulatory, Maintenance, Accounting and CSC area) the Reverse Logistics service provider is activated, which performs the weighing. After weighing, the quantities measured are validated by those responsible for the sale. With the validation approved, the quantities are entered into the SAP (disposal stock) and later the removal of scrap is scheduled by the reverse logistics provider.</p> <p>Regarding hazardous waste, the data are computed through the disposal of hazardous waste destined for the period by a specialized company. The information reflects the transported volume informed in the MTR - Waste Transport Manifesto.</p>	n/a	n/a	n/a
307-1	Non-compliance with environmental laws and regulations	<p>Significant fines are those in excess of \$10,000.</p> <p>The following topics are considered as Non-postural: noise, license/absence of documents and pruning of vegetation without authorization.</p> <p>The following topics are considered as postural: cleaning (rubble and garbage), mowing, wall construction, sidewalk construction, invasion/regular work and erosion/cutting of land.</p> <p>Processes initiated: Determination of the date of receipt of the fine within the period.</p> <p>Processes in progress: Sanctions that are in progress in the period.</p> <p>Processes completed: Amount and/or monetary value paid for all environmental fines (of any value) or completed without payment in the period.</p>	n/a	Subsidiary IE Itaipava was included in 2021	Report made encompassing ISA CTEEP + 100% subsidiaries (IE Itaipava went live in 2021).
308-1	New suppliers selected based on environmental criteria	<p>New Suppliers - suppliers with whom contracts were signed in the period, regardless of whether they were already contracted in previous periods.</p> <p>Environmental Criteria - Meet and respect environmental legislation and environmental policy in order to interfere as little as possible with the environment, adopting necessary preventive and precautionary measures, especially with regard to environmental conservation, protection of fauna and flora, working methods, waste disposal.</p> <p>Rationale - The percentage of new suppliers evaluated and selected according to environmental criteria:</p> <p>Number of suppliers with whom contracts were signed in the period, which were identified as having environmental aspects before starting contract execution / Total number of suppliers with whom contracts were signed in the period.</p> <p>Basis - Contract Report for the period - SAP - ME33K (from ISA CTEEP + 100% ISA CTEEP subsidiaries) verification of contracts that contain environmental clauses.</p>	For the year 2021, data from IE Riacho Grande is not considered, since the company was incorporated in late 2021, therefore, we still do not have indicators to support the necessary information.	In the 2020 report, the indicators of the ISA CTEEP and the Subsidiaries - IE Every, IE Serra do Japi, IE Minas Gerais, IE Norte Nordeste, IE Pinheiros and IE South were considered. <p>In the 2021 report, in addition to the companies mentioned above, information from the Subsidiaries IE Aguaré, IE Itaipava, IE Biquapu, IE Tibagi, IE Itapira and IE Itaquaré was included.</p>	Facilities that went live in 2021 and also those under construction were included
308-2	Adverse environmental impacts in the supply chain and measures taken	<p>Definition of Basis - Report of Contracts for the period - SAP - ME33K (from ISA CTEEP + 100% ISA CTEEP subsidiaries), verification of contracts that contain environmental clauses + Excel spreadsheet to control the performance evaluation of suppliers, referring to the evaluated period.</p> <p>a. concept adopted by the organization for "assessment of suppliers regarding their environmental impacts"</p> <p>Number of suppliers of all contracts that were identified as having environmental aspects before starting the execution of the contract + those that have contracts in place and that were monitored in the fulfillment of environmental aspects through the Performance Assessment.</p> <p>b. and d. concept adopted by the organization for "actual and potential negative environmental impacts"</p> <p>Suppliers in which incidents that caused negative environmental impacts were identified, with an Improvement Plan.</p> <p>c. and is, concept adopted by the organization for "Significant negative environmental impacts - actual and potential"</p> <p>Soil degradation; Ground contamination; Inadequate disposal of waste; Deforestation and Failure to comply with legal obligations.</p>	For the year 2021, data from IE Riacho Grande is not considered, since the company was incorporated in late 2021, therefore, we still do not have indicators to support the necessary information.	In the 2020 report, the indicators of the ISA CTEEP and the Subsidiaries - IE Every, IE Serra do Japi, IE Minas Gerais, IE Norte Nordeste, IE Pinheiros and IE South were considered. <p>In the 2021 report, in addition to the companies mentioned above, information from the Subsidiaries IE Aguaré, IE Itaipava, IE Biquapu, IE Tibagi, IE Itapira and IE Itaquaré was included.</p>	Facilities that went live in 2021 and also those under construction were included
401-1	New hires and employee turnover	<p>The concept adopted was, the total number of employees hired during the year (January to December) is counted, regardless of the number of days worked by the contractor. All categories of staff are considered, excluding Apprentices, Directors, Statutory Directors and Interns. To calculate the turnover rate, the sum of admissions and dismissals for the year is considered, dividing by two. Then, divide the number by the December headcount value.</p>	n/a	n/a	n/a
