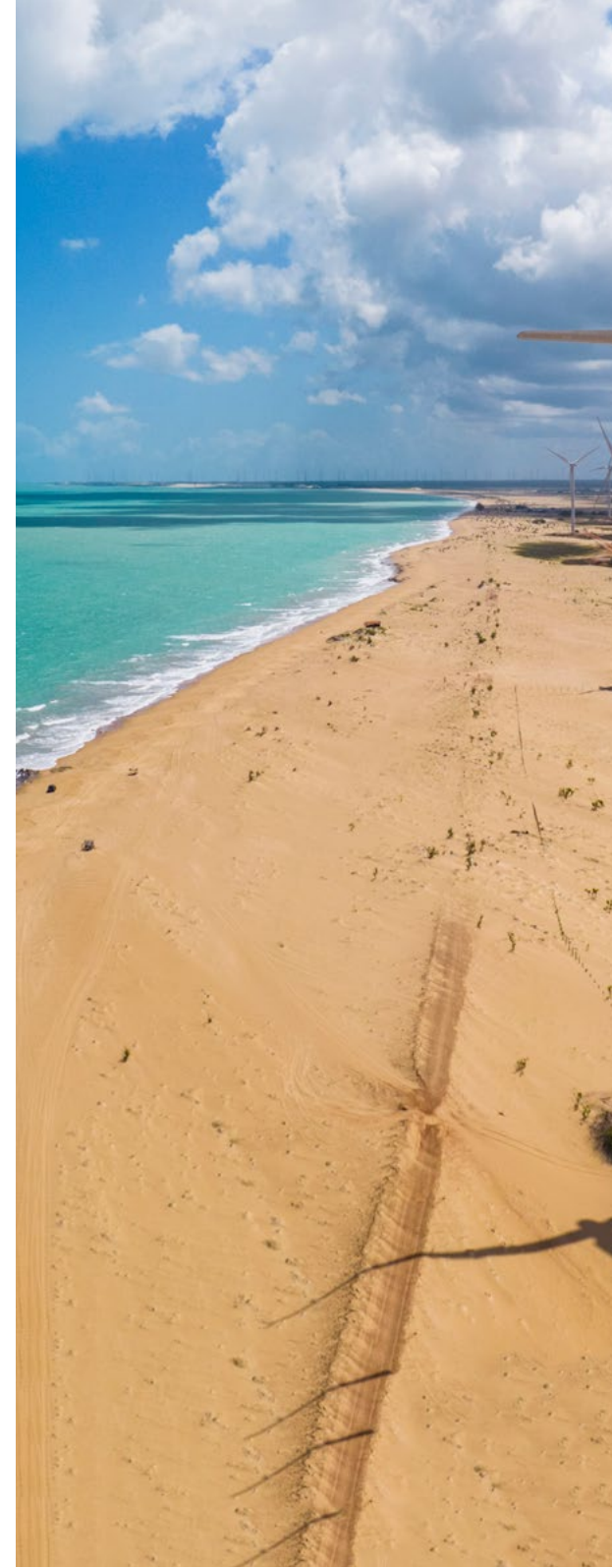


# Integrated Sustainability Report 2022



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# FOREWORD

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**Clarissa Sadock**  
CEO from AES Brasil

# Message from CEO

GRI 2-22

2022 was yet another year of transformations for AES Brasil and marked by the implementation of our growth strategy in 100% renewable energy sources. Through innovation, we have been changing our daily operations, and we believe that Brazil is ready to lead a global, sustainable and productive energy transition. We are increasingly committed to **be the best choice for our customers in the free market with resilience, competitiveness and responsibility.**

We added 456 MW of operational wind assets to our installed capacity by acquiring three Wind Power Complexes: Ventos do Araripe (PI), Caetés (PE), and Cassino (RS). When it comes to the construction of new assets, we point out the progress of the Tucano and Cajuína Wind Power Complexes. At Tucano, the construction is more than 95% complete and 24 out of the 52 wind turbines are operational. As regards the Cajuína Wind Power Complex, we have completed 78% of the works for Phase 1 and assembled 21 of the 55 wind turbines, while 18% of the construction milestones for Phase 2 have been completed. We expect the Tucano Complex to be fully operational in the first half of 2023, and the Cajuína at year-end.

These achievements, coupled with the expansion strategy we have been implementing over the past

few years, have enabled us to practically double our 100% renewable energy installed capacity in the last six years. From 2.7 GW solely in hydroelectric power plants, we now have 5.2 GW of installed capacity distributed into hydro, wind and solar sources.

We have an increasingly diversified our portfolio, exploring solutions that benefit our customers, investors, communities and other agents, contributing to the decarbonization necessary to reach the global sustainable development goals. Green Hydrogen (H2V) is a new business opportunity that will become even more important in the Company's growth strategy. On this front, we signed a pre-agreement with Port of Pecém's Industrial Complex to conduct preliminary feasibility studies for the production of 2GW of H2V per year.

**456 MW**  
of operational wind assets acquired

**100%** of neutralized  
historical GHG emissions

In our industry, 2022 was a year marked by an important step towards the full opening of the free energy market for all high voltage consumers, which means more customers will be eligible to purchase energy directly from generators – and we are ready to serve them. We traded carbon credits for the first time, from the Salinas (RN) and Mandacaru (CE) Wind Power Complexes and studied new asset certification possibilities.

Another important lesson of 2022 was to learn how to operate in a post-pandemic world. We further appreciated human relations, health, safety and everyone's well-being. We paid close attention to our relationship with the communities near our assets, especially as regards their expectations and needs in terms of income generation and quality of life. In this pillar, I am pleased to inform that we have begun

an important water security and productive inclusion initiative in the semi-arid region of the state of Rio Grande do Norte, where we are building the Cajuína Wind Power Complex. Another important achievement was the implementation of a technical training program in partnership with Senai-RN. This program is designed exclusively for women and trained 76 female workers on the Operation and Maintenance of Wind Farms. And I am also proud to announce that the Cajuína Wind Power Complex will be the fully operated by women, replicating our excellent experience at Tucano.

All these achievements have only been possible because we rely on a highly skilled and engaged team, whose development and satisfaction are always in the forefront of our minds. As a result of these efforts, for the second consecutive year, we were chosen as the “Most Awesome Place to Work” in the energy industry, an award organized by Fundação Instituto de Administração (FIA), reflecting the opinion of those who at AES.

We continue to meet the goals set in our 2030 ESG Commitments, and I highlight two important achievements: we neutralized 100% of our historical greenhouse gas emissions since the beginning of our

operations (1999) – three years before the scheduled target, and we also met the goal to have 25% of women in senior management positions. We are currently close to meeting the goal of 30% set for 2025.

As a result of a strategy that has responsibility as one of its pillars, for the second year in a row, we were the only Latin American energy company with “AAA” grade in MSCI ESG Rating. Furthermore, we maintained our “Negligible Risk” rating at Sustainalytics ESG Rating and for the 16th consecutive year, we will be part of B3's Corporate Sustainability Index (ISE).

Looking back at our journey, I emphasize how amazing it is to lead and be part of the AES Brasil team. I would like to thank all our employees, who remained focused on achieving our purpose of accelerating the future of energy, and our customers, communities, business partners, shareholders, investors and all stakeholders with whom we have a day-to-day relationship. Thank you for your trust.

**Clarissa Sadock**  
**CEO**

# 2022 Highlights

## Economic and growth

- R\$1.2 billion EBITDA, up by 36.9% over 2021;
- Funding of +R\$1 billion via private capital increase with important support from the shareholder base, which subscribed to 92% of the issued shares;
- Tucano and Cajuína (Phase 1) Wind Power Complexes constructions with 95% and 78% of the projects executed, respectively;
- Signature of long-term hydro PPAs totaling 50 MWavg;
- Acquisition of 456 MW of wind capacity in operation;
- 1.6 GW pipeline of projects ready for sale;
- Trading desk implemented, maximizing the performance of AES Brasil's generation portfolio;
- Increase in customers' confidence in our solutions, resulting in a Net Promoter Score (NPS) of 95 points, versus 77 points in 2021.

## Governance

- Enhanced communication and in-house training increased queries and complaints at the AES Helpline by 97% versus 2021;
- 100% of employees were trained on the Code of Conduct;
- The number of women on the Board of Directors went up from 27% to 36%.

## Social

- Total women employees increased by 23% versus 2021;
- The 51 women employee hired increase their share in the workforce to 30%;
- Joined the **Movimento Elas Lideram 2030** (Women Lead Movement), an initiative by UN Global Compact and UN Women that focuses on increasing the number of women holding senior management positions;
- R\$1.9 million invested in projects targeted at the community, benefiting 16,500 people;
- Implementation of a **technical training program exclusive for women** to work at the Operational and Maintenance teams of Wind Farms, in partnership with Senai-RN, offered to 76 women;
- Commitment to invest up to **R\$7.3 million** in the Cajuína Wind Power Complex region in water security and productive inclusion fronts.

## Environmental

- 100% of historical greenhouse gas emissions, since the start of operations in 1999, were neutralized, considering scopes 1, 2, and 3;
- **First carbon credit sale**: US\$2.2 million in credits from the Mandacaru and Salinas Wind Power Complexes;
- 253.9 hectares of Atlantic Forest and Cerrado restored, the equivalent of approximately the same number of soccer fields;
- 3 endangered species preserved;
- R\$18.3 million invested in environmental programs.

## Awards and recognitions



The only energy company in Latin America with an ESG rating of “AAA” on MSCI for the second consecutive year.

### ISEB3

Participation in the portfolio of the Corporate Sustainability Index (ISE in Portuguese), of the stock exchange B3, for the 16th consecutive year in 2023.



For the 2nd consecutive year, “the most awesome company to work for in the Energy Sector”, according to a survey by FIA and UOL.



ESG performance rated at “Insignificant Risk” by the ESG Sustainalytics rating.



Golden Seal by EcoVadis in the corporate sustainability assessment.



Recognized by Exame magazine as one of the “Best Companies in ESG” for the second consecutive year.



Grade “B” from the Carbon Disclosure Project (CDP) in the Water Security and Climate Change questionnaires.



The Greenhouse Gas Emissions Inventory received the Golden Seal from the GHG Protocol.



Anefac Transparency Award 2022 for the best transparency practices in accounting information.



TOP 10 Open Corps Award in the Electricity category for the third consecutive year.

# About the report

GRI 2-2, 2-3, 2-5, 2-14

Our Integrated Sustainability Report is prepared annually, in order to strengthen our accountability to all our stakeholders. In this report, published in March 2023, in Portuguese and English, we present our results and achievements for the fiscal year 2022, for the period from January 1st and December 31st. This is the same period of the financial statements.

This document contains the consolidated corporate information and covers all AES Brasil Energia S.A. (“AES Brasil” or “Company”) and its subsidiaries business ([learn more on page 105](#)), with exceptions justified in the respective indicators. Considering that AES Brasil Energia S.A was created and listed in the stock exchange on March 29, 2021,



Comments, suggestions and doubts about the contents presented herein can be sent by email to [sustentabilidade@aes.com](mailto:sustentabilidade@aes.com)

information presented for the first quarter of 2021 refers to AES Tietê Energia. This report aims to present the strategy, guidelines and policies, as well as the economic, social, environmental and governance results of all our processes, which lead to value creation for all our stakeholders.


The Report was prepared according to the Global Reporting Initiative (GRI) standards, the recommendations of the International Integrated Reporting Framework and the accountability model proposed by the Sustainability Accounting Standards Board (SASB). Information is also in line with the Global Compact principles, to which AES Brasil is a signatory, and the United Nations (UN) of Sustainable Development Goals (SDGs).

No relevant or mandatory data was omitted, according to the GRI, IIRC and SASB assumptions. Information was gathered with all AES Brasil’s teams


and centralized by the Sustainability Corporate Department, reporting to the Strategy and ESG Office, responsible for ensuring the Report’s integrity and recognizing the application of collective thinking according to the IIRC framework principles. The Board of Directors, the Fiscal Council and the Statutory Audit Committee (CAE) reviewed the final draft and issued an opinion on the document. This report has been submitted to external and independent assurance ([learn more on page 131](#)).

## How to read this report

### POP UP MENU

 Navigation through the document.


### EXTERNAL LINKS

 Icons indicating access to information on the AES Brasil website.

### INDICATORS

GRI 2-18; SASB IF-EU-110

### INTERACTIVE INFOGRAPHIC

 Icons indicating interaction in infographics.





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We generate and sell 100% renewable electricity from hydro, wind and solar sources.

## Profile corporate

GRI 2-1, 2-6

We are AES Brasil, a company offering customized solutions for the generation and trade of 100% renewable energy to meet the different demands and needs of our customers. We are a publicly-held company traded on B3's Novo Mercado segment, controlled by The AES Corporation ("AES Corporation"), a global energy company present in 14 countries across four continents.

Operating in Brazil since 1999, we are the only energy company in Latin America with an ESG rating of "AAA" on the MSCI, one of the leading ESG rankings for publicly-traded companies, controlled by the Morgan Stanley Capital International (MSCI).

In our operations, we strive to maintain a high level of security, excellence in asset management and the development of innovations and complementary solutions that ensure our position as our customers' top-of-mind choice. At year-end, we had an installed capacity of 4.2 GW in operation and 1.0 GW under construction, serving a portfolio of 150 large, medium-, and small-sized customers in 14 states. Hence, we have a team of 594 professionals trained and engaged in our goal.

# Where we are

## São Paulo

Hydro  
2,658 MW

Guaimbê  
150 MW

Ouroeste  
145 MW

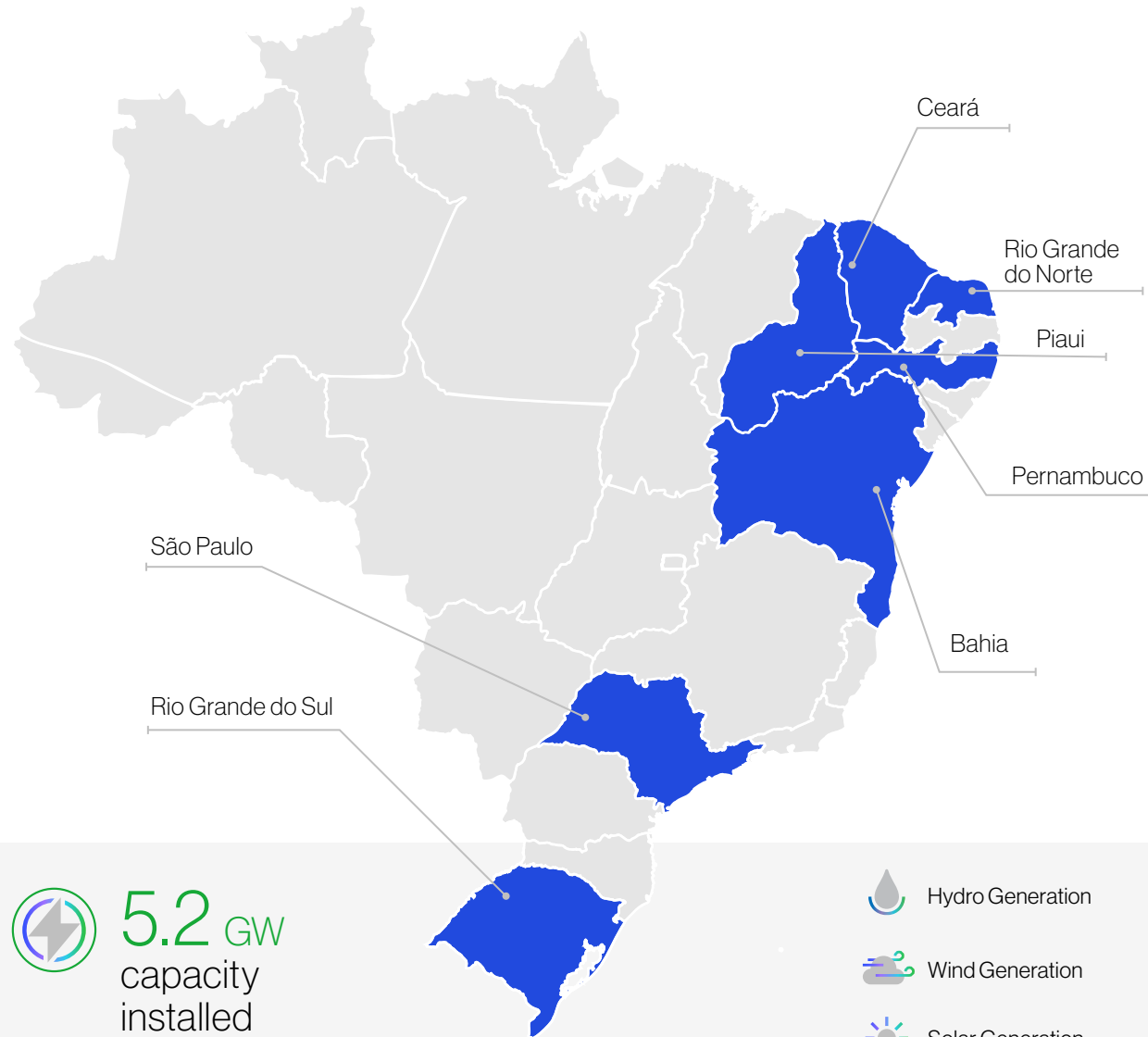
## Rio Grande do Sul

Cassino  
64 MW

## Ceará

Mandacaru  
108 MW

Note: The data above refers to the installed capacity of each asset.



- Hydro Generation
- Wind Generation
- Solar Generation

## Rio Grande do Norte

Cajuína (under construction)  
695 MW

Ventus  
187 MW

Salinas  
50 MW

## Piauí

Ventos do Araripe (PI)  
210 MW

## Pernambuco

Caetés (PE)  
182 MW

## Bahia

Tucano (under construction)  
322 MW

Alto Sertão II  
386 MW

## Purpose and Values

### Our Purpose

Accelerating the future of energy, together.

Working with you, we are improving lives by delivering greener, smarter energy solutions the world needs.

## Values

### Safety first

Safety is at the core of everything we do. We always identify potential risks to our people, contractors, customers, partners and communities, and measure success by how safely we conduct our work together while contributing to a greener energy future.

### Highest standards

We act with the utmost integrity with our people, contractors, customers, partners and communities and hold the solutions we deliver together to global standards of excellence.