401-3	Maternity/paternity leave	<p>The concept adopted was, the total number of employees, broken down by gender, with the right to take parental leave in the period. Employees entitled to maternity/paternity leave are those covered by organizational policies, agreements or contracts that provide for the right to this leave.</p>	n/a	n/a	n/a
403-4	Worker participation, consultation and communication with workers regarding occupational health and safety	<p>Within the scope of OSH, all professional categories are considered as employees. We maintain a work history of exposure to safety risks and consequent monitoring of the health of all employees.</p> <p>Employees become aware of the risks to which they are exposed through training, DDS, DDS, training and periodic examinations. Cipe holds periodic meetings with company representatives and employees, where risks present in the operation are discussed. There are also five working tables that report to a central committee matters related to: critical risks, business continuity, contractors, culture change and accident investigation.</p>	n/a	n/a	n/a
403-9	Work-related accidents	<p>The concept used for "employees" is CLT employees, covered by collective agreement, full-time, and Statutory Directors, who appear in our Payroll, excluding Apprentices, Directors and Interns. However, it is important to pay attention to some indicators, where these groups (Apprentices, Counselors and Interns) are included, such as some DHO indicators.</p> <p>For most GRI indicators, we use the base date minor (December).</p> <p>Interns and apprentices are hired under specific terms, taking into account current legislation. The directors are chosen by vote, through an Ordinary General Meeting, with the presence of the shareholders.</p> <p>Sickness/Accident Assistance: No grace period is required for the employee who suffers an accident of any nature. An accident of any nature or cause is understood to be one of traumatic origin and exposure to exogenous agents (physical, chemical and biological), which results in bodily injury or functional disturbance that causes death, loss, or permanent or temporary reduction in working capacity.</p> <p>Serious work accident: Fatal accident or one that causes permanent total incapacity or permanent partial reduction of work capacity.</p> <p>Light work accident: Accident with injury, which does not lead to fatal risks or permanent or partial disability.</p> <p>Typical Accident: Accident resulting from the characteristics of the professional activity performed by the injured person, occurring through the exercise of work in the service of the company.</p> <p>Commuting Accident: Accident suffered by the employee on the way from the residence to the place of work or from there to that, whatever the means of locomotion, including a vehicle owned by the employee, provided that there is no interruption or change of route for another reason.</p> <p>Traffic accident: Any disastrous event, casual or not, resulting in physical or material damage, involving vehicles, people and/or animals on public roads.</p> <p>Work accident without leave: An accident that generates personal injury that does not prevent the injured person from returning to work on the day immediately following the accident, as long as there is no permanent disability.</p> <p>Work Accident with Leave of Absence: Accident that generates personal injury that prevents the injured person from returning to work on the day immediately following the accident or resulting in permanent disability.</p> <p>Fatal Work Accident</p> <p>Accident that results in death immediately or up to 12 hours after its occurrence.</p> <p>Near miss with material damage: Undesirable event resulting in material loss; damage caused exclusively to material property; property damage.</p> <p>Near Miss Not Major: Unwanted event with no consequence of injury and/or material loss.</p> <p>Occurrence with High Potential</p> <p>Incident that could have caused death, permanent disability, environmental or material damage with great losses.</p> <p>Medium Potential Occurrence: Incident that could have caused partial and temporary disability, environmental damage or material with recoverable losses.</p> <p>Low Potential Occurrence: Incident without injury or that could have caused minor injury, environmental or material damage with minor losses.</p> <p>Immediate Cause: Cause that directly led to the occurrence of the incident.</p> <p>Regarding the communication of work accidents, the company follows the guidelines contained in the internal procedure "PRO RHDS - Communication, Investigation and Analysis of Work Accidents and Incidents", which establishes guidelines for communication, investigation and analysis of accidents and work incidents. The management of the incident area must establish the methodology for internal communication of events that have occurred to its employees and contractors. The communication of events to ISA CTEEP will be carried out by the SST Management via e-mail and must occur within a maximum period of 12 hours after the occurrence is registered. The email must be sent to all levels of leadership in the company. The communication of the event must occur within the deadlines, even if the classification has not been defined. The classification must be communicated later, as soon as it is defined. Occurrences characterized as "occupational accidents" by the occupational safety team, as well as "occupational diseases" recognized by the occupational physician must be properly communicated to government bodies (Ministry of Labor, Ministry of Health, Unions, etc.) in accordance with applicable laws. The OSH area is responsible for carrying out these communications, including opening a CAT for accidents involving ISA CTEEP employees. The communication of accidents to external bodies and situations not considered in this procedure will be coordinated by the OSH Management, with the eventual support of the Communication Area, complying with legal parameters and subject to the approval of the Board of Executive Officers.</p> <p>The basis that makes up the total number of hours worked is defined as follows: our own HHT is calculated through a team report extracted from the SAP system (transaction ZHRRO07). The HHT of outsourced companies is carried out monthly by the contract manager, who forwards it to our area (SST) for consolidation and reporting.</p>	n/a	In the 2021 report, in addition to the companies reported in the previous one, the following were included: - IE Itapira; - IE Biquapu; - IE Itaipava; - IE Itaquaré.	Facilities that went live in 2021 and also those under construction were included
404-1	Average hours of training per year, per employee	<p>The concept used for "employees" is CLT employees, covered by collective agreement, full-time, and Statutory Directors, who appear in our Payroll, excluding Apprentices, Directors and Interns. However, it is important to pay attention to some indicators, where these groups (Apprentices, Counselors and Interns) are included, such as some DHO indicators.</p> <p>For most GRI indicators, we use the base date minor (December).</p> <p>Interns and apprentices are hired under specific terms, taking into account current legislation. The directors are chosen by vote, through an Ordinary General Meeting, with the presence of the shareholders.</p> <p>The average hours refers to the average number of employees. Training and qualification hours are measured by the total number of employees divided by the total number of training hours throughout the year (reporting year 2021).</p> <p>Professional training is the set of initiatives and actions (courses, training) that help employees develop their professional skills. This training can focus on technical or behavioral skills.</p> <p>Functional categories are defined as: Board Members, President, Directors, Managers, Coordinators, Specialists, Administrative, Operational Technicians, Interns and Apprentices.</p>	n/a	n/a	n/a

Indicator / Disclosure / GRI Content (Note: GRI Standards published up to September 2021 were taken into consideration)	Name	Criteria breakdown (Note: Additional items are included here regarding to what the GRI already requests, for example if the GRI has listed six (a-f) items for an indicator and we consider that item b needs complementation, only item b is in this column, but the report should also consider the other items)	Exceptions to reporting limits and period	Changes in limits and criteria since the last report	Justification for changes in limits and criteria since the last report
404-3	Percentage of employees who receive regular performance and career development evaluations	The concept used for "employees" is CLT employees, covered by collective agreement, full-time, and Statutory Directors, who appear in our Payroll, excluding Apprentices, Directors and Interns. However, it is important to pay attention to some indicators, where these groups (Apprentices, Counselors and Interns) are included, such as some DHO indicators. For most GRI indicators, we use the base date minor (December). Interns and apprentices are hired under specific terms, taking into account current legislation. The directors are chosen by vote, through an Ordinary General Meeting, with the presence of the shareholders. Functional categories are defined as: Board Members, President, Directors, Managers, Coordinators, Specialists, Administrative, Operational Technicians, Interns and Apprentices. Performance and career development assessments are based on the position, the Individual Development Plan (PDI) and the goals of each area.	n/a	n/a	n/a
405-1	Diversity in governance bodies and employees	The concept adopted was, the total number of employees identified with positions of Director is counted, according to the Payroll at the end of the period (December). In this field, all members of the board of directors and supervisory board are considered, broken down by gender and generation intervals: <30 years, from 30 to 50 years and > 50 years.	n/a	n/a	n/a
405-2	Ratio between the base salary and the compensation received by the women and those received by men	To perform the calculation, the average salary of women in the category is calculated by dividing this value by the average salary of men in the same category. Following as a basis for accounting for the total number of employees. Formula: Average salary of women in the category / Average salary of men in the same category. Assessed Positions: Coordinators, operational and administrative technicians, managers, specialists, counselors, directors, interns, apprentices and president. Level 1: Statutory Directors excluding the CEO Level 2: coordinators and managers Level 3: other positions, excluding levels 1 and 2 and apprentices, interns and directors who do not have a category Note: The employed directors (04 employees) were not accounted for in any of the levels (1 or 2).	n/a	n/a	n/a