### All together

We work as one team across our business and with our people, contractors, customers, partners and communities. We meet changing customer needs with agility and have fun solving meaningful challenges as a team.

## Intangible Assets

Present in Brazil for over 20 years, we have accumulated experiences, features, achievements and other intangible assets. Among these intangible assets, which generate value for AES Brasil and all stakeholders, are:

### Human capital

The experience and knowledge gained by our professionals represent an important intangible capital, and in order to increasingly improve this workforce, we continually invest in **training and development** at all hierarchical levels.

### Innovation

Our presence among Brazil's most innovative **power generation** companies is largely the result of our efforts in this area. We seek to **develop new technologies** and improve our business model, geared towards enhancing our operations' efficiency and reliability, as well as increasing our positive social and environmental impacts.

### Operational intelligence

The experience gained in the country, coupled with the knowledge of the **best global practices** acquired from our parent company, made it possible to build up distinguished intelligence in the **controls and processes** department, ensuring efficient and safe operations.

### Brand

We have a consolidated brand, which is respected by the electricity industry and recognized by consumers. **The 95-point score** in our **NPS survey**, conducted in 2022 with our customers, confirms this recognition.

### Customized products and services

Operational intelligence has enabled us to improve controls and processes and also to develop **customized products and services** to meet any specific needs of our customers. We develop customized solutions that comply both with our sustainable operation premises and **ESG practices**, in line with our customers' demands.

### Sustainability/ESG

We have received numerous **sustainability and ESG-related awards**. The demand from customers and other stakeholders broadens the internal discussions on these topics and encourages us to seek **constant improvement**.



# Strategy

We have been successfully developing our growth and portfolio diversification strategy, standing out in the industry for our 100% renewable portfolio, customer focus and ability to offer customized solutions.

Our aim is to increase generation capacity by diversifying our portfolio with non-hydropower sources and long-term agreements. The core pillar of this goal is diligence in evaluating growth opportunities, always striving to create value for all the stakeholders. Therefore, we efficiently manage our assets, based on sustainability principles and ESG practices, and develop products and services that contribute to Brazil's energy transition.

Geared towards being in the forefront of the transformation in the industry and being the customer's top-of-mind choice in the free energy market, we offer resilient, competitive, and responsible solutions.

Over the past six years, we have doubled our installed capacity, considering the Tucano and Cajuína Wind Power Complexes (under construction) and the acquisition of Ventos do Araripe, Caetés and Cassino wind farms. We recorded most of our growth in 2022. Moreover, we ended 2022 with a R\$1.2 billion EBITDA (36.9% up over 2021), arising from better hydro margin and operating performance at our wind and

solar farms, direct results from our growth and diversification strategy, which will positively and increasingly impact on our financial results going forward.

Supported by three pillars, this strategy proves a long-term view of who we are and how we deliver quality services and products. Due to its importance, the strategy is also present in the structure of this Report's chapters.

Our goal: to be the customer's top-of-mind choice in the free market, offering resilient, competitive and responsible solutions.



## RESILIENCE

Increase resiliency by **actively managing our existing portfolio** while growing in renewable sources.



## COMPETITIVENESS

To offer **carbon-free energy solutions** in order to better serve our customers through operational and financial excellence.



## RESPONSIBILITY

**Manage business impact** according to environmental, social, and governance criteria.

# Product and solution Portfólio

GRI 2-6

In line with the gradual change in our energy matrix, we are improving our product and solution portfolio to better meet the demands of large and medium-sized customers as well as to expand the offering to the retail market. In 2022, we started trading carbon credits and made available our energy management platform to our customers.

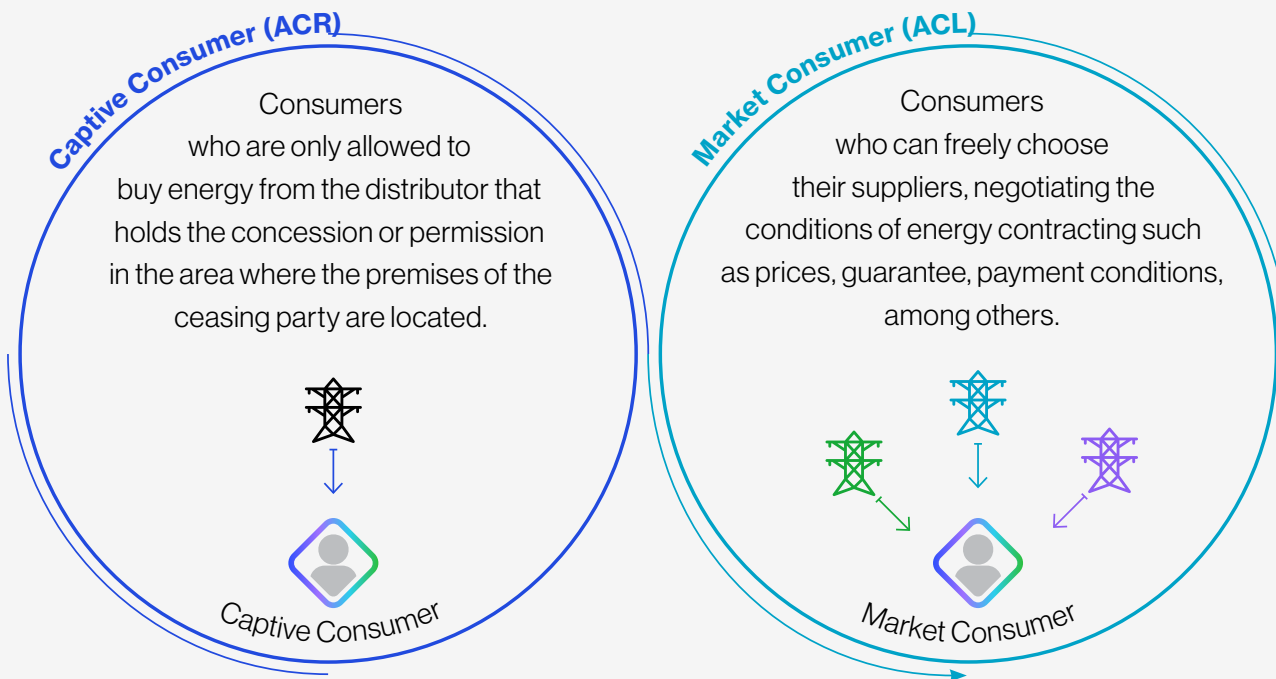
We ended the year at an accelerated growth pace, resulting from a strategy that offers customized products and guarantees, for the commitments of our customers, the reliability of no carbon emission 24-7.

Our retail operation serves customers of **more than 350 consumer units** in 156 cities across 21 states, who migrated to the free market.




We operate in the Free Energy market, formally called the Free Contracting Environment (or ACL in Portuguese), in which consumers can choose their electricity supplier and freely negotiate the power purchase and sale conditions, according to the sector’s legal trading rules and procedures. We have current and future energy agreements with more than 200 customers, in all Brazilian regions. Most of these are long-term agreements, with a duration of over one year. Our biggest customers, in terms of volume, are in the Metallurgy, Aluminum and Chemical segments. Through bids, we also have our power plants contracted in the Regulated Contracting Environment (or ACR in Portuguese).

The expansion of the free market, which will encourage the migration of high voltage consumers in 2024, pledges to create a potential market of more than R\$10 billion already in the first year.



+200  customers with current and future energy sales contracts

 Our portfolio of clean energy generating assets allows us to offer sustainable products and solutions.

Our clean energy asset portfolio enables us to offer sustainable products and solutions that support our commercial and industrial customers in decarbonizing their operations. Furthermore, we are ready to serve small- and medium-sized high voltage energy consumers, positioning us among Brazil’s leading energy retailers, which contributes to leverage our growth strategy.



In 2022, we added **carbon credit trade** to our product and service portfolio.

The expansion of the free market, which will encourage the migration of high voltage consumers in 2024, pledges to create a potential market of more than R\$10 billion already in the first year. To already be ahead of this new environment, we are increasing investments and promoting constant operational improvements.

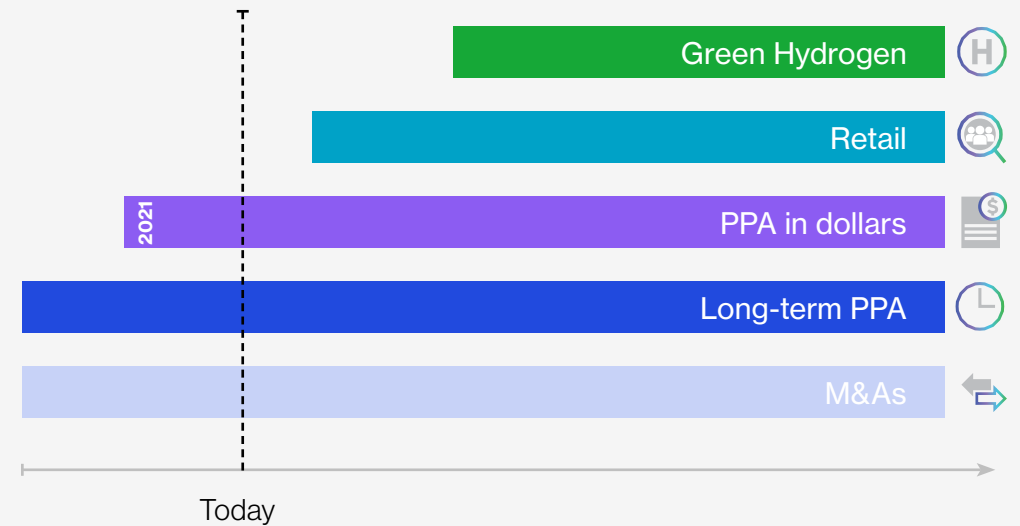
The market intelligence we have gained allows us to combine different solutions to fully accommodate the various particularities of our customers and of

each segment, for example combining long-term contracting strategies in our new wind power projects with short and medium-term trades in the hydropower portfolio, for example.

We foresee great growth opportunities for self-production agreements. This model is going through an increase in demand, resulting from a drop in energy prices after charges have been reduced, and long-term or dollar-pegged Power Purchase Agreements (PPAs), which serve as a hedge against price oscillations.

### AES Brasil is ready to seize the opportunities of the Brazilian market

Renewable electricity is bought by customers as a decarbonization tool





Our diversified solution portfolio enables us to offer the best product to each customer's need:

## Tailored Solutions

- **Retail**  
Retail consumer mode;
- **Energy Management**  
Support and advice to Free Market customers;
- **Energy Commercialization**  
Purchase and sale of conventional or encouraged electric energy;
- **Long-Term Energy**  
Long-term contracts (PPA) and Auto-Production;
- **Renewable Energy Certificates**  
I-RECs and Self-declaration of Renewable Sources.

**Retail:** We strive to offer small energy consumers or multi-sites the benefits of the free market, with the operational resources of the captive market. We represent these customers at the Electricity Trading Chamber (CCEE), thus assisting them in account assessment and auditing, regulatory support and advisory services (rules and procedures), strategy and execution of energy agreements, contract portfolio management and resource optimization, monthly follow-up reports on results, and market intelligence, anticipating risk factors.

## Tailored solutions



By 2024, AES Brasil will act as the retail commercializer for the 55 Senac units, being responsible for the management and supply of energy. In addition to saving around 20% when compared to the captive market, the Senac units will have the security of a large generator partner.



AES has a retail commercializer contract with McDonald's until 2024, to serve more than 200 units in the SE/CO, NE and North submarkets. The contract allows an average saving of 25%.

**Energy Management:** in order to make the operation in the free market easier for our customers, we offer them energy management services, through feasibility studies on migration to the free market and developing contracting strategies; assessing and auditing accounts; offering regulatory support and advisory services; preparing reports for monitoring results; and contract management. This allows each consumer to deal with the monthly steps and bureaucracies that require prior knowledge to join this market.

**Energy Sale:** we guarantee that our customers can purchase energy from the conventional market and contract it from sources with tax incentives. Both can be used by free energy consumers, but energy with tax incentives, which comes from renewable sources, e.g., solar, wind, biomass, and small hydroelectric plants (SHPP) – is available only for special consumers, i.e., companies and industries with demand under 1000 kW. These customers receive a legal benefit of 50% to 100% discounts in the Tariff for Using the Electric Distribution Systems (TUSD). We also support customers through the Energia+ digital platform, which

allows them to simulate the electricity savings they will have by purchasing energy in the free market, compared to the regulated market, which can be as high as 35%. Moreover, the platform allows customer to monitor their migration to the Free Market.

**Long-Term Energy:** aimed at customers with high energy demand, the PPA is a long-term, bilateral Power Purchase Agreement, for a fixed period. It is often linked to a specific generation asset and at fixed price, which is agreed between the power generator and the consumer, offering more predictability and reducing energy costs in the long term.

**Self-production:** : this option is designed for power-intensive companies, who choose to invest in electricity generation for their own use, by means of a concession or authorization. These companies take the risks while creating a supply hedge and avoiding the impact of market price oscillations. Self-producers can install the energy production unit in their own plant or at another location and are exempt from some sector charges.

**Renewable Energy Certificates:** a

booming segment in the 100% renewable energy market, the Renewable Energy Certificates (RECs) allow demonstrating that certain energy consumption comes from clean sources, by tracing it, and contribute to our customers' brand positioning and the achievement of their sustainability goals. Our certificates are issued and registered on the International REC Standard (I-REC) platform and most of them are also certified by REC Brazil, which ensures compliance with sustainability criteria in accordance with the UN's Sustainable Development Goals (SDGs).

**Carbon credits:** they have become an important mechanism to help companies that have taken on goals to reduce their emission of polluting gases. Each ton of greenhouse gases not released into the atmosphere can generate a carbon credit.

## Nine plants accredited with I- RECS

In order to sell I-RECs, we have accredited several of our plants. The Água Vermelha Hydroelectric Power Plant (SP), our largest hydropower plant, seven farms at the Ventus (RN) and Alto Sertão II (BA) Wind Power Complexes and one farm at Ouroeste Solar Power Complex have been accredited by the international

tracking platform I-REC Standard. Furthermore, 7 of these 9 farms also have the REC Brazil certificate. Considered an I-REC, this certificate assures our customers that the plant meets the criteria of additionality, according to UN's Sustainable Development Goals.



## Successful Cases



### Autoproduction

AES Brasil has created a joint venture in partnership with Unipar Carbocloro for the supply of 60 MWavg, for 20 years, from the Tucano Wind Farm Complex, located in Bahia.



### Autoproduction

In another partnership with Unipar, AES Brasil in late 2021, created a new joint venture, this time with Unipar Indupa, for the supply of 40 MWavg, for 20 years, from the Cajuína Wind Farm Complex, located in Rio Grande do Norte.



### Autoproduction

AES Brasil, together with BRF, signed a partnership through a joint venture, for the generation of 80MWavg of energy for BRF through the Cajuína Wind Farm Complex, located in Rio Grande do Norte.



### Long Term PPA

A PPA was signed for the supply of energy to Anglo American for 15 years starting in 2022, with 70 MWavg of assured energy.



### Long Term PPA

AES Brasil, together with Ferbasa S.A., signed a partnership for the supply of 80 MWavg for a term of 20 years, with energy delivery starting in 2024.



### Long Term PPA

Through a Power Purchase Agreement with MINASLIGAS, AES will deliver 21 MWavg to MINASLIGAS to supply energy for a 20-year term, starting in 2023.



### Long Term PPA

A partnership was signed with Alcoa for the first PPA contract in dollars, providing for the supply of 150 MWavg, over a 15-year period, starting in 2024.

## Portfolio diversification

From a hydropower portfolio of 2.7 GW, located entirely in the state of São Paulo in 2017, over the last years, we have transformed into a company with 5.2 GW of installed capacity present in seven Brazilian states.

Out of this total, we currently have 4.2 GW of installed capacity in operation and 100% renewable, and another 1.0 GW of capacity under construction at the Tucano and Cajuína Wind Power Complexes, resulting in a portfolio with almost half from hydro sources and the other half from solar and wind sources.

These efforts to diversify our portfolio are directly linked to our resilience capacity, reinforcing our relentless pursuit of risk reduction. We work proactively to offer diverse solutions that meet the changes brought by the energy market and consolidate our growth strategy. Customer loyalty is based on distinguished, customized, innovative, and, above all, safe and reliable solutions.

In line with the strategy to contribute to our customers' decarbonization, we are attentive to trends and new technologies, and offer instruments such as carbon credits and I-RECs to assist them in neutralizing their

greenhouse gas emissions. We have been issuing I-RECs since 2017, proving that we are pioneers in offering sustainable solutions.

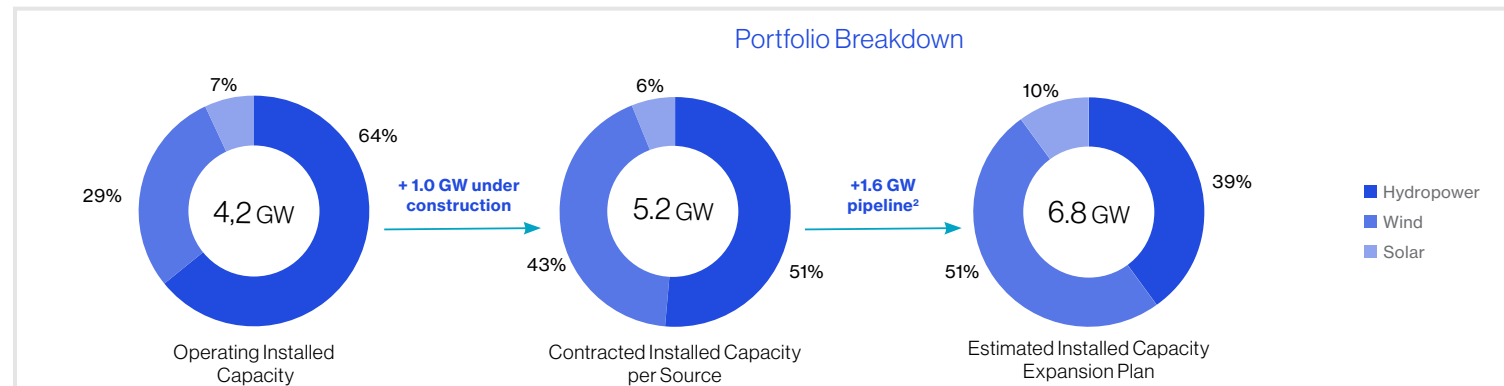
This year, we traded carbon credits for the first time, totaling more than 465,000 credits from wind power sources. Backed by the Mandacaru and Salinas Wind Power Complexes, these credits corresponded to a revenue of over US\$2.2 million.

We are committed to our continued growth strategy, which has led us to invest in green hydrogen (H2V) as an important new energy vector for the clean energy chain, capable of attracting a potential market of almost

R\$100 billion by 2040, according to a McKinsey survey (2021). We strive to be ahead of the curve and be well positioned to unlock the immense market potential, including the possibility of serving customers abroad, by exporting inputs by ship. Hence, in September we signed a pre-agreement with the Pecém Complex (CE) for a feasibility study for producing H2V.

The pre-agreement seeks to advance preliminary studies for the production of up to 2 GW of H2V and up to 800 thousand tons of green ammonia per year. These studies aim to make the production plant feasible as well as selling H2V, using the Ceará terminal as an export platform.

### Portfolio



<sup>1</sup> Subject to modification due to project optimizations.

In order to consolidate our role as an important player in the industry, we took advantage of market opportunities for portfolio diversification through constructions and M&As. As regards asset acquisition, we believe in our operational intelligence and technical capacity to manage projects with operating opportunities that present possibilities for improvement and/or expansion.

In 2022, our portfolio expansion was divided between the construction of new assets and the acquisition of wind farms in operation. We started construction works for the Cajuína Wind Power Complex (Rn) and acquired a wind pipeline adding up to 305 MW to the Complex. Furthermore, we completed the acquisition of new operational wind assets that added 456MW of installed capacity to our portfolio. Wind energy has proven to be an excellent option for our customers, not only for its production capacity, but also for its project feasibility and competitive costs.

Based on our strategic plan for growth and diversification of sources to complement hydropower, we are increasing our presence in Brazil's Northeast, a region known for its rich natural resources, especially the high wind incidence. Over the last few years, we have focused our investments in this region, and, in 2022, we increased said investments by acquiring assets in the states of Piauí and Pernambuco, which were added to our wind farms in the states of Bahia, Ceará and Rio Grande do Norte.

Within our future investment strategy, the 2023-2027 Investment Plan includes investing R\$ 3.1 billion in the expansion of contracted projects and construction plans already defined, especially for the Tucano and Cajuína Wind Power Complexes, and the development of the Cajuína Wind Power Complex pipeline; and the modernization and maintenance of operational assets.



## New Assets

In 2022, we highlight the acquisition of 456 MW of wind capacity from Cubico Brasil S.A., from which we had already acquired the Mandacaru (RN) and Salinas (CE) Wind Power Complexes in 2020. This time, we acquired three Wind Power Complexes 100% operational and fully contracted in the regulated market until 2035: Ventos do Araripe (PI), Caetés (PE) and Cassino (RS). These operations plant our flag in states where we were not present yet. The transaction was our fifth and largest M&A so far.

This acquisition enabled us to almost double our installed MW volume compared to six years ago.

In 2022, we acquired more 305 MW of installed capacity pipeline additional to the Cajuína Wind Power Complex, in Rio Grande do Norte, strengthening our growth and portfolio diversification strategy.

## Tucano and Cajuína Wind Power Complexes

The construction works of the Tucano (BA) and Cajuína (RN) Wind Power Complexes closed the year at an accelerated pace.

Until February 2023, the overall progress of the works at the Tucano Wind Power Complex had exceeded 95%, with 24 of the 52 wind turbines operating. Located in the municipalities of Tucano, Biritinga, and Araci, in the state of Bahia, the complex has 322.4 MW of installed capacity, and the project's pipeline foresees the development of additional 260.4 MW, totaling 582.8 MW of total potential installed capacity. The plant under construction will supply energy to several customers already contracted, such as Anglo American, whose power purchase agreement established 70 MW<sub>avg</sub> to be delivered for 15 years; and Unipar, which has a joint venture in the Complex with 155 MW of installed capacity.

As regards Phase 1 of the Cajuína Wind Power Complex, until February 2023, more than 78% of the project had been completed, of which 94% of the civil construction, 73% of the works at the Caju substation (in the municipality of Angicos), and 100% of the 90-km transmission line that will connect the Complex to the

Together and operational, the Tucano and Cajuína Wind Complexes will add more than **R\$ 600 million to EBITDA**.

Açu III substation (in the city of Assú). 59% of the works in the wind turbines had also been completed (21 out of the 55 turbines were fully assembled). The Açu III substation was energized in January 2023. The system will also pass through the municipality of Itajá. During the works, we had more than 1,600 people working the Complex's construction sites, enabling us to make great advancements in its development.

The Second Phase of the works at the Cajuína Wind Power Complex picked up as of June, with 47% the civil construction completed and 42% of the Caju substation works. In December 2022, almost 700 people were working on this phase. The expectation is that the Power Complex will start operations in the second semester of 2023.





# Business Model

We believe that our business model directly and positively contributes to society's main social and environmental challenges. Therefore, we have established a set of commitments and targets for ESG management ([learn more on page 29](#)).

We have adopted the Integrated Reporting framework, which guides the communication of how we generate value (financial or otherwise) to our stakeholders. Our business model highlights the main inputs in the six capitals, our differentiators for generating value and the outputs and outcomes:

Our business model highlights the main inputs in the six capitals, our differentials for **value creation** and the outputs e outcomes.

# Business Model

## OUR INPUTS

## VALUE GENERATION

**Natural capital**

- Water resources to generate **8,398.6 GWh** of energy;
- Sunlight to generate **593.9 GWh** of energy;
- Wind incidence to generate **2,315.7 GWh** of energy;
- R\$18.3 million** invested in preserving biodiversity.

**Manufactured capital**

- 21 operating** assets;
- 4,2 GW** of installed capacity in operation; and **1.0 GW** under construction.

**Human capital**

- 594** own employees;
- 1.713 outsourced service** providers;
- 895 safety** walks in 2022, up by **102,9%** over 2021.

**Social and relationship capital**

- R\$1.9 million** used for private social investment (100% own funds);
- 521 enrollments** in Senai-RN's program for women AES Brasil Gera+.

**Financial capital**

- R\$169.4 million invested** in modernization and maintenance;
- Funding of +R\$1 billion** via private capital;
- Increase R\$950 million issued in green bonds** (debentures) for the Cajuína Wind Power Complex;
- R\$3.1 billion** invested in the expansion of projects contracted for the 2023-2027 period.

**Intellectual capital**

- R\$6.3 million** invested in R&D;
- 4th cycle of the **AES Brasil Conecta Program** was held for the co-creation of solutions for challenges proposed by AES Brasil's departments.



**Natural capital**

- 253.9 hectares** restored;
- 3,565.4 tCO<sub>2</sub>e** of gross GHG emissions;
- 3 endangered species** preserved through projects.

**Manufactured capital**

- 11,308.2 GWh** of gross energy generated;
- Acquisition of **+456 MW in wind capacity** in operation;
- +2.5 GW** of renewable power added in last 6 years.

**Human capital**

- 13,135 thousand** training hours;
- 25% of women** in senior leadership positions;
- 3,778 workers** received training on health and safety;
- Register of **3 lost time injury (LTI)**;
- Zero fatalities**.

**Social and relationship capital**

- Net Promoter Score (NPS) of **95 points**;
- 12 social projects** carried out, benefiting **16,500 people** in **30 municipalities**;
- 76 women** from the communities neighboring the Cajuína Wind Power Complex (RN) enrolled in the SENAI program.

**Financial capital**

- R\$ 1.2 billion** EBITDA;
- R\$ 1.7 million** in direct economic value generated and distributed.

**Capital intellectual**

- 10 R&D** projects under development;
- 2 projects** carried out in partnership with startups;
- Received the **TOP 10 Open Corps** awards, in the Electricity category, for the 2nd consecutive year.

Click on the strategic pillars to check our differences

# Materiality

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

In order to constantly improve our relationship with our stakeholders, we worked with a specialized external consulting firm to update the material topics that should be highlighted in this report, using as a starting point the materiality processes conducted in previous occasions. For this update, new benchmark studies with national and international sector companies were prepared, as well as analyses of frameworks, internal documents and the media. As a result, we highlight the ten material topics aligned to our 2030 ESG Commitments.

The material topics, described in the following page, reflect the issues that are relevant to AES Brasil's value creation and preservation. The impacts of the management of such topics on the economy, the environment and people, as well as the impacts on AES Brasil, were identified closely to the areas of operation, considering internal processes and documents. In this report, we highlight the significant impacts, according to their size, scope, irremediable nature, and probability. The infographic below, called Impacts Study, presents the main impacts identified in each material topic.

## 2019

- Materiality strategy was reviewed by consulting with our stakeholders through which we sought to understand which SDGs should be prioritized;
- Materiality was defined prioritizing 6 strategic topics and commitments.

## 2021

- Review of strategic topics, priority SDGs and commitments;
- Setting long-term goals - 2030 ESG Commitments.

## 2022

- Material topics update based on a sector and impact study, considering double materiality principles;
- Defining 10 material topics.

# Impact study

List of material topics



Click on the material themes and see how they are impacted.

List of material topics

# 2030 ESG Commitments

GRI 2-24

We understand the urgent need for the transition to a fair, low-carbon economy and we gear our business strategy with this mindset. ESG practices are embedded in our daily decisions as one of their fundamental pillars, considering the needs and expectations of society and environmental protection.

Established at the end of 2021 and disclosed during fiscal year 2022, our 2030 ESG Commitments define our long-term vision and are aligned with six SDGs proposed by the United Nations.

The strategic ESG themes that are now prioritized in our actions:

- E** ENVIRONMENTAL  
Climate Change
- S** SOCIAL  
Diversity, Equity and Inclusion
- G** GOVERNANCE  
Ethics and Transparency

## UN Global Compact Brazil Network

We are a signatory to some of the most relevant global ESG initiatives. We have been a signatory to the UN Global Compact Brazil Network since 2006. Our CEO, Clarissa Sadock, is the spokesperson for SDG 7 (Affordable and Clean Energy), recognized by the Liderança com ImPacto initiative. We have also joined other inspiring initiatives:

- Women Lead Movement 2030;
- Mind in Focus initiative;
- Climate Action Platform;
- Human Rights Action Platform;
- Anti-Corruption Action Platform.







Throughout 2022, we reached ahead of schedule the target of neutralizing historic greenhouse gas emissions, and we made progress especially in gender diversity, getting closer to the goal set for 2025 ([learn more on page 85](#)).

The 2030 ESG Commitments were approved by the Board of Directors. The action plans are implemented by the respective departments and centralized by the Sustainability team, which manages the plan and reports to the Board of Directors' advisory bodies: the Sustainability Committee, which receives the status of 2030 ESG Commitments every quarter and

discusses the action plan to reach the targets; and the Statutory Audit Committee, which receives the report every six months.

Targeted at managing ESG indicators and providing greater reliability to said data, which is reflected in our 2030 ESG Commitments performance, in 2022, we implemented the Sustainability Indicators System (SIS). The system automates data collection and control, ensuring traceability and greater reliability of information. In addition to environmental, social and governance data, through the SIS we control information such as energy generation and availability of each of our assets.

# 2030 ESG Commitments

Priority SDG	Commitments	Goal	2021 Performance (reference year)	2022 Performance	Initiatives developed
 5 GENDER EQUALITY	Promote diversity, equity and inclusion, ensuring equal opportunities at all levels.	<ul style="list-style-type: none"> <li>By 2025, have 30% of women in senior leadership positions.</li> </ul>	18%	25% ↑	<ul style="list-style-type: none"> <li>We increased the presence of women in Senior Leadership positions: the presence of women went up from 18% in 2021 to 25% in 2022. (<a href="#">Read more on Diversity</a>).</li> </ul>
 7 AFFORDABLE AND CLEAN ENERGY  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Contribute to the energy transition through the increase of renewables in the Brazilian energy matrix	<ul style="list-style-type: none"> <li>Contribute, through the generation of renewable energy, so that our customers can avoid the emission of 582,000 tCO<sub>2</sub>e per year as from 2025.</li> </ul>	N/A	N/A →	<ul style="list-style-type: none"> <li>We have advanced with the construction, still in progress, of the Tucano and Cajuina wind complexes, which will contribute to reaching the goal. (<a href="#">Read more on Portfolio Diversification</a>).</li> </ul>
 10 REDUCED INEQUALITIES	Transform lives through the local development of communities near our operations and ensure equal opportunities.	<ul style="list-style-type: none"> <li>By 2030, have 30% of underrepresented groups (ethnic-racial, gender identity and sexual diversity) in leadership.</li> </ul>	11%	13% →	<ul style="list-style-type: none"> <li>Progress of the Diversity, Equity and Inclusion Program and the Internship Program, with affirmative positions for these groups. (<a href="#">Read more on Diversity</a>).</li> </ul>
		<ul style="list-style-type: none"> <li>Hire at least 50% of local labor in construction of new projects.</li> </ul>	N/A	N/A →	<ul style="list-style-type: none"> <li>Supplier engagement in progress.</li> </ul>
 13 CLIMATE ACTION	Positively impact mitigation efforts to the effects of climate change.	<ul style="list-style-type: none"> <li>By 2030 reduce scope 1 and 2 greenhouse gas emissions by 18% tCO<sub>2</sub>e per MWh generated, compared to 2020.</li> </ul>	0.044 tCO <sub>2</sub> e/GWh base year: 2020	0.272 tCO <sub>2</sub> e/GWh ↓	<ul style="list-style-type: none"> <li>Scope 1 emissions increased due to SF<sub>6</sub> leakage in some recently acquired wind assets. The power supply cubicles at these units are being replaced to solve this problem. Increase in scope 2 emissions compared to previous years, due to the higher emission factor in the national grid. (<a href="#">Read more on Greenhouse Gas Inventory</a>).</li> </ul>
		<ul style="list-style-type: none"> <li>Continue to neutralize our carbon emissions and be carbon positive annually.</li> </ul>	2020 neutralized	2021 neutralized →	<ul style="list-style-type: none"> <li>Greenhouse gas emissions related to 2021 were neutralized in 2022.</li> </ul>
		<ul style="list-style-type: none"> <li>By 2025, offset historical carbon emissions since the start of AES Brasil's operations*.</li> </ul>	N/A	1999 to 2020 neutralized ✓	<ul style="list-style-type: none"> <li>In 2022, we achieved this target ahead of schedule and neutralized 100% of AES Brasil's historical emissions.</li> </ul>
 15 LIFE ON LAND	Conserve, protect and preserve biodiversity	<ul style="list-style-type: none"> <li>By 2030, increase reforestation by at least 20% in addition to the commitment to recover occupied areas.</li> </ul>	0 (reference year)	2.8% →	<ul style="list-style-type: none"> <li>In 2022, investments in biodiversity projects amounted to 18.3 million, enabling the reforestation of 243.9 hectares of Atlantic Forest and the Cerrado. Furthermore, 10 more hectares were reforested in addition to the commitment to recover occupied areas. (<a href="#">Read more on Biodiversity</a>).</li> </ul>

\*Considers emissions from 1999 to 2019, including scopes 1, 2 and 3.

↓ Underwhelming
→ As expected
↑ Advanced
✓ Goal

# Energy transition

GRI 3-3 Material topic – Energy transition

Brazil is abundant in natural resources and, therefore, its protagonist role in energy transition. According to the Brazilian Electricity Trading Chamber (CCEE), in 2022, the country set a record in renewable energy generation, by having 92% of its total generation coming from clean sources. At the same time, the global energy matrix is composed of less than 40% of renewable sources and, historically, less than 30% of its generation comes from said sources, according to International Renewable Energy Agency (Irena) 2022 data. Hence, we are in an outstanding position to face the global energy-related challenges.

As an 100% renewable energy generation company, our purpose is to assist our customers in their energy transition, overcoming the challenge of reducing consumption from fossil fuel to increase that of renewable ones.

We are ready to support our customers in this decarbonization journey. This is not a simple task, nor it is exclusive of the private sector. Nations have been rallying around the responsibilities taken when they signed the Paris Agreement, in 2015, as

the outcome the 21st Conference of the Parties (COP21). The agreement goal is ambitious: to limit global warming to 1.5°C.

One of the fronts to achieve this goal is to increase renewable energy sources in the global energy matrix, an initiative that has been frequently discussed by the countries. Successive COPs have recognized the need for a rapid, deep and sustained reduction in global greenhouse emissions. Year 2030 is understood as the critical time to meet both global and domestic targets.

We also pursue this goal as a way to assist our customers and do our part for the development of the Brazilian electricity industry. One of our 2030 ESG Commitments, already presented in this Report, is to contribute, through the generation of renewable energy, so that our customers can prevent the emission of 582,000 tCO<sub>2</sub>e per year as from 2025.

Working on innovative products and solutions to transform customers' energy matrix is our choice and

this allows us to provide tailored solutions, following the trend created by the opening of retail, which is to have increasingly customized products and an 100% clean and robust portfolio.

Green hydrogen, for example, has been gaining a prominent position in the electricity sector as it is a global trend for replacing fossil fuels with renewable ones. We have the possibility to collaborate decisively for H2V to allow countless industrial chains to reduce energy consumption from primary sources.

We are part of the solution to face global climate-related challenges. All our efforts are devoted to creating solutions that meet our customers' needs and effectively contribute to energy transition, supporting their decarbonization. This vision has led us to practically double our installed capacity over the past 6 years (considering the assets under construction) and guided the way we will operate in the future, which includes investing in portfolio diversification ([learn more on page 22](#)).

# Innovation

GRI EU8

We continually strive to develop solutions that enhance energy efficiency and reliability for our customers while contributing to reduce social and environmental impacts. Our investments in innovation are aligned with this proposal. These projects are designed in partnership with startups, research institutes and universities, focused on developing new technologies and improving the business model.

The resources from the Research and Development (R&D) Program, which is regulated by the Brazilian Electricity Regulatory Agency (Aneel), served ten projects in 2022, with a total investment of more than R\$ 6.3 million.

Nine out of ten projects developed in 2022 began in previous years and continued during the current fiscal year. The Energy Fund was the only project that started in 2022.