406-1	Discrimination cases and corrective measures taken	Discrimination cases - The Code of Ethics and Conduct is the guiding framework for the expected behavior of each employee. It is provided for in the Code in the topic - Acting with social responsibility, respect to human rights and rejection of discrimination, in short, the position is clear as to express and absolute rejection of conduct such as sexual harassment and discrimination, in any of its manifestations. The Ethics Line Channel has a specific category for recording any manifestation of discrimination.	n/a	n/a	n/a
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	a. There are no risks of violations regarding the rights of workers to exercise freedom of association or collective bargaining, in view of the procedures mentioned below. b. ISA CTEEP has a specific procedure for collective bargaining, following the following flow: Receipt of the union entities' claim list • Rounds of negotiations between the company and union entities • Meeting for appreciation and voting of employees regarding the negotiated proposal • Signing of collective bargaining agreements • Registration of collective bargaining agreements in the mediator system The request for association from the employee through the union entities so that the monthly fee can be discounted from the payroll. The concept used for "employees" is CLT employees, covered by collective agreement, full-time, and Statutory Directors, who appear in our Payroll, excluding Apprentices, Directors and Interns. However, it is important to pay attention to some indicators, where these groups (Apprentices, Counselors and Interns) are included, such as some DHO indicators. For most GRI indicators, we use the base date minor (December). Interns and apprentices are hired under specific terms, taking into account current legislation. The directors are chosen by vote, through an Ordinary General Meeting, with the presence of the shareholders.	n/a	n/a	n/a
408-1	Operations and suppliers with significant risk of child labor	The Ethics Line Channel is a control mechanism to receive reports about misconduct and any non-compliance with laws, rules and regulations, especially topics that violate human rights, regardless of the term "significant risk of occurrence", all reports of this nature are classified as High risk by the tool and determined by the Ethics Committee of ISA CTEEP. These are basic values that suppliers must comply with in compliance with current legislation. Whether all operations and suppliers are assessed for these risks and, if not, detail. Yes, all operations are evaluated within the "Strategic Sourcing" contracting process and at this moment, according to the risks, the relevant contractual clauses are defined, in order to curb such practices, in addition, there is the Code of Conduct for Suppliers, a document that deals with the topics in question and which is mandatory for the registration of the supplier on the Pre-Qualification Platform, in addition to the Ethics Line Channel that is available for receiving complaints, guaranteeing the confidentiality of the whistleblower's identification. Child labor is any form of work performed by children and adolescents below the minimum age allowed. In Brazil, work is prohibited for those who have not yet turned 16, as a general rule, still following ILO standards. Young workers are those aged between 18 and 24 years. Dangerous or dangerous work is characterized by activities that endanger the life of the worker, according to NR 16, which expose the employee to permanent contact with: explosives, flammable products, electricity or even theft or other species of physical violence in professional activities.	n/a	In the 2020 report, the indicators of the ISA CTEEP and the Subsidiaries - IE Evrency, IE Serra do Japi, IE Minas Gerais, IE Norte Nordeste, IE Pinheiros and IE South were considered. In the 2021 report, in addition to the companies mentioned above, information from the Subsidiaries IE Aguarapeí, IE Itaipava, IE Biquaçu, IE Tibagi, IE Itapuru and IE Itaquaré was included.	Facilities that went live in 2021 and also IE Biquaçu (under construction) were included
409-1	Operations and suppliers with significant risk of forced or slave-like labor	The Ethics Line Channel is a control mechanism to receive reports about misconduct and any non-compliance with laws, rules and regulations, especially topics that violate human rights, regardless of the term "significant risk of occurrence", all reports of this nature are classified as High risk by the tool and determined by the Ethics Committee of ISA CTEEP. These are basic values that suppliers must comply with in compliance with current legislation. Whether all operations and suppliers are assessed for these risks and, if not, detail. All operations are evaluated within the "Strategic Sourcing" contracting process and at this moment, according to the risks, the relevant contractual clauses are defined, with the objective of curbing such practices. In 2021, the Supplier Code of Conduct was launched, a document that deals with the topics in question and which is mandatory for the registration of the supplier on the Pre-Qualification Platform, in addition to the Ethics Line Channel that is available for receiving complaints, guaranteeing the confidentiality of the whistleblower's identification. Forced labor or similar to slavery are degrading working conditions (incompatible with human dignity, characterized by the violation of fundamental