# Open Innovation

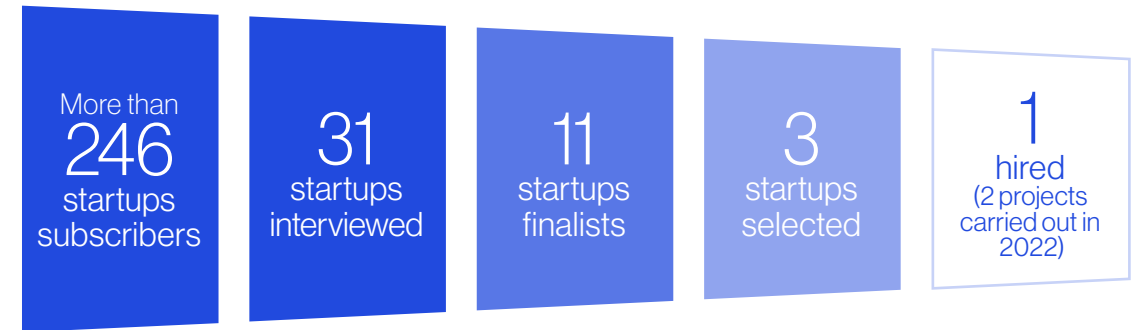
We are pioneers in the energy industry in pursuing partnerships with innovative companies. Started in 2021, the third cycle of the AES Brasil Conecta Program ended in June 2022, with the support of Liga Ventures. Mature startups sought to develop tools focused on the digitalization and automation of internal processes. Oncase startup, from Recife (PE), was the highlight, presenting the

most agile and efficient solutions for compiling commercial information.

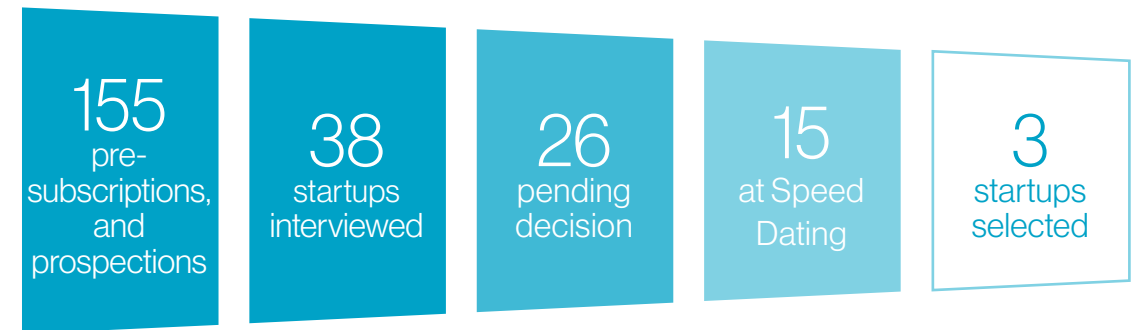
A fourth cycle of the AES Brasil Conecta Program began in 2022 for the co-creation of plug-and-play solutions or those that need small adjustments for the challenges proposed by the Operations, Risks and Construction departments. The best ones will be known throughout the next fiscal year.

## AES Brasil Conecta Program

### 3rd startup selection cycle (2021-2022):



### 4th startup selection cycle (2022-2023):



## TOP 10 Open Corps

For the second consecutive year, we received the TOP 10 Open Corps Award, in the Electricity category. This acknowledgment is granted by 100 Open Startups, a pioneer and leader in open innovation in Latin America, which annually recognizes the companies that have most practiced innovation through startups in Brazil.

## R&D Projects in 2022

GRI EU8

Innovation is essential to boost business. Aware of that, we have invested to find solutions and develop products that foster the improvement of the electricity sector, increase customer competitiveness and create value for society as a whole, as well as the environment.

With this aim, we leverage business models and technological alternatives that lead to efficiency and reliability. We rely on department dedicated to developing new solutions, geared towards accelerating the future of energy, in accordance with the regulatory obligation of the Research and Development Program of the Brazilian Electricity Regulatory Agency (Aneel). The department must invest 0.4% of the net operating revenue from the Company's hydropower assets to develop R&D projects. We must emphasize that the structuring and approval of some new projects were delayed, hence, the annual budget for 2022 of about R\$9

million had to be partially postponed for the following fiscal year. This amount has also been significantly reduced by 30%, in compliance with Law 14.120/21, which cut the R&D resources for all companies in the industry.

In 2022, we invested in the following projects:

### Environment and Safety

- The second phase of the **Chimerism Project** is focused on applying advanced reproductive biotechnologies in fish, by using the “surrogate belly” technique, developed in a research institute during the project's first phase. This technique is used to repopulate the reservoirs of hydropower plants, aiming to preserve endangered fish species.



- The studies in the scope of the Economic Impacts of Climate Change on Renewable Generation for Optimization of the Brazilian Electric Matrix Project, or simply, the **Climate Risk Project**, are carried out based on the application of global climate models and socioeconomic scenarios from the Coupled Model Intercomparison Project Phase 6 (CMIP6). The aim is to analyze the climate change impacts on our generation assets, for the 2030 and 2050 horizons. The studies use our generation complexes to simulate, through the digital twin technique, the possible impacts on hydroelectric, solar and wind power plants, using as a starting point long-term climate models and forecasts developed by WayCarbon and Enacom consulting firms. We believe that the continual monitoring of the assessment of extreme natural resource events is fundamental, especially the unpredictability that surrounds such occurrences.

- The **Vegetation Control in Solar Power Plants** (photovoltaic) seeks solutions and techniques to control vegetation, as it can have a significant impact on the performance of these assets when they grow uncontrollably. The Centro Universitário de Lins (SP) is testing three different techniques and should conclude its work in 2023.
- **The Sustainable Exploitation of Natural Compounds in Macrophytes Present in Hydropower Reservoirs Project** aims to combat the negative effects of unwanted aquatic plant growth in our reservoirs through research that leads to commercial uses for these plants. BioAtiva and the São Paulo State University (UNESP) will produce macrophyte biomasses or extracts with photoprotective effects or an effect that can reduce stress and stimulate plant growth. We will search for sources of relevant compounds for plant protection and with potential use in human or animal health, relevant to health and agriculture. We will also assess the extracts' ability to reduce water stress, improve nutrition, and increase crop growth and productivity.

- The main goal of the Computer System for Increasing the Safety of People, Assets, and the Environment at Hydroelectric Power Plants Project, or simply the **Human Reliability Project**, consists in developing, testing, and applying a computer system that will prepare dynamic procedures to support decision-making in order to increase the safety of people, assets, and the environment at hydroelectric power plants, in partnership with Radix.



## Energy Management

- Throughout the year, the **Microgrids Project** hosted workshops with customers involved in the proofs of concept (PoCs) to test and calculate the feasibility a new product that allows, through a set of hardware and software, the integrated management of sources of energy generation, storage and consumption at a given customer. The project was ended and shows potential to be one of the first innovation products to be launched in the market.
- In the **Urban Greenhouses Project**, we seek technological and innovative assembly solutions that optimize the lighting system, reduce operating and acquisition costs and increase the productivity of vertical greenhouses. A low-cost, programmable lighting system was developed, capable of providing the best combination of wavelengths (colors) for the plants in their different growth phases. The project was developed in partnership with the CSEM Brazil Innovation Center and the BeGreen Fazendas Urbanas startup.

## Energy Efficiency

- Alongside MovE, Barassa & Cruz Consulting, Netz Engenharia, and Movida, we lead the **Electromobility Project**, which seeks to develop and test business models in Electromobility and the conditions to make them feasible from the point of view of a renewable energy generator, focused on becoming an aggregator on the demand side. The project is the result of Aneel's Research and Development Call Notice No. 22. In 2022, in partnership with urban mobility companies, the project conducted a new proof of concept to evaluate the technical and financial parameters linked to the use of app transportation with electric vehicles.

## Planning of Electricity Systems

- The **Energy Fund Project** foresees the development of a portfolio management methodology and software for trading electricity, applying the concept of Energy Fund. The project aims to analyze and prove the scale benefits associated with the aggregation of loads in a single portfolio, in a model similar to that of investment

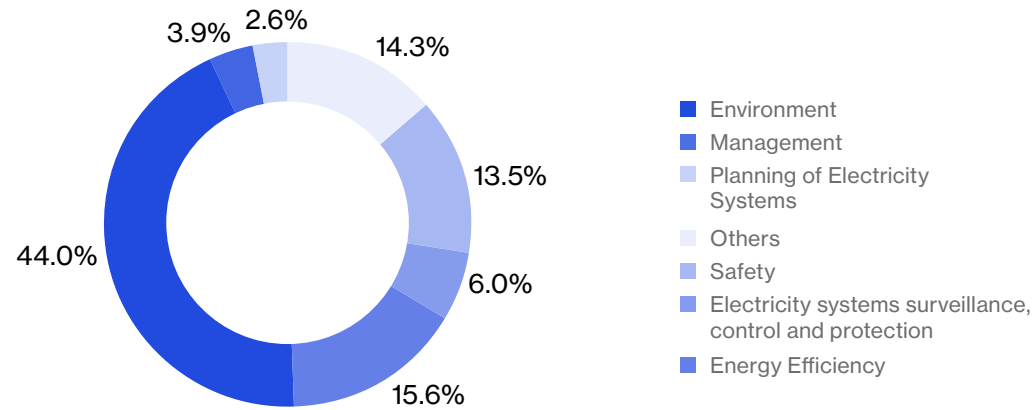
funds in the financial market. The main feature of the proposed methodology is to enable the monitoring of an aggregated portfolio of several institutions in a transparent and auditable way, allowing performance simulations based on real historical data.

- We made progress in second phase of the pioneering **VPP Project** (Virtual Power Plant). The project develops innovative software to manage and aggregate electric loads of free or potentially free consumers, in the commercial and industrial segments, offering greater transparency and simplicity in managing their energy resources and making it easier to hire and manage their energy agreements. In this second phase, we hired an energy startup, GreenAnt to integrate data based on the standardization of the system's interface (API). Thus, the tool integrates with our systems, searching for customer information and contracts directly in our energy retailer data base. The executor of this new phase was the Certi Foundation for technological research.

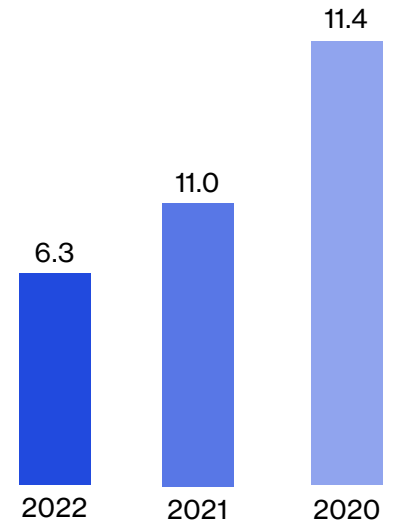
## Electromobility Roadmap

A series of workshops were held with dozens of stakeholders (companies, startups, universities, technology institutes and government agencies) to present the National Roadmap for Electric Mobility Infrastructure in Brazil e-book. The book, disclosed in partnership with Aneel, the National Platform for Electric Mobility (PNME) and the Research Development Foundation (Fundep), details the experience of the Electromobility project. ([Click here to learn more](#)).

Investment in R&D (R\$ million)



Investment in P&D (R\$ million)





# RESILIENCE

Our generation \_\_\_\_\_ 39

Portfolio management \_\_\_\_\_ 43

# Our generation

GRI EU1, EU2 | SASB IF-EU-000.D

Since the beginning of our operation in Brazil, in 1999, up to present, our generation potential is grounded in 100% renewable sources, from hydro, wind and solar power plants.

## Installed capacity by contracting environment (MW)

**65%** Free Contracting Environment (ACL)

**35%** Regulated Contracting Environment (ACR)



## Installed capacity in operation by source (MW)<sup>1</sup>

Source	MW	%
Hydropower	2,658.4	64%
Wind	1,187.5	29%
Solar	295.1	7%

<sup>1</sup> Installed capacity does not include the assets under construction (Tucano and Cajuina Wind Power Complexes).

## Gross energy generation (GWh)<sup>2</sup>

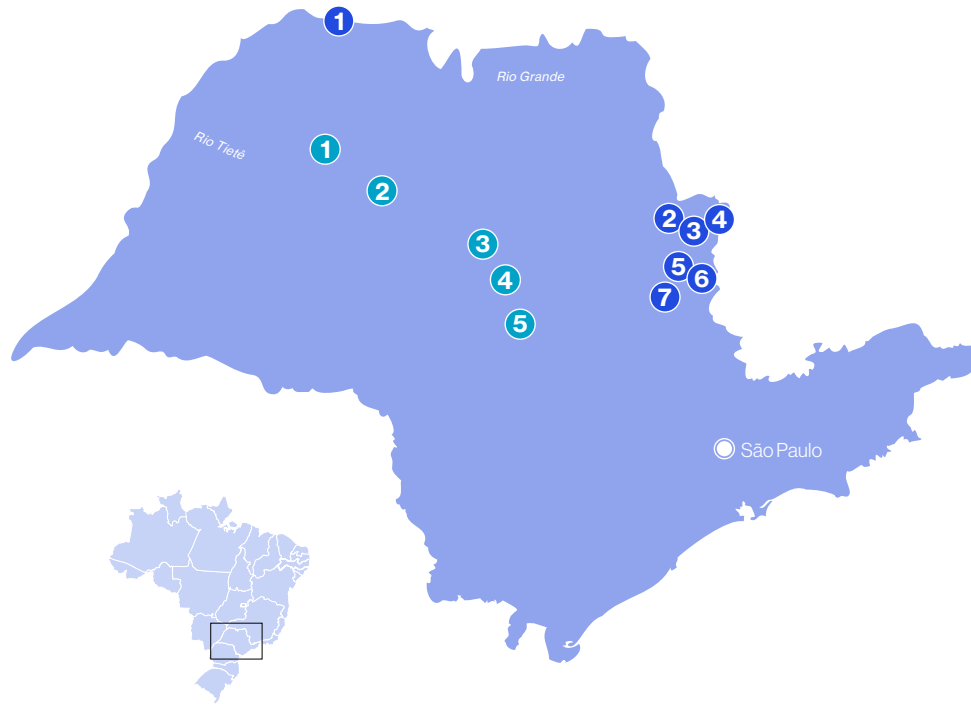
	2022	2021	2020
<b>Total</b>	<b>11,308.2</b>	<b>9,522.8</b>	<b>12,223.2</b>
Hydropower	8,398.6	6,795.7	10,176.8
Wind	2,315.7	2,149.4	1,484.3
Solar	593.9	577.8	562.1

<sup>2</sup> For the Ventos do Araripe (PI), Caetés (PE), and Cassino (RS) wind assets, it considers only net generation for December 2022, month when these assets were added to the operational portfolio.

# Hydroelectric Power Plants

Our hydropower generation complex comprises nine hydroelectric power plants (HPPs) and three small hydroelectric power plants (SHPPs), which are part of the Energy Reallocation Mechanism (MRE), a financial structure for sharing the hydrological risk. Our plants account for almost 2% of this system's entire hydro physical guarantee.

Four of our nine plants operate with reservoirs (storage plants), while the others run on stream (run-of-river plants). The dispatch by hydroelectric plants in the ERM is determined by the National Electrical System Operator (ONS) and, in 2022, it was higher than in the previous year, due to higher rainfall in the period, when compared to the adverse hydrological scenario recorded throughout 2021.



- 2,658.4 MW installed capacity;
- 8,398.6 GWh of gross generation on hydropower plants;
- Gross generation at the hydropower plants increased by 24% year on year.

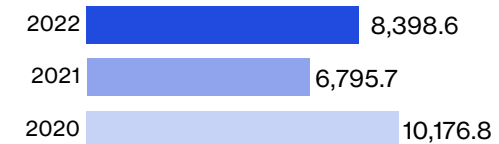
## Plants with gates

- 1 HPP Rui Barbosa (Nova Avanhandava)  
Start of operation: 1982  
Installed capacity: 347.4 MW
- 2 HPP Mário Lopes Leão (Promissão)  
Start of operation: 1975  
Installed capacity: 264.0 MW
- 3 HPP Ibitinga  
Start of operation: 1969  
Installed capacity: 131.5 MW
- 4 HPP Bariri  
Start of operation: 1965  
Installed capacity: 143.1 MW
- 5 HPP Barra Bonita  
Start of operation: 1963  
Installed capacity: 140.8 MW

## Plants without gates

- 1 HPP Água Vermelha  
Start of operation: 1978  
Installed capacity: 1,396.2 MW
- 2 HPP Armando Salles de Oliveira (Limoeiro)  
Start of operation: 1958  
Installed capacity: 32.0 MW
- 3 HPP Euclides da Cunha  
Start of operation: 1960  
Installed capacity: 108.8 MW
- 4 HPP Caconde  
Start of operation: 1966  
Installed capacity: 80.4 MW
- 5 SHPP São Joaquim  
Start of operation: 2011  
Installed capacity: 3.0 MW
- 6 SHPP São José  
Start of operation: 2012  
Installed capacity: 4.0 MW
- 7 SHPP Mogi Guaçu  
Start of operation: 1994  
Installed capacity: 7.2 MW

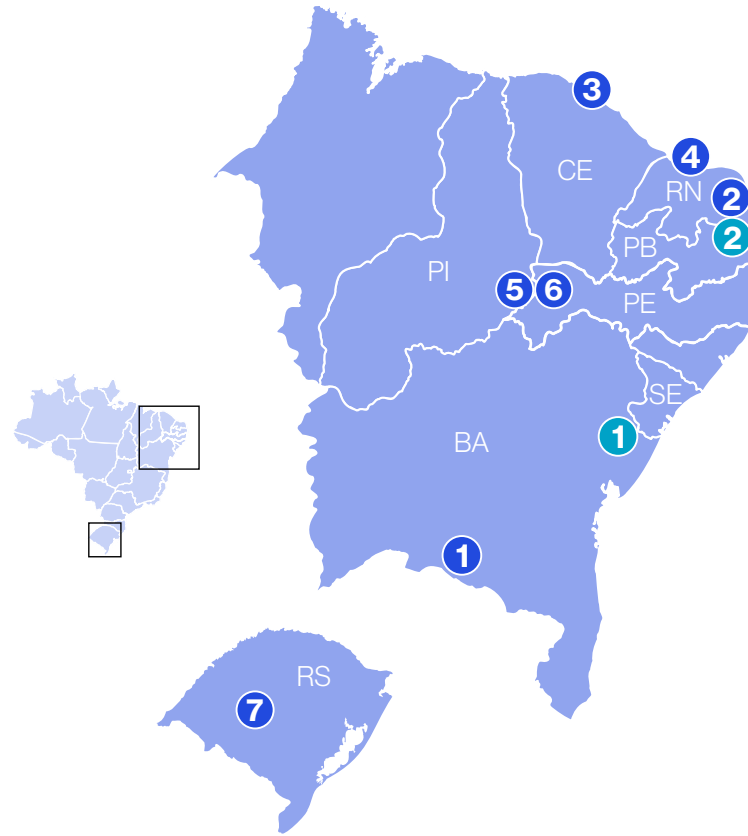
## Generation at the hydropower plants (GWh)





# Wind power complexes

Our wind power assets are composed of seven complexes in operation and two under construction. Operational efficiency is ensured by the constant attention to the wear and tear of the machines and to the effort to recover the best operating conditions, coupled with internal audits, which make procedures more fluid. We fully take over the operation of the assets incorporated to our base, following three stages: in the first year, we implement our management system; in the second, assets mature and are consolidated; and in the third year, they go through an external certification process.



## Construction and Pipeline

- 1 Tucano Wind Power Complex  
159.6 MW (pipeline)  
e 322.4 (development)
- 2 Cajuína Wind Power Complex  
1,040.4 MW (pipeline)  
e 695.0 (development)

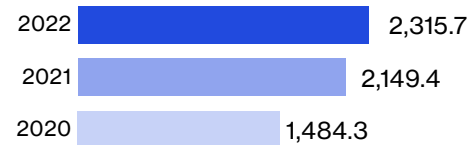
## Operation

- 1 Alto Sertão II Wind Power Complex  
Installed power: 386.1 MW  
Number of wind turbines: 230  
Number of parks: 15
- 2 Ventus Wind Power Complex  
Installed power: 187.0 MW  
Number of wind turbines: 112  
Number of parks: 3
- 3 Mandacaru Wind Power Complex  
Installed power: 108.1 MW  
Number of wind turbines: 53  
Number of parks: 5
- 4 Salinas Wind Power Complex  
Installed power: 50.4 MW  
Number of wind turbines: 24  
Number of parks: 2
- 5 Ventos do Araripe Wind Power Complex  
Installed power: 210.0 MW  
Number of wind turbines: 105  
Number of parks: 7
- 6 Caetés Wind Power Complex  
Installed power: 181.9 MW  
Number of wind turbines: 107  
Number of parks: 7
- 7 Cassino Wind Power Complex  
Installed power: 64.0 MW  
Number of wind turbines: 32  
Number of parks: 3

In 2022<sup>1</sup>, gross wind generation totaled 2,315.7 GWh, broken down by Wind Power Complex as follows:

- Alto Sertão II  
**1,401.4 GWh**
- Ventus  
**369.1 GWh**
- Mandacaru  
**252.1 GWh**
- Salinas  
**155.1 GWh**
- Ventos do Araripe  
**49.4 GWh**
- Caetés  
**70,6 GWh**
- Cassino  
**18.1 GWh**

Generation at the wind power complexes (GWh)<sup>1</sup>



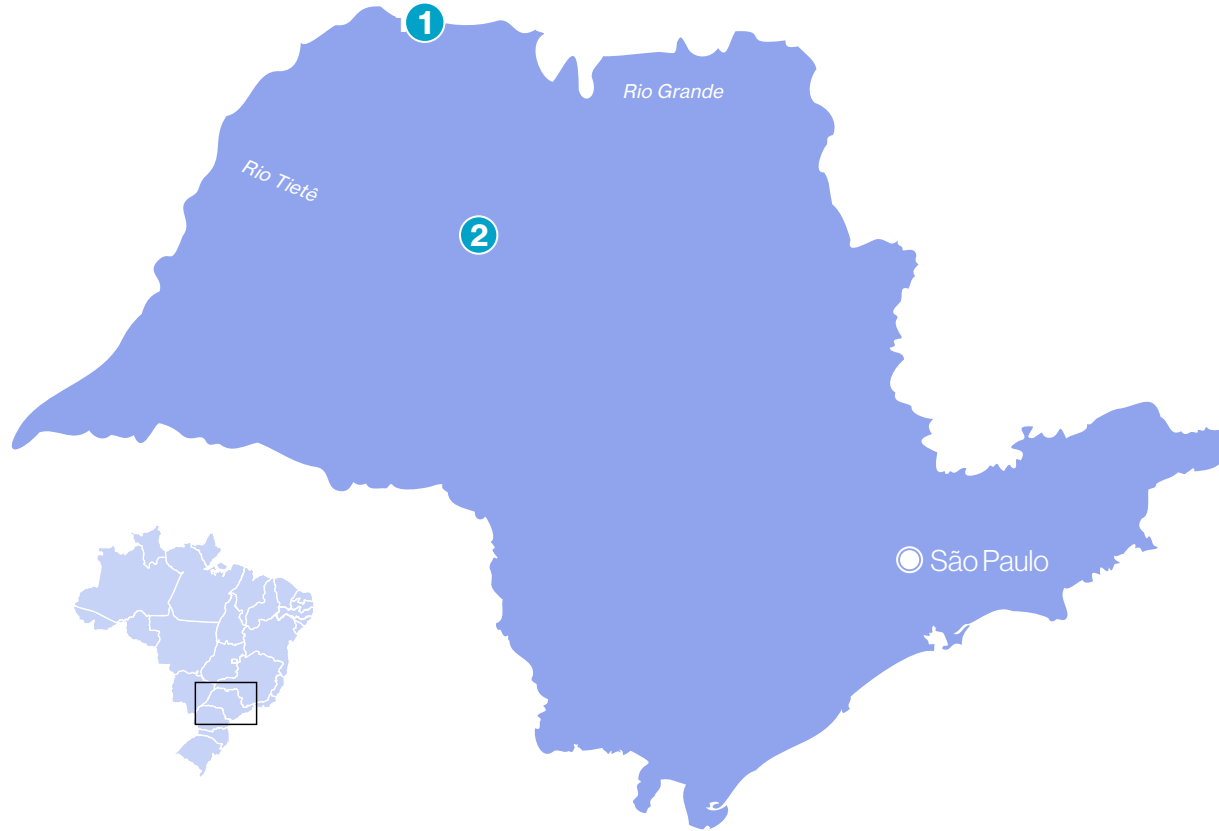
<sup>1</sup> For the Ventos do Araripe (PI), Caetés (PE), and Cassino (RS) wind assets, we consider only net generation for December 2022, month when these assets were added to the operational portfolio.

R\$ **950** million issued in green bonds for the Cajuína Wind Power Complex

# Solar power complexes



Unscheduled outages at our solar power complexes reduced by 41% in 2022 vs. 2021, due to a significant increase in availability.



## Operation

- 1** Ouroeste Solar Power Complex (AGV e Boa Hora)
  - Installed power: 145.1 MW
  - Number of solar panels: 522,760
  - Number of parks: 6
  
- 2** Guaimbê Solar Power Complex
  - Installed power: 145.1 MW
  - Number of solar panels: 557,490
  - Number of parks: 5

Our solar power generation comprises two complexes located in the countryside of São Paulo.

In 2022, the solar power complexes recorded gross generation of **593.9 GWh** broken down as follows:

- Guaimbê Solar Power Complex: **277.9 GWh**
- Ouroeste Solar Power Complex (AGV and Boa Hora): **316.0 GWh**

## Generation at the solar power complexes (GWh)





The Climate Risk R&D Project is being developed focused on long-term climate studies. The study of climate scenarios makes it possible to quickly adapt the management of power generation.

## Portfolio management

GRI EU6

The year 2022 was marked by the recovery of inflow levels at the Rio Grande and Rio Tietê river basins, which helped recovering our reservoir levels. Much of the current and future management quality of our portfolio is backed by the capacity to produce energy studies. We rely on a team dedicated to these studies, mainly comprised by meteorologists specialized in natural capitals, which allows us to obtain updated prognostics to monitor the climate trends.

The Climate Risk R&D Project is being developed focused on long-term climate studies. The initiative is important because the same increase in rainfall, which guarantees the recovery of reservoir levels, also reduces wind speed, which can cause intermittent periods in wind power generation. The study of climate scenarios makes it possible to quickly adapt the management of power generation and to modulate prices amidst these antagonistic scenarios.

## Trading Desk

In 2022, AES Brasil structured a new relevant instrument to maximize the performance of its generation portfolio: the Energy Trading Desk, which was implemented in August. The proposal is to use intelligence to maximize revenue in a scenario of abundance/scarcity of natural resources and ensure resilience, aiming to sell a portion of available energy in advance. The Trading Desk seeks to complement the portfolio management in its full potential, backed by statistical surveys and weather maps, in addition to supporting the commercial and retail departments.

It has the capacity to maximize AES Brasil's operation in the new retail market as well as the large and medium-sized energy consumers market, whether through contracts, PPAs, or self-production, accessing the liquidity of each segment and anticipating price trends.

In order to structure the Trading Desk, we relied on the strong support of the Risks team, who designed our operation framework in order to reduce market risk exposure. Processes have been designed reflecting how energy transfers occur in the portfolio, what their limits are and what metrics operators must meet to operate in the market.

### Trading risk management

Six financial metrics track the performance of the trading desk with triggers that call the attention of committees. The goal is to preserve good governance through the use of conservative credit criteria, preventing trading with players that are not part of the strategy initially defined. To guide these operations, we created the Market Risk Management and the Credit Risk Management Policies.

### Together in the retail market

In December 2020, we entered into a partnership with Tendência Energia, a consulting firm specializing in energy management, to act as our sales channel for small- and medium-sized corporate consumers, who are able to migrate to the free market across Brazil. Initially present in the Southeast region, we soon began the partnership's expansion to the Northeast region, opening its first office in the state of Ceará in January 2022. By the end of 2022, there were more than 10 AES Brasil's regional sales representation offices, via Tendência Energia, spread throughout Brazil. We also have the Energia+ digital platform, which offers a complete online experience for retail sale for customers who want to migrate to the free market. [\(learn more on page 19\)](#)



# COMPETITIVENESS

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# Excellence in generation

Our commitment to sustainable development and excellence in business management is acknowledged by the market and enhance our production capacity and ability to create value. Recent changes to our installed capacity, with the addition of operating assets in various locations, attest to this ability and our potential to manage them in a unique way, which guarantees the adequate structure to each asset in terms of equipment, as well as financial, technology and human resources, among others.

This year, we carried out both internal and external audits that attested to the quality of our processes and prepared us for ISO 14001, ISO 45001 and ISO 55001 recertification, which occurs every three years. For ISO 55001, the external

audit had the participation of observers from the ANSI National Accreditation Board (ANAB-ANSI), a renowned body that provides training and accreditation services to both public and private organizations all over the world. A North American ANAB observer participated remotely, and a Colombian observer was on-site for the duration of the audit.

Also this year, we implemented our procedures at our new assets in operation, which we had added to our portfolio through M&A. In 2022, we enhanced our due diligence practices, in order to further improve our process to integrate assets recently acquired and under construction, and strengthened the dissemination of AES Brasil's values and culture.



AES Brasil's values  
[\(click here to learn more\).](#)

We have determined that, from 2022, the assets in operation, added to our portfolio through M&A, shall undergo the processes of implementation of the Integrated Management System (ISO 14001 and ISO 45001) and the Asset Management System (ISO 55001) in the first year following the acquisition. In the second year, these assets shall undergo the maturity and consolidation process and, in the third year, external certification due to the need for process fitness and improvement diagnoses, in order to align them with the standards applied to all our businesses.

Our excellence in asset management is shown by the EFOF (Equivalent Forced Outage Factor) metric, which indicates the failure rate of a piece of equipment over time. We have an EFOF goal for our

hydropower plants not to exceed the 0.18% mark. In 2022, we significantly exceeded this target, reaching an EFOF of 0.13% for these power plants. As regards our solar plants, the Boa Hora farm, at Ouroeste Solar Power Complex, was a highlight in 2022, with an EFOF at 0.01%.

The outcomes of Aneel's "2022 Hydropower Plant Dardo Operational Performance Inspection Campaign" also attest to our efficiency in managing our assets. The campaign involves monitoring all hydropower plants (HPPs), with centralized dispatch by the National System Operator (ONS). According to the report, six out of the nine AES Brasil's HPPs were rated A (Excellent) for operational performance, considering Environment, Operations Management,

Maintenance Management, Operation & Maintenance and Safety, while the others were rated B (Good).

In 2022, our hydropower plants remained at the "World-Class

Maintenance" level, the highest level according to the World Class Maintenance (WCM) methodology, which assesses Maintenance Planning, Scheduling and Execution processes.

## Our certifications

All of our hydroelectric plants, solar complexes and the Alto Sertão II Wind Complex have the following certifications:

- ISO 14001 (Environmental Management System)
- ISO 45001 (Occupational Safety Management System)
- ISO 55001 (Asset Management System)

# Dam Safety

GRI EU21

In 2022, the safety of our dams underwent an Integrated Management System (SGI) external audit, covering ISO 14001 and ISO 45001 as well as the Asset Management System (ISO 55001).

The dams in the hydropower plants under our concession are structures consolidated, designed, built and maintained according to the strictest Engineering technical standards. Additionally, every year, we update and send to civil defense bodies our Emergency Action Plan (PAE), a technical and administrative proceeding to help them prepare local contingency plans, in order to address emergencies involving the dams. In line with the provisions of Law 12,334/2010 and Aneel Resolution 696/2015, we send Aneel's Dam Safety Form (FSB) to the inspecting agent every year.

Our management activities include controlling full reservoir levels and adjusting the flow rate, using the Emergency Situation Operation System (SOSEm). We provide internal trainings on SOSEm, which establishes the proceedings for opening the weirs at full reservoir level, as well as communication actions

with society, with the aim to mitigate hydrological risks and restore normal operation conditions. We educate the communities neighboring our plants on the safe use of the reservoir and its surroundings for leisure and entertainment activities.

By periodically monitoring reservoirs, not only do we control environmental conditions in these places

but also report any irregular occupations in our 4,800-kilometer borders. Every case of irregular occupation identified generates a Property and Environmental Inspection Report (Ripa), which is made available through the Geographic Information System (GIS or *Sistema Geo Catálogo* in Portuguese), the Ministry of Environment's satellite image catalog.

Since dams are a set of extremely important assets, their management is governed by the Dam Safety Plan, which comprises the following actions:

Monitoring through the reading of civil instruments every two weeks and issuing a **bimonthly consolidated report**;

Preparing a Visual Inspection Report and completing the **Dam Safety Form**, both with a yearly periodicity;

**Real-time monitoring** of tributaries and reservoirs through telemetry stations;

**Inspecting civil structures** by using drones, mini-submarines and remote-controlled boats;

**Inspecting** outlet structures on a yearly basis, and issuing a report and an **action plan** for the non-compliance items identified;

Having a preventive **maintenance plan**.



# Customer focus

GRI 3-3 Material topic - Relationship with customers

Customer focus is one of the supporting pillars of our culture. Our purpose is to be the best option for customers in the free energy market, offering resilient, competitive and responsible solutions.

We seek to always foster productive, ethical and healthy relationships. Therefore, we develop customized solutions, which are co-created with our customers to meet their needs. Our daily mission is to deliver, on a 24/7 basis, distinguished solutions that are clean and accelerate our customers' decarbonization.

Aligned with our 2030 ESG Commitments, we want to contribute, through the generation of renewable energy, so that our customers can prevent the emission of 582,000 tCO<sub>2</sub>e per year, as from 2025.

We conduct several initiatives to engage these stakeholders, including events, webinars and on-line communication actions to address energy market-related matters, and seek continuous improvement based on the feedback we receive. Standardization

of contract drafts, relaxation of commercial conditions and improvement in the portfolio of products we provide to the market are some the customer contributions we transformed into internal improvements.

We have developed a Tactical Plan to enhance our products and services, in accordance with ideas and suggestions shared with customers. This plan brings together all our commercial initiatives – a good portion of which focused on enhancing customer experience and satisfaction.

Our efforts to provide even better services to our customers have significantly increased the level of confidence they have in our solutions. In 2022, our Net Promoter Score (NPS) was at 95 points, up from 77 points in 2021, according to a survey carried out by AES Corporation with Brazilian customers (or versus 75 points in 2021, according to a survey conducted by AES Brasil). NPS is the most acknowledged metric to quantify customer satisfaction.

## Some Tactical Plan highlights

- Structuring the trade of carbon credit;
- Marketing campaign focused on building AES Brasil's brand awareness among potential retail customers in the Northeast region;
- Market Minute Project (Projeto Minuto Mercado), which updates our commercial team employees on the energy industry and our market positioning on a quarterly basis;
- Development of a new business model for Self-Production.

This statistically-significant improvement is a direct result of our dedication and the commitment of our employees to develop an honest and open relationship with our customers. The evolution of our NPS results also reflects our commitment to tracking the effectiveness of our initiatives on a yearly basis and promoting improvements based on its outcomes.

# Financial performance

GRI 201-1

In 2022, our net operating revenue totaled R\$2.8 billion, representing an increase of 13.3% over 2021 (R\$2.5 billion). Net margin reached R\$1.7 billion in 2022, up by 35.3% from the R\$1.3 billion recorded in 2021. This result arises from our commercial strategy's good performance; the improved performance of our wind and solar power assets; and the merger of new wind farms acquired through M&A in 2022.

We ended 2022 with an EBITDA of R\$1.2 billion, up by 36.9% over the adjusted result for 2021. All our energy sources (hydro, wind and solar power) contributed to this growth.

We saw a significant improvement in our net income, which reached R\$320 million, up by R\$359 million from adjusted net income for 2021.



For further information, click here and access the Company's 4Q22 Earnings Release and Financial Statements.

## Consolidated Financial Highlights – 2022

### Financial Indicators (BRL million)

	2021	2022	Var.
Net Revenue	2,511.7	2,845.1	13.3%
Energy Costs <sup>1</sup>	(1,241.4)	(1,126.1)	-9.3%
Adjusted Net Margin <sup>2</sup>	1,270.4	1,719.0	35.3%
Adjusted EBITDA <sup>2</sup>	864.8	1,183.7	36.9%
Adjusted EBITDA Margin <sup>2</sup> (%)	34.4%	41.6%	7.2 p.p.
Adjusted Net Income <sup>3</sup>	(38.8)	320.1	n.a.