rights that put the health and life of the worker at risk), exhausting working hours (in which the worker is subjected to excessive effort or overload of work that results in damage to their health or risk of life), forced labor (keeping the person in the service through fraud, geographic isolation, threats and physical and psychological violence) and debt bondage (making the worker illegally contract a debt and arrest him), according to the Brazilian Penal Code and ILO.	n/a	In the 2020 report, the indicators of the ISA CTEEP and the Subsidiaries - IE Evrency, IE Serra do Japi, IE Minas Gerais, IE Norte Nordeste, IE Pinheiros and IE South were considered. In the 2021 report, in addition to the companies mentioned above, information from the Subsidiaries IE Aguarapeí, IE Itaipava, IE Biquaçu, IE Tibagi, IE Itapuru and IE Itaquaré was included.	Facilities that went live in 2021 and also IE Biquaçu (under construction) were included
410-1	Security personnel trained in human rights policies or procedures	The Company's guiding framework is the Code of Ethics and Conduct, in particular, the principles of Respect and Commitment to Life oblige the company to guarantee the defense and promotion of human rights, to prevent discrimination and to comply with the rules and regulations on theme, that is, it clearly addresses the protection of human, fundamental and social rights. This content is an integral part of the learning process together with the acceptance of the term of commitment agreed by the employees by each employee. Percentage: Total active employees X total trained employees. This training extends not only to security personnel, but also to all ISA CTEEP employees.	n/a	n/a	n/a
411-1	Cases of violation of indigenous peoples' rights	We have the Ethics Line Channel, which is a control mechanism to receive reports about misconduct and any non-compliance with laws, rules and regulations, especially topics that violate human rights. When applicable, we receive reports through the Channel, filter and treat them, giving the appropriate directions.	n/a	n/a	n/a
412-1	Operations subject to human rights or human rights impact assessments	For the percentage of operations, the company ISA CTEEP and its wholly-owned subsidiaries were considered. Knowledge of the Code of Ethics and Conduct of employees is an internal premise for raising awareness of the Human Rights theme. The activities that we consider as "human rights assessments" and/or "human rights impact assessments" are based, in particular, on the principles of respect and commitment to life regarding the prevention of discrimination and prohibitions of forced or child labor, and other forms of human rights violations. One way of measuring/assessing is through complaints received via the Ethics Line Channel and also by people management (OT team and managers). The rationale is based on the incidents that are reported for the treatment of these aforementioned instances.	n/a	n/a	n/a
412-2	Training of employees on human rights policies or procedures	The process of learning the guidelines and principles of the Code of Ethics and Conduct is the reference for aligning the expected behavior, based on hours of training for knowledge of the content covered by each employee. "Employees" are all active employees registered in the human resources register and segregated according to the type of contract and professional category assigned in the database of the personnel management system itself.	n/a	n/a	n/a
413-1	Operations with engagement, impact assessments and programs of development for the local community	a) ISA CTEEP + 100% Subsidiaries (in operation and under construction) i. Considering the projects that are being implemented, in 100% (new projects), within the environmental licensing processes, the social impact on the DSAP is evaluated. The analysis is not carried out without distinction of gender. ii. Considering the projects that are being implemented, in 100% (new projects), within the environmental licensing processes, the environmental impacts are evaluated and the mitigating measures to be carried out are proposed. During the works, continuous monitoring is carried out, ensuring the application of previously defined environmental programs for the prevention and/or mitigation of negative impacts, as well as the enhancement of positive effects. In the case of matching, we do not monitor the beneficiary families, since the environmental impact was analyzed before the partnership with the Stop Hunger Institute, which action would be more viable, especially considering logistics (CO2 emissions). iv. Unrealized. v. Stakeholders are identified, considering in particular the licensing body, the intervening bodies, affected municipal governments. Based on this mapping, negotiations are carried out according to each stakeholder. saw. When local traditional communities are identified, consultations and actions involving them are carried out. Example: community of fishermen and mariculturists in IE Biquaçu.	Yes	In the 2020 report, the indicators of ISA CTEEP and the Subsidiaries 100% in operation were considered - IE Evrency, IE Serra do Japi, IE Minas Gerais, IE Norte Nordeste, IE Pinheiros and IE Sul. In the 2021 report, in addition to the companies mentioned above, information from the Subsidiaries IE Aguarapeí, IE Itaipava, IE Biquaçu, IE Tibagi, IE Itapuru and IE Itaquaré was included.	In the 2021 report, in addition to the companies mentioned in 2020 information on Subsidiaries under construction was included.