<sup>1</sup> Includes industry and transmission charges and excludes the GSF reimbursement in 1Q21 (BRL 35.9 million);

<sup>2</sup> Excludes the GSF reimbursement in 1Q21;

<sup>3</sup> Excludes the effect of tax credit recognition (BRL 532.6 million in 3Q21) and GSF reimbursement, net of income tax (1Q21).

### Added value distribution (R\$ thousand)

	2022 <sup>1</sup>	2021 <sup>2</sup>	2020 <sup>3</sup>
Employees	160,898	104,306	101,576
Government	524,664	(352,140)	614,831
Lenders/third parties	672,949	425,161	599,558
Shareholders	320,147	424,564	847,980
<b>Total</b>	<b>1,678,658</b>	<b>601,891</b>	<b>2,163,945</b>

<sup>1</sup> In 2022, the economic value retained was R\$ 151.6 million.

<sup>2</sup> Data for 2021 reflect the 2021 financial statements.

<sup>3</sup> Data for 2020 refers to AES Tietê Energia S.A. and are being reported for comparative purposes.

## Managerial cash flow

AES Brasil ended 2021 with consolidated cash of R\$4.3 billion, up by R\$2.4 billion versus 2021. Operating cash generation totaled R\$1.0 billion, chiefly reflecting the improvement in the successful commercial strategy and the operating performance of our wind and solar assets.

In 2022, AES Brasil raised a net total of R\$3.3 billion in the credit and capital markets. Funds were allocated mainly to expanding our renewable portfolio. About R\$2.3 billion were used for the construction of the Tucano and Cajuína Wind Power Complexes and about R\$1 billion was allocated for the acquisition of the new wind assets in the fourth quarter of 2022.

In 2022, net operating revenue totaled BRL 2.8 billion, an **increase of 13.3%** compared to 2021 (BRL 2.5 billion).

## Costs and expenses

In 2022, costs and expenses totaled R\$535.3 million, up 18.0% from the amount adjusted for non-recurring effects in 2021 (R\$453.7 million). Eliminating these non-recurring events – especially the review of the earn-out provided for upon the acquisition of Alto Serão II Wind Power Complex and a receipt due to losses in Ventus Wind Power Complex –, two thirds of the increase in operating costs in 2022 are related to inflation (5.8% in the 12-month period, measured by IPCA) and portfolio growth, which is reflected in O&M expenses in Mandacaru, Salinas, Ventos do Araripe, Caetés and Cassino.



## Debt

AES Brasil ended 2022 with consolidated gross debt of R\$11.0 billion, 76% higher than in 2021 (R\$6.2 billion), due to the following: (i) the 1st issue of debentures of AES Brasil in the amount of R\$1.1 billion in 1Q22; (ii) the disbursement by BNB of R\$333.0 million for the Tucano II Complex; (iii) the 1st issue of debentures of Cajuína AB1, of R\$950 million; (iv) funds raised through instrument 4131 of R\$200 million in 4Q22; (v) 1st issue of commercial paper by Potengi Holdings (JV of Cajuína with BRF) in the amount of R\$700 million in 4Q22; and (vi) the assumption of debt of around R\$1.1 billion related to the acquisition of assets of Ventos do Araripe and Caetés in 4Q22, and other operations described below for AES Brasil Operações.

AES Brasil Operações ended the quarter with consolidated gross debt of R\$6.1 billion, up 9.9% from 2021, chiefly due to the following: (i) the 10th issue of debentures (R\$750 million) in 4Q22; (ii) assumption of debt amounting to R\$133 million related to the acquisition of Cassino in 4Q22; and (iii) interest and inflation adjustment incurred between the periods.

AES Brasil does not have debt instruments with covenant clauses. Covenants are measured at AES Operações, a wholly-owned subsidiary of AES Brasil.

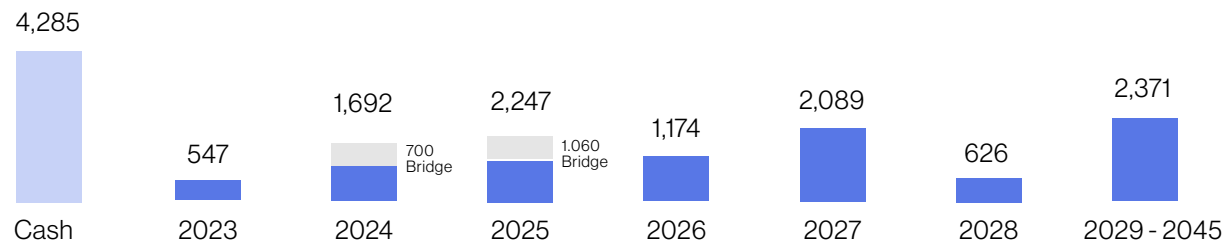
## Investments

Due to our growth and the progress in the construction of the Tucano and Cajuína Wind Power Complexes, our capital expenditure totaled R\$2.2 billion in 2022. As for the modernization and maintenance line, we invested a total of R\$169.4 million in the modernization of hydroelectric plants and the turnaround strategy for the Mandacaru and Salinas Wind Power Complexes, which were acquired through M&A.

In the period between 2023 and 2027, AES Brasil expects to invest approximately R\$3.1 billion, earmarked for the expansion of projects already contracted and with a defined construction plan (Tucano and Cajuína Complexes) and the development of the Cajuína *pipeline*; as well as the modernization and maintenance of operating assets.

### Debt: AES Brasil

Amortization Schedule (BRL million)



## Green bonds

In 2022, we carried out our fourth issue of green bonds. We issued green debentures amounting to R\$950 million at a term of 22 years as a first stage to fund the implementation of the Cajuína Wind Power Complex.

The Natural Intelligence (Nint) consulting firm issued a favorable opinion, stating that our debenture issue is in line with the Green Bond Principles indicators and, therefore, entitled to be classified as a green bond.

According to estimates included in the consulting firm's opinion, Cajuína AB1, which accounts for a 230-MW installed capacity out of the project's 695-MW total installed capacity, will prevent the emission of 178,400 metric tons of CO<sub>2</sub> every year.

In 2019, the Guaimbê and Ouroeste Solar Power Complexes received our first green bonds. The assets prevented the release of over 75,000 tCO<sub>2</sub>e and were recertified in 2022. We recertify such resources on an annual basis, according to this green bond's requirements, and account for the environmental benefits created by these projects, especially the emissions prevented by renewable energy generation.

In 2021, we carried out two other issues, for Tucano Holding II and Tucano Holding III projects, totaling R\$500 million, at a term of 20 years and half-yearly payments as from July 2024. The recertification of these projects will take place in 2023. Funds were allocated in 2022.

Green bonds of the solar power complexes	Guaimbê Solar Power Complex	Ouroeste Solar Power Complex
Debenture investment	R\$ 560 million	R\$ 260 million
Generation units	557,490	522,760
Installed capacity	150 MW	145.1 MW
Assured energy	29.5 MWavg	35.8 MWavg
Total area	237 hectares	280 hectares
Energy generated in 2022	277,897.6	315,977.8
Emissions avoided in 2022 <sup>1</sup>	35,126.3	39,939.6

<sup>1</sup> Considers the 2021 emission factor (0,1264 tCO<sub>2</sub>e/MWh).

Green bonds of the Tucano Wind Power Complex	Issued by AES Tucano Holding II S.A.	Issued by Tucano Holding III S.A.
Debenture investment	R\$ 300 million	R\$ 200 million
Municipalities covered	Tucano e Biringinga (BA)	Tucano (BA)
Generation units	27	25
Installed capacity	167.4 MW	155 MW
Assured energy	75.6 MWavg	71.5 MWavg
Total area	237 hectares	280 hectares
Yearly estimated avoided emissions <sup>1</sup>	98.5	100.8

<sup>1</sup> Considers the 2021 emission factor (0,1264 tCO<sub>2</sub>e/MWh).

Green bonds of the Cajuína Wind Power Complex	Issued by Cajuína AB1
Debenture investment	R\$ 950 million
Municipalities covered	Pedro Avelino, Angicos e Fernando Pedroza (RN)
Generation units	39
Installed capacity	230 MW
Total area	5,926 hectares
Yearly estimated avoided emissions <sup>1</sup>	178.4

<sup>1</sup> Considers the 2021 emission factor (0,1264 tCO<sub>2</sub>e/MWh).



# RESPONSIBILITY

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# Governance

GRI 3-3 Material topic - Corporate governance

We seek the ongoing improvement of its administrative structures, geared towards creating value for our stakeholders, safeguarding the security of our operations, promoting sustainable growth and ensuring the perpetuity of our business. Therefore, we operate in line with the best corporate governance practices.

Our shares are traded on B3's Novo Mercado, the listing segment acknowledged for the highest Corporate Governance level on the stock exchange. In 2023, for the 16th consecutive year, we are included in B3's Corporate Sustainability Index (ISE B3) portfolio. We are also listed as a Publicly-Traded Company, category B, by the Brazilian Securities and Exchange Commission (CVM), which allows us to trade non-convertible debentures in the non-organized over-the-counter market.

Joining B3's Novo Mercado listing segment and the subsequent conclusion of the merger of AES Tietê Energia S.A. into AES Brasil Operações S.A., which occurred during 2021, provided us with a new outlook in 2022. These changes boosted our growth through the allocation of new projects and acquisitions in subsidiaries, increasing the leverage potential of these investments.

## Related-party transactions

We have a [Related-Party Transaction Policy](#), which sets forth that transactions between AES Brasil Energia, its subsidiaries, parent company and affiliated companies with their Related Parties must be assessed and approved by the Executive Board and, depending on the situation, by the Board of Directors, in order to ensure independent transactions based on market conditions.

These transactions are disclosed in the periodic financial statements and in the Reference Form. Complementarily, we follow the requirements of CVM Resolution 80/22. We rely on the Statutory Audit Committee (CAE), which is responsible for assessing, monitoring and recommending to the Board of Directors any correction or improvement to the Related-Party Transaction Policy, as well as the procedures to monitor potential conflicts of interest of the company's executive officers, managers and shareholders.

As regards the protection of minority shareholders' interest, the Bylaws sets forth

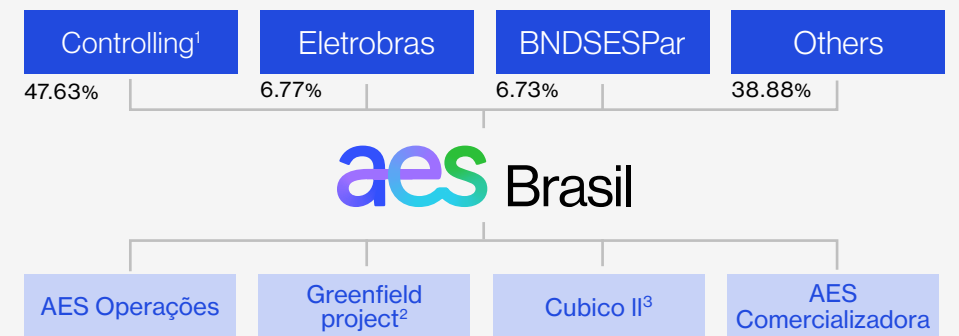
that the sale of control, either through a single operation or successive operations, must be contracted under the suspensive or resolutive condition that the acquirer undertakes to carry out a Public Tender Offer (OPA), aimed at the company's shares held by other shareholders, observing the conditions and deadlines provided for in the legislation and regulations in force as well as in the Novo Mercado Regulation so as to ensure them equal treatment with that given to the selling controlling shareholder.

To ensure protection mechanisms for the CEO and executive officers, consistent with our Insurance Policy, we have hired a Directors' and Officers' Liability Insurance (D&O) policy, under customary market conditions. The insurance guarantees that management members are compensated for financial losses arising from claims related to wrongful acts caused to outsourced service providers during the regular exercise of their activities.

## Shareholding structure

AES Corporation, one of the largest global energy companies, is our indirect controlling shareholder, holding 47.63% of our shares. Our shareholding structure is as follows:

### Shareholding structure of AES Brasil



<sup>1</sup> The AES Corporation indirect interest through AES Holdings Brasil (AHB) and AES Holdings Brasil II (AHB II). Includes the Capital increase through Goodwill Capitalization with the issue of 3,221,370 new shares that, on December 31, 2022, were temporarily held by AHB. After the operation was completed, in January 2023, 1,547,966 shares were transferred to BNDESPar, at the ratio and pursuant to the conditions of the Agreement on the Assignment of Rights entered into between AHB and BNDESPar. Therefore, by the end of January 2023, the Controlling Shareholder held 47.32% and BNDESPar 6.98% of the shares;

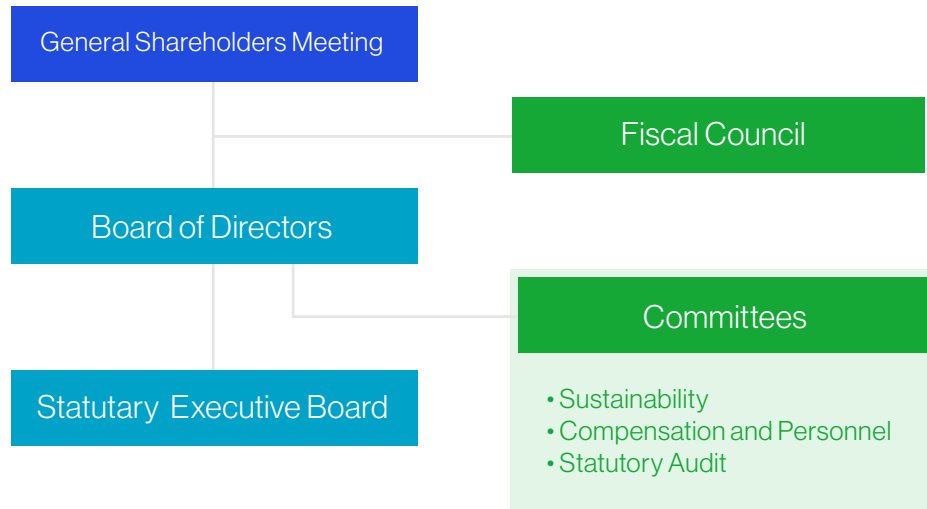
<sup>2</sup> The corporate restructuring was completed in the fourth quarter of 2022;

<sup>3</sup> Comprises the Araripe and Caetés Wind Power Complexes acquired by AES Brasil in November/2022. The Cassino Wind Power Complex is consolidated under AES Operações.



# Governance structure

GRI 2-9, 2-10, 2-16



## Fiscal Council

The Fiscal Council is a non-permanent body responsible for overseeing the Management. It is currently installed and comprises three sitting members and an equal number of alternates, upon the request of shareholders at the Annual and Special Shareholders' Meeting held on April 28, 2022.

## Executive Board

It is composed by the CEO, the Investor Relations Officer, and other Vice Presidents, with no specific designation.

## Advisory committees

The advisory committees were created to support the Board of Directors making decisions on specific matters. Currently, the following are active:

### Statutory Audit Committee (CAE)

Currently composed of 100% independent members, two of whom are Board members and one is a specialist, the CAE is a statutory and permanent body. The Committee is dedicated to overseeing the risk control and management systems; monitoring the effectiveness and sufficiency of their respective structures; and the quality and integrity of their processes, proposing the necessary actions to the Board of Directors. The summary of results is disclosed in the Annual Report.

## Compensation and Personnel Committee

GRI 2-20

This Committee advises the Board on matters related to management compensation, the CEO's targets and succession plan, identification and evaluation of people suitable to become members of the Executive Board, among other responsibilities. It is composed of three members, one of them being independent and one, a Human Resources specialist.

## Sustainability Committee

GRI 2-17

It is chaired by the CEO and includes an independent specialist member, an independent member of the Board of Directors, the Chairman of the Board, and other directors. Playing an important part in spreading collective knowledge, it advises the Board of Directors on decision-making processes related to sustainability and regularly reports on social and environmental performance to the Board.



## Board of Directors

GRI 2-9, 2-10, 2-11

The Board of Directors is responsible for assessing and resolving on matters related to the business management, policies and strategies. These decisions include resolving on the sale, lease, assignment, transfer, disposal, liquidation or other disposition of any asset or equity interest of AES Brasil for an amount over R\$ 50 million, except if they are specified in the Annual Business Plan or when they are related to power purchase agreements.

The Board must be composed of, a least, five and a most eleven sitting members, all of whom elected and dismissed by the Annual Shareholder’s Meeting (AGO), with a two-year tenure, with reelection permitted, in accordance with the Bylaws. Currently, we have four independent members, accounting for 36% of this body’s composition (above the 20% required by B3’s

Novo Mercado). As a response to the effort to foster gender diversity in the Board of Directors, we have increased the number of women directors from 27% in 2021, to 36% in 2022.

The Board Chairman represents the controlling shareholder and was elected by unanimous vote of the other directors in 2022. He serves as Global Vice President of Corporate Strategy at AES Corporation.

### Diversity in the Board of Directors

	2022	2021	2020
Women	4	3	3
Men	7	8	8



Click here to learn more about our [Administrator Appointment and Compensation Policy](#) and here to access the composition of the [Board and Committees](#).

## Compensation Policy

GRI 2-19, 2-20, 2-21

The [Administrator Appointment and Compensation Policy](#) lays down the compensation of the members of the Board of Directors, Fiscal Council, Advisory Committees and Executive Board. The document outlines the criteria for assessing the skills required from the candidates to comprise these groups, which include: reputation, commitment to our culture and values, academic background, professional experience, and freedom from conflicts of interest with AES Brasil.

To set the compensation of the Board of Directors and Executive Board members, we rely on salary surveys contracted from specialized independent consultants. These surveys take into consideration benchmark studies of positions with similar duties and responsibilities in companies of the same industry or companies that have good human resources and/or corporate governance practices. The results are compared to our practices and evaluated by the Compensation and Personnel Committee, which is responsible for making recommendations to the Board of Directors, which approves possible changes or the maintenance of the proposal. The proposal for management overall compensation is annually approved by the Board of Directors and the Annual Shareholders' Meeting.

The statutory and non-statutory executive board compensation includes fixed monthly payments, short-term bonus and benefits in line with market practices for executive level, e.g., designated vehicle, healthcare plan, dental plan, life insurance, meal voucher, annual checkup and private pension plan. The Statutory Executive Board is eligible to Long Term Incentives (LTI). The variable compensation (bonus) considers three performance indicators: safety, financial results, and strategic results. Different weights are applied according to the targets achieved/ exceed in each of these items

In the case of termination without cause and that was initiated by the Company, statutory executive officers will be entitled to the payment of compensation equivalent to six times their monthly salary minus withholding income taxes and social contribution (INSS) and to continue with their medical health plan, extensive to their legal dependents, for a period of up to six months. They will also be entitled to receive, at no cost, executive outplacement consulting services, for a period of six months, through a contract with a specialized company of recognized quality in the market, to be chosen by us. The contractual arrangements and

### Variable compensation

Resulting from our commitment to sustainability, in 2022, the individual management contract for the CEO and the Executive Board included targets related to the performance of ESG practices, which vary for each Executive Officer. In 2022, the CEO's variable compensation, in particular, had the following breakdown:

40% of the CEO's variable compensation was linked to ESG criteria, divided into:

5% Diversity

5% Organizational climate

30% Growth in renewables

insurance policies do not provide for compensation or indemnity mechanisms for cases of retirement.

We have relationships with nine labor unions, recognizing their role as official representatives of our employees, and have established collective bargaining agreements that are annually discussed on their base dates.

# Ethics and Compliance

GRI 3-3 Material topic - Integrity | GRI 2-15, 2,24, 2-25, 2-26, 205-2, 205-3

When it comes to Ethics and Integrity, AES Brasil does not make concessions or exceptions. We are committed to ensuring ethics and transparency in all our businesses. Having a culture of integrity makes our company more attractive to investors, suppliers and customers, who seek to invest in companies with sustainable and transparent business models.

Our global Ethics and Compliance Program is audited by an independent company hired by the AES Corporation, and is anchored on the main anti-corruption laws applicable: Brazil's Clean Company Act (Lei da Empresa Limpa); US Foreign Corrupt Practices Act (FCPA); Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery; UK Bribery Act; and other local laws. Additionally, we are signatories to UN Global Compact's Rede Brasil and the Brazilian Business Pact for Integrity and against Corruption.

## AES Values Guide

AES Values Guide sets forth the business principles and practices that must be applied in performing our duties as well as in relationships with our customers and suppliers.

The Values Guide applies to all members of the Board of Directors, the Statutory Executive Board, the members of the Fiscal Council and employees, regardless of their position or role at the AES Brasil operation headquartered in Brazil, as well as those of its direct or indirect subsidiaries. It should also be observed by temporary workers, contractors, consultants, agents, representatives and all who carry out works for AES Brasil, who must ensure that their actions while holding said positions meet high integrity standards compatible with those expected from our own employees.

Some of the initiatives that help us maintain our culture of ethics and integrity are the biannual training activity on AES Values Guide, as well as the release of monthly notices on the Compliance Policies and proceedings covering Anti-corruption, Conflicts of Interest, Donations and Sponsorship, Gifts and Entertainment. Both are provided to all employees.

In 2022, all our employees received training on the Values Guide, which further contributed to disseminating AES's ethics culture throughout our value chain. It is worth noting that, in 2022, all Compliance policies were updated and approved by the Board of Directors.



Click here to learn more about AES Values Guide



## Structure

In order to ensure that the Ethics and Compliance Program operates properly and the emerging risks are identified and controlled, we carry out evaluations on a regular and frequent basis, which have no fixed periodicity and are triggered by the latent risk and in view of the identified need. The Ethics and Compliance Department is structured on three pillars, mainly focused on identifying, monitoring and preventing risks:

### I. Contractual Compliance

In order to ensure the highest level of integrity in its businesses, AES has established a Contract Compliance Program to get to know its Business Partners in regard

to their reputation and gain their commitment, through specific legal clauses, to behave in an ethical and transparent manner, as well as in accordance with the anti-corruption legislation.

Thus, the Contract Compliance Process aims to evaluate the Compliance risk of the transaction to be analyzed, establish the applicable due diligence proceedings, include the appropriate Compliance Clause in the contract in question and gain approval from the Ethics and Compliance Department for hiring a business partner whenever necessary.

### II. Training and Communication

In order to disseminate our message of ethics and integrity, as well as increase awareness about the policies and proceedings of the Ethics and Compliance Department, we have invested in training for both internal and external stakeholders and communication on our internal networks and social media.

“Minuto Compliance” is a monthly newsletter released on our internal channels, about Compliance policies and their application in day-to-day work. Messages from the senior management are released on our social media to disseminate among employees, customers and suppliers the importance of transparency in business and the ethics and integrity in our day-to-day operations.

As for training, our Ethics and Compliance Department operates with an agenda focused on employees and suppliers involved in agreements rated as high risk in terms of ethics, integrity and best practices.

In 2022, we provided training on Conflicts of Interest, AES Helpline Reporting Channel, Contract

Compliance, among others. Also in 2022, we hosted our 1st Compliance Week, an event featuring external lecturers who reinforced the message of the importance of the culture of integrity for business, with debates about ethics, values and culture of integrity.

Every year, we carry out the Ethics Champions program, where Compliance champions from each department discuss practical, up-to-date cases on integrity matters with their respective teams.

### III. AES Helpline

We rely on an external and independent Reporting Channel, which allows employees and people outside the Company to report, anonymously if they wish so, suspected misconducts, including, but not limited to, corruption, money laundering, terrorism financing, fraud or breach of the Values Guide.

The initial screening of complaints is carried out by an expert company that refers the reported demand to the Compliance team for the initial analysis. Depending on the course of investigations, a specific Ethics Committee may be created to address such

demand, and make a collegiate decision on matters of greater relevance and impact for the Company. If necessary and depending on the nature of the claim, an external specialized firm may be hired to assist in the investigation.

In all its communication and trainings, the Ethics and Compliance team urges employees to immediately report if they observe any conflicts or situations that may suggest any sign of conflicts of interest, corruption practices, misconduct, fraud, or breaches to our Values Guide. Queries and complaints can be submitted on the website ([www.aeshelpline.com](http://www.aeshelpline.com)) or by phone (0800-891-4167), 24/7. These channels are open to all stakeholders (employees, customers and business partners).

In 2022, we received 65 reports through the AES Helpline, up 97% over 2021. It is worth mentioning that queries and inquiries about matters related to Compliance were up 200% and those related to complaints were up 74%, which shows the level of trust and safety our employees and suppliers have when asking questions about Compliance matters.

Another important aspect is that no complaint we received was a confirmed practice of corruption, bribery or money laundering, showing everyone's commitment to our Values.

The number and nature of the complaints received are periodically presented to the Board of Directors.

### Claims received by the AES Helpline

	2022	2021	2020
Queries	18	6	0
Complaints	47	27	10
<b>Total</b>	<b>65</b>	<b>33</b>	<b>10</b>

The effectiveness and efficiency of the Ethics and Compliance Program is measured by analyzing the reporting channel's indexes and the Ethics Survey, a Compliance questionnaire biennially sent to all employees. The most recent Ethics Survey was carried out in 2021.

## Some of the 2021 Ethics Survey highlights

**100%** of employees agree or strongly agree that “I take compliance and ethics risks into account while performing my role”;

**98%** of employees agree or strongly agree that they know what to do when they find an unethical behavior;

**96%** of employees agree or strongly agree that AES ethics and compliance policies and proceedings provide the guidance they need to do their work activities in an ethical and compatible manner.

### Compliance Week

In October 2022, we hosted AES Values Day (or *Dia dos Valores AES*, in Portuguese) and our first Compliance Week, an event that brought together approximately 350 employees for debates about ethics, values and culture of integrity. In addition to AES Brasil management presentation, we highlight a lecture given by a well-known journalist, who brought reflections about ethical dilemmas he

had experienced in the daily practice of his profession. During the week, we had on-line debates with external lecturers, who reiterated the message of the importance of the culture of integrity for business, as well as the importance of monitoring the reporting channel, and provided examples of misbehavior and of the appreciation of diversity, equity and inclusion.

### Our culture of compliance

Several other documents express our culture in regard to Compliance, such as:

- Code of Conduct for Suppliers
- Anti-Corruption Policy
- Policy on Export Control, Business Sanctions and Anti-boycott Law
- Conflict of Interest Policy
- Compliance Policy
- Gifts and Entertainment Policy
- Policy on Contributions and Donations of any Nature
- Prohibition of a Second Job and External Activity Policy
- Contract Compliance Approval Process



## Main Initiatives and Training Activities of the Ethics and Compliance Team in 2022

- Training activities on AES Helpline – attended by 479 employees;
- Training activities on Conflicts of Interest – attended by 504 employees;
- Training activities on Contract Compliance – attended by 199 employees;
- Training activities on the Values Guide – All AES employees and members of the Board of Directors were trained;
- Values Day;
- Compliance Week.

## Brazilian General Data Protection Act (LGPD)

We comply with the requirements of the Brazilian General Data Protection Act (LGPD). We have updated our Privacy Policy and communicated the Privacy Notice, which aims to shed light, in a simple, transparent and objective manner, on the personal information processing of stakeholders that access some of our communication channels.

We have created the position of Data Protection Officer and a committee to evaluate information requests or demands related to this matter. At the same time, we have enhanced sensitive data management processes and protocols, in order to ensure information secrecy and protection against leakage. We also take part in Cyber Ninja, a program developed by AES Corporation that encompasses initiatives to prevent cyberattacks and, among other matters, prepare incident response plans.

Furthermore, we have provided all our internal stakeholders with training in Cybersecurity and given employees constant tests to foster culture and raise awareness of the matter.



# Risk management

GRI 2-12, 2-13 | SASB IF-EU-550a.1

Providing and indicating the guidelines, responsibilities, mechanisms and internal proceedings for managing risk factors inherent in our business is the goal of our Risk Management Policy, which allows us to monitor and mitigate such risks more effectively.

Our risk management is based on the Enterprise Risk Management Framework system and follows the recommendations from the Committee of Sponsoring Organizations (COSO), which lays down models for the different types of risk, with information cards about matters such as climate and corruption. The Heatmap is a document that presents all these cards and is an important risk monitoring tool at AES Brasil. Based on the Heatmap, we manage the action plan and track Key Risk Indicators (KRIs), in addition to assessing impact and probability for each risk. This document is updated on a quarterly basis.

## Water risks

We have adopted mechanisms for mitigating water risks through three different types of future scenario studies, which are associated with adverse hydrological scenarios. Short-term studies analyze the flow rate and rainfall patterns in the past few years and climate forecasts for the coming months, in order to evaluate the need for establishing hedge plans for the hydropower portfolio.

The preparation of the budget planning for the next five year is based on climate forecasts and trends indicated by the Weather Risk Committee, which also indicates actions for mitigating possible impacts on hydroelectric power generation. Multiple Views of Future (MVF) is a study with an up to 20-year horizon that allows us to assess possible impacts from changes in climate patterns.

## Risk Assessment

We monitor our business risks by constantly testing sensitivity to macroeconomic, physical, regulatory and industry scenarios that may adversely impact our operations and results.

## Management and commitments

The Board of Directors is ultimately responsible for evaluating, monitoring and setting out strategies for managing risks and impacts to which we are exposed. The decision-making process of the Board is informed by advice from the Statutory Audit Committee, which is presented with the Heatmap every time it is updated.

Control and mitigation proceedings are performed under the coordination of our Risk Office, which continuously evaluates the effectiveness of proposed and in

effect action plans, as well as suggests improvements to leaders for enhancing risk management withing the scope of their powers and knowledge.

For the operating, financial and information technology segments, we rely on the Internal Audit Department, which reports to the Statutory Audit Committee. It ensures compliance with US Sarbanes-Oxley (SOX) Act, Brazilian law requirements, electric power industry regulatory standards and internal rules and proceedings. By the means of SOX biennial control audits, with controls tested in alternated years, in 2022, we check if our new employees have participated in the compliance onboarding and received AES Values Guide, based on a sample.



[Click here to learn more about Risk Management Policy](#)

# Environmental

Enhancing the positive impact of our initiatives and avoiding, or minimizing, environmental risks is our focus when conducting our operations. Since 2011, we rely on [Sustainability Policy](#), which lays down the guidelines to reach this goal and ensure an adequate environmental analysis in all processes.

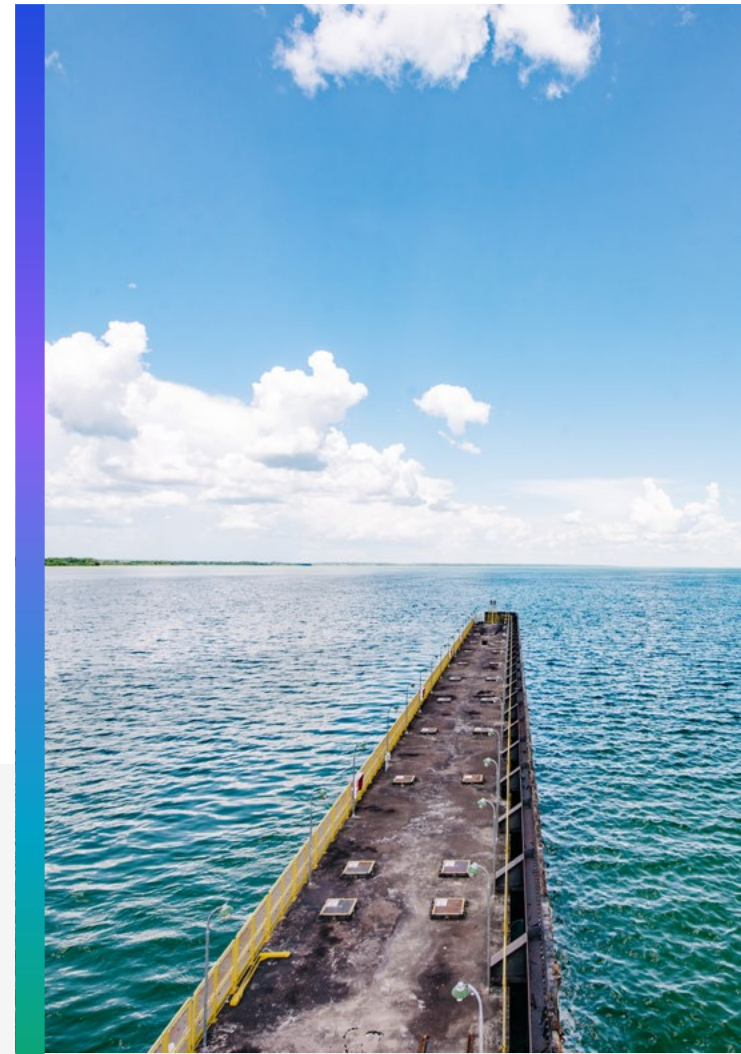
Approved by the Board of Directors, this Policy formalizes the guidelines for our environmental practice and is monitored by the Sustainability Committee, which is chaired by our CEO, Clarissa Sadock. We also have a [Biodiversity and Land Use Policy](#), which sets forth our environmental responsibility principles, more specifically related to the conservation, protection and preservation of biodiversity, landscapes, species and land use in the regions where we operate.

In 2022, we implemented the Sustainability Indicators System (SIS) to enhance the monitoring of compliance with the Sustainability Policy in our processes. The SIS

controls indicators related to the environment as well as other topics, such as governance and social impact.

Moreover, 74% of our assets are certified by the Integrated Management System (SGI), which encompasses the Environmental Management System (ISO 14001) and the Health and Safety System (ISO 45001). The drop from 100% in 2021 to 74% in 2022 is due to the recent acquisition of new assets that will still be certified. Wind farms certified in previous years maintained their certification, whose efficiency is assessed annually by internal and third-party audits, and every three years, by an external audit for recertification.

The SGI's commitments encompass planning and [developing technologies](#) and processes to minimize [environmental impacts](#).



The SGI's commitments encompass planning and developing technologies and processes to minimize environmental impacts. The system aims to keep the operation and maintenance of facilities in compliance with the environmental legislation and to encourage the adoption of conservation measures as well as the rational use of natural resources. These instructions are outlined in the SGI Manual and in the managerial and operational procedures.

At the administrative level, the Chief Operating Officer (COO) is responsible for the environmental strategy and the Environmental Management System (SGA), and monitors AES Brasil's performance in terms of water management, biodiversity and land use, climate change and waste, among other environmental aspects. The COO is a member of the Sustainability Committee, an advisory body of the Board of Directors and chaired by our CEO.

## SGI Commitments



Identification of products, activities and services that have impacts on the environment



Planning and development of technologies and processes that minimize the environmental and occupational impacts of the operations



Adoption of conservation measures and rational use of natural resources



Operation and maintenance of the facilities in accordance with environmental and labor safety legislation



Corrective actions to stimulate continuous improvement



## Climate Change

GRI 3-3 Material topic - Mitigation and adaptation to climate changes | SASB IF-EU-110a.3

The fight against the effects of climate change has been a priority in global commitments and in the strategies of large companies, which seek, among other decarbonization initiatives, to use electricity from renewable sources. Considering that our business strategy is geared towards generating energy exclusively through 100% renewable assets, the continual growth in this demand enhances our expansion opportunities and gives us a relevant role in the energy transition and in the development of a low-carbon economy.

Our management commitments to Climate Change are laid down in our Sustainability Policy and in our [Statements of Commitment to Climate Change](#). We report our performance and practices to the [Carbon Disclosure Project \(CDP\)](#) by responding to the Climate

Change and Water Security questionnaires. The CDP is a benchmark initiative in evaluating companies' risks, opportunities and environmental impacts as well as recognizing leaders in transparency and environmental action.

Our commitment to adapting to climate change can be expressed in four pillars: assessment of risks and opportunities; generation portfolio diversification; resilience of generation assets; and dam safety.

We also develop GHG emissions reduction and reforestation initiatives, mindful of the need to mitigate possible negative effects of our operations. We offset our emissions through carbon credits.

The continual increase in corporate demand for **clean energy** enhances our **growth opportunities** and places us in an outstanding position in the Brazilian energy transition scenario.

## Risks and opportunities

GRI 201-2

We are mindful of climate change impacts on our assets' availability. To mitigate and/or adapt to climate change, we are committed to developing innovative Research & Development solutions and to growing and diversifying our renewable generation business. The risks and opportunities associated with climate change are further explored in the Weather Risk Committee.