413-2	Operations with significant adverse impacts - actual and potential - in local communities	We consider in operation the units that are already in operation. From the moment the Operating License - LO and the TLDs are obtained, preparations to operate begin. The criteria to determine the actual and potential significant impacts on local communities are defined in the environmental licensing and delimited by directly affected area (ADA), which is the area used by the enterprise, that is, where it is located. It contains the most significant direct impacts from installation, maintenance and operation, Indirect Influence Area (AID), which is an extension of the ADA, being more comprehensive, but still liable to suffer direct impacts and Indirectly Affected Area (AIA), which is located in a region a little further away from the project, but encompasses the two other areas (ADA and AID). It receives indirect actions, with less significant impacts than those that occur in direct areas.	n/a	n/a	n/a
414-1	New suppliers selected based on social criteria	a. Inform what were the social criteria considered Non-use of child labor, irregular work by adolescents or in conditions similar to slavery or degrading. Do not adopt discriminatory practices or that restrict access to employment or its maintenance. Obey and ensure that its employees, contractors, agents or representatives strictly comply with all legislation, rules, NRS and regulations regarding safety, medicine and hygiene at work. Preserve the health, safety and well-being of populations directly and indirectly affected. a. Inform the rationale (formula and its components) of the calculation. Number of suppliers with whom contracts were signed in the period when they were identified as having occupational health and safety aspects prior to initiating contract execution / Total number of suppliers with whom contracts were signed in the same period. Inform the concept adopted by the organization for "new suppliers" Suppliers with whom contracts were signed in the period, regardless of whether they were contracted in previous periods.	For the year 2021, data from IE Riacho Grande is not considered, since the company was incorporated in late 2021, therefore, we still do not have indicators to support the necessary information.	In the 2020 report, the indicators of the ISA CTEEP and the Subsidiaries - IE Evrency, IE Serra do Japi, IE Minas Gerais, IE Norte Nordeste, IE Pinheiros and IE South were considered. In the 2021 report, in addition to the companies mentioned above, information from the Subsidiaries IE Aguarapeí, IE Itaipava, IE Biquaçu, IE Tibagi, IE Itapuru and IE Itaquaré was included.	Facilities that went live in 2021 and also those under construction were included
415-1	Political contributions	n/a We do not make contributions to political parties, a commitment established in our Code of Ethics.	n/a	n/a	n/a
418-1	Proven complaints regarding breaches of customer privacy and loss of customer data	All incidents resulting from ethical deviation, work safety, as well as those related to the violation of personal data privacy, are received via the Ethics Line Channel or other communication channels, such as contact via e-mail in change of data, among other means, of institutional communication. The reports are verified by the responsible body and will be confirmed if any origin of the reported facts is identified. Any identification or suspicion of the occurrence of security breaches or any Security Incident (loss, deletion or unwanted or unauthorized exposure), which compromise the confidentiality or integrity of personal data There is no exact reference of significant numbers, criteria are applied to each event, such as (i) the description of the Personal Data involved; (ii) the amount of Personal Data involved (event volume); and (iii) Data Subjects affected by the event. The identification of any incident that involves the violation of personal data has priority in the treatment, in the communication to the ANPD and in the mitigation plan.	n/a	n/a	n/a
419-1	Non-compliance with laws and regulations in the social and economic area	Significant fines are those exceeding US\$ 10,000. In socioeconomic matters (slave and child labor, legal quotas for PCDD and apprentice). Non-monetary sanctions in socioeconomic matters (slave and child labor, legal quotas for PCDD and apprentice). All spheres and types of legislation applicable in the socio-economic matters described are considered.	n/a	n/a	n/a