The main risks mapped are water scarcity, extreme weather events and dam safety. Water scarcity, which can occur if rivers lose inflow, can harm our hydropower generation. As regards to extreme climate events, we are concerned about the chance of increasing the frequency and intensity of events such as cyclones and floods, compromising the availability of assets for generation. In the case of dam safety, our attention is drawn to extreme water events that could compromise the dam structure. All risk categories (physical, technological, regulatory, market, etc.) are analyzed, whether in direct operations or in our supply chain.

To protect our Company from these risks, we follow our Risk Management Policy, which lays down how we identify, assess, monitor, and manage them. We mitigate the risks described above through portfolio diversification (both in terms of energy sources and location of our power plants), the Dam Safety Plan (PSB), and the Emergency Operating System (SOSEm). The last two guarantee the continuous monitoring of integrity parameters and timely and transparent communication with the communities.

In turn, we assess that these weather situations also bring about opportunities. The change in hydrological and wind regimes and/or solar incidence can create events that boost generation capacity from these sources.

We are expanding the team of meteorologists, by hiring one more professional, specialized in the analysis of wind maps. The intention is to gather data that supports

the management of operations with the highest possible accuracy and to further improve the portfolio's commercial management.

From the commercial stance, we recorded an increase in demand for already certified energy or for renewable certificates and carbon credits, with the main purpose of meeting the companies' sustainability goals, whether linked to international protocols, such as the GHG Protocol or RE100, or to internal decarbonization goals.

In 2022, we invested R\$ 1.8 million in Climate Risk R&D project in partnership with WayCarbon. Changes in the weather regimes of our sources are still under analysis in order to account for possible financial implications. ([learn more on page 35](#))

# Emissions

GRI 3-3 Material topic - Emissions | GRI 302-1, 302-3, 305-1, 305-2, 305-3, 305-4 | SASB IF-EU-110a.1, IF-EU-110a.2

As the result of our engagement in a sustainable business model, our efforts are focused on reducing and offsetting greenhouse gas (GHG) emissions and being carbon positive. Within our 2030 ESG Commitments, we have set the following goals:

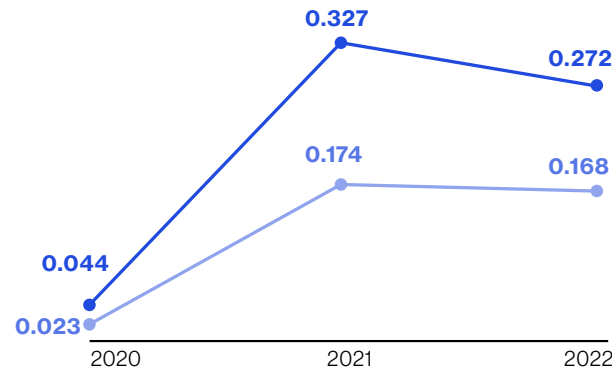
- To continue to neutralize our greenhouse gas emissions and be carbon positive annually;
- By 2025, to offset historical emissions since the start of our operations – target already reached in 2022;
- To avoid the emission by our customers of 582,000 tCO<sub>2</sub>e per year, from 2025; and
- By 2030 reduce scope 1 and 2 greenhouse gas emissions by 18% tCO<sub>2</sub>e per MWh generated, compared to 2020.

## Greenhouse Gas Inventory

GRI 305-1, 305-2, 305-3, 305-4 | SASB IF-EU-110a.1, IF-EU-110a.2, IF-EU-110a.3

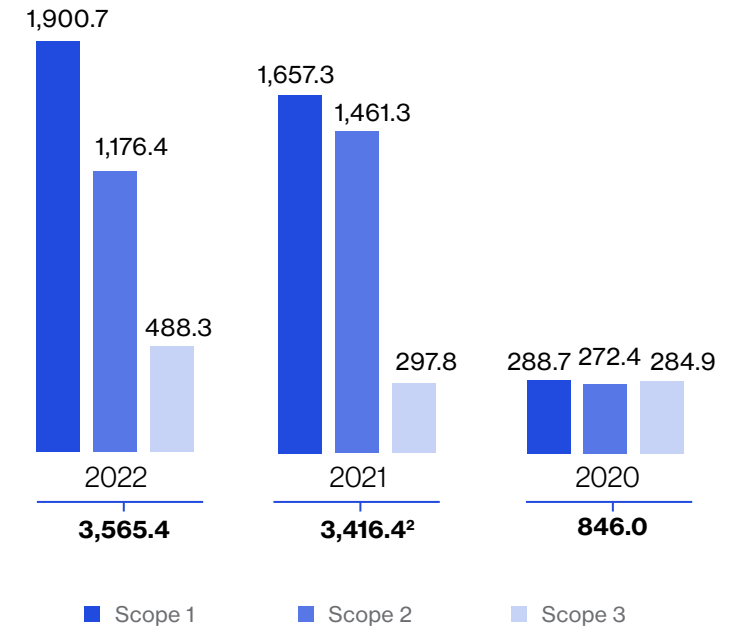
Every year we prepare our **Greenhouse Gas (GHG) inventory**, based on the Brazil GHG Protocol Program’s methodology and on internal operational controls. The report consolidates all operational units – hydroelectric, solar and wind power plants, in addition to the offices – and is audited by an independent third-party. In 2022, for the sixth consecutive time, our 2021 cycle inventory was awarded the Golden Seal by GHG protocol, the highest certification level.

Intensity of GHG emissions (tCO<sub>2</sub>e/GWh)<sup>1</sup>



■ Scopes 1 and 2 emissions/gross energy generated<sup>2</sup>  
 ■ Scope 1 emissions/gross energy generated

Gross GHG emissions (tCO<sub>2</sub>e)<sup>1</sup>



<sup>1</sup> Amounts are preliminary and subject to change after the release of the updated Brazil GHG Protocol Program tool. The 2022 GHG emissions inventory was prepared based on the 2021 emission factor, because until this report was published, there was no updated factor for 2022. Scope 1 includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub> gases. Scope 3 includes CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O gases. For scope 2, MWh is directly translated into CO<sub>2</sub> metric tonnes. Scope 3 calculation includes: goods and services purchased; capital goods; activities related to fuel and energy not included in scopes 1 and 2; employee commute (home to work).

It does not include Caetés, Ventos do Araripe and Cassino Wind Power Complexes data because these assets were added to the operational base in December 2022.

<sup>2</sup> 2021 data has been restated. In the 2021 Integrated Sustainability Report, this figure was 2,099.9 tCO<sub>2</sub>e. However, the grid factor was updated in April 2022. After this update, our inventory was verified by a third party and published in the Public Emissions Record | GRI 2-4.

This year, we added the Mandacaru, Salinas and Ventus wind power complexes to AES Brasil's GHG inventory, which increased the total emissions absolute figure.

One of the main sources of GHG emissions at the wind complexes in coastal regions, which is the case of these three assets added, is the consumption of SF<sub>6</sub> in the supply cubicles damaged by sea air. To solve this problem, we are replacing the power supply cubicles, a task that will be completed in 2023.

#### Gross scope 1 emissions per gas (tCO<sub>2</sub>e)<sup>1</sup>

	2022	2021	2020
CO <sub>2</sub>	272.0	191.1	165.0
CH <sub>4</sub>	3.2	2.7	2.3
N <sub>2</sub> O	4.8	3.2	3.3
HFCs	93.3	308.8	4.2
PFCs	0.0	0.0	0.0
SF <sub>6</sub>	1,527.5	1,151.5	114.0
NF <sub>3</sub>	0.0	0.0	0.0
<b>Total</b>	<b>1,900.7</b>	<b>1,657.3<sup>2</sup></b>	<b>288.7</b>

<sup>1</sup> There were no PFCs and NFs gas emissions in the three-year period. None of AES Brasil's GHG emissions are subject to legislation that sets emission limits or reporting obligations. It does not include Caetés, Ventos do Araripe and Cassino Wind Power Complexes data because these assets were added to the operational base in December 2022.

<sup>2</sup> 2021 data has been restated | GRI 2-4.

#### Biogenic CO<sub>2</sub> emissions (tCO<sub>2</sub>e)

	2022	2021	2020
Scope 1	338.1	215.1	202.5
Scope 3	41.2	33.9	15.9

#### Electricity consumption

	2022 <sup>1</sup>	2021	2020
Self-generated electricity (MWh)	41,692	55,579	43,450
<b>Electricity from the SIN (MWh)</b>	<b>10,188</b>	<b>11,556</b>	<b>4,413</b>
<b>Total</b>	<b>51,880</b>	<b>67,135</b>	<b>47,863</b>
Energy intensity (MWh consumed/GWh of gross generated energy) <sup>2</sup>	4.6	7.0	3.9

<sup>1</sup> Does not include Caetés, Ventos do Araripe and Cassino Wind Power Complexes data because these assets were added to the operational portfolio in December 2022.

<sup>2</sup> Energy intensity only considers internal electricity consumption (internal electricity consumption/gross energy generation).

#### Energy generated by the use of fuels (GJ)

	2022 <sup>1</sup>	2021	2020
<b>Renewable</b>			
Hydrous ethanol	4,624.0	2,663.7	2,638.7
Anhydrous ethanol	218.3	179.5	138.0
Biodiesel	352.8	308.6	133.0
<b>Subtotal</b>	<b>5,195.0</b>	<b>3,151.8</b>	<b>2,909.7</b>
<b>Non-renewable</b>			
Diesel	3,174.9	3,003.8	1,276.2
Gasoline	590.1	958.7	737.1
<b>Subtotal</b>	<b>3,765.0</b>	<b>3,962.5</b>	<b>2,013.3</b>
<b>Total renewable and non-renewable fuel</b>	<b>8,960.0</b>	<b>7,114.3</b>	<b>4,923.0</b>
<b>Percentage of renewable fuel</b>	<b>58.0%</b>	<b>44.3%</b>	<b>59.1%</b>

<sup>1</sup> The increase in generated energy is due to the internalization of maintenance processes, which started to be accounted for in 2022, and the entry of new assets. It does not include Caetés, Ventos do Araripe and Cassino Wind Power Complexes data because these assets were added to the operational base in December 2022.

There is no consumption or sale of heat, cooling or vapor. In 2022, electricity sold amounted to 12,681,236.5 GJ.

The 2022 energy conversion was calculated according to the [Average Equivalence Coefficients for Liquid Fuels from the National Energy Balance 2022](#) (2021 reference year).



## Biodiversity

GRI 3-3 Material topic – Biodiversity, 304-3

We are committed to protecting and preserving biodiversity and ecosystems. Our [Biodiversity and Land Use Policy](#) lays down the guidelines to be followed in all our activities, aiming at the conservation, protection and preservation of biodiversity, landscapes, species and land use in the regions where we operate.

Our environmental programs include archaeological, fauna and flora studies, water quality monitoring, sediments, erosion, aquatic plants and aquatic fauna monitoring, monitoring and control of water level at the dams, seedling production,

reforestation, and environmental education. We also carry out the reproduction and repopulation of baby fish (fingerlings) and the *Mãos na Mata* program.

*Mãos na Mata* portrays how we act in favor of biodiversity. The program consists in the ecological restoration of the biomes on the edges of our reservoirs. Its mission is to revitalize native forests in the Atlantic Forest and Cerrado areas in the state of São Paulo. The first restoration arrangements were developed in areas belonging to AES Brasil, and their good outcomes now serve as examples of ecological restoration.

From 2023 to 2029, we have the commitment to reforest additional 1,470 hectares. Our [2030 ESG Commitments](#) also establish that we must increase reforestation by at least 20% by 2030.





In 2022, the program allowed the production of more than 1 million native tree seedlings and the reforestation of 253.9 hectares in these two biomes. Since the beginning of our hydropower concessions, 4,937 hectares have already been reforested. From 2023 to 2029, we have the commitment to reforest additional 1,470 hectares. Our 2030 ESG Commitments also establish that we must increase reforestation by at least 20% in addition to the commitment to recover occupied areas by 2030. This means that we must voluntarily carry out the reforestation of additional 352.5 hectares, of which 10 we have already done in 2022.

After five years, *Mãos na Mata* is a mature project that brings together several stakeholder groups and

currently incorporates social and environmental projects for income generation and appreciation of the regional culture, in addition to partnerships with universities.

In addition to these initiatives, we participate in the master plan work group for the Environmental Protection Areas (APAs) of Corumbataí, in the city of Botucatu, and Tejupá and Tanquã, in São Paulo. At the same time, we are members of *Caminhos da Semente*, an initiative coordinated by Agroicone in partnership with Instituto Socioambiental (ISA), which promotes the dissemination of direct sowing methodology of native seeds and seeks to create demand for such seeds to boost income generation for the local community.

### Biodiversity indicators

	2022	2021	2020
Total hectares of Atlantic Forest and Cerrado restored	253.9	251.5	243.44
Total tree seedlings produced	1,054,108	1,000,000	1,000,000
Total endangered species conserved through projects	3	2	3
Investment in environmental programs (R\$)	18,247,688	16,412,920	12,254,167

## Impact management

GRI 304-2

We are always ready to boost the positive impacts of our activities. The actions are achieved through numerous environmental programs, designed to provide benefits to biodiversity. We run programs dedicated to monitoring the fauna, forest fostering, releasing fingerlings, monitoring water quality, environmental education and we also work to ensure the adequacy and certification of our power plants with the ISO 14001 standard. In 2022, we invested more than R\$18.3 million in various biodiversity projects.

Aimed at protecting the environment, we carry out initiatives capable of mitigating negative impacts. We recover degraded areas in our wind power plants, reforest areas surrounding the reservoirs of our hydroelectric plants, and we are committed to recovering the environment in the regions of influence of our solar power complexes.

For each of our reservoirs, we implement a plan to comply with the licensing conditions requested by agencies such as Cetesb (State of São Paulo Environmental Company) and Ibama (Brazilian Institute for the Environment and Natural Resources). A compliance report is submitted to the competent bodies every one or two years, and they may request that we adjust some of our activities. In 2022, this work was linked to the renewal of the environmental license of the hydroelectric power plants, whose contracts expired this year.

In 2022, we invested more than **R\$ 18.3 million** in various biodiversity projects.



## Wildlife conservation

GRI 304-4

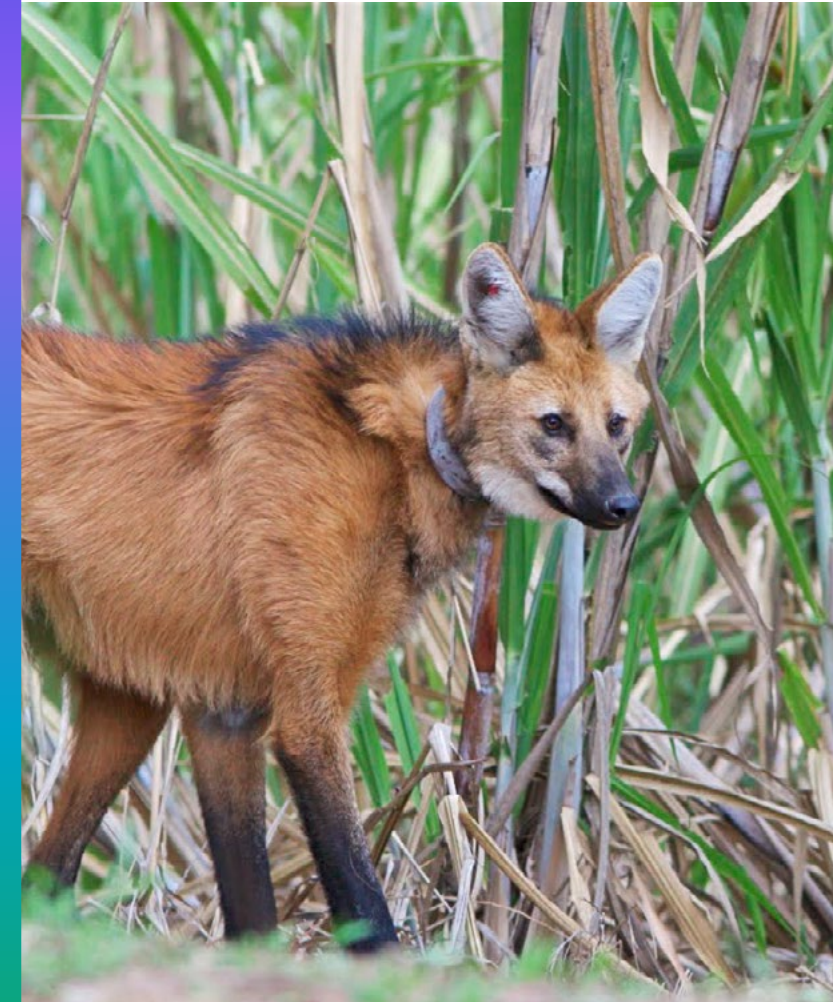
Throughout the Wildlife Monitoring and Conservation Program, we develop initiatives aimed at preserving endangered animal species. The Program is dedicated to the animals that live in the vicinity of the power plants in operation and under construction and it has identified 31 species that are on the International Union for Conservation of Nature (IUCN) list. Three of them were chosen to be monitored: maned wolf, jaguar and curassow.

Two species that circulate in our units got on the monitoring radar this year: the aracuã-guarda-faca (*Ortalis remota*), a critically endangered species, is monitored in the area of influence of Água Vermelha HPP, in the northeast of São Paulo, and the otter (*Lontra longicaudis*), an almost endangered species, found in the reservoir of Caconde HPP (SP). We also continued with the Bare-Faced Curassow Project. Since 2020, the project has been promoting the preservation of this bird species (*Crax fasciolata*), already rare in São Paulo, also in the surroundings of the reservoir of Água Vermelha HPP. The species is

In 2022, we requested the São Paulo State Department of Infrastructure and Environment (Sima) to include a **wild animal release area** of almost 350 hectares.

classified as “vulnerable” with regard to its risk of extinction.

In 2022, we requested the São Paulo State Department of Infrastructure and Environment (Sima) to include a wild animal release area of almost 350 hectares, downstream from Promissão (SP). This initiative will enable us to help the conservation of fauna and, in the future, benefit from a possible payment for environmental services (PSA) by the São Paulo state government.





## Aquatic ecosystem conservation

Protecting the aquatic wildlife is also a commitment we have taken through the Fisheries Management Program. Its main initiative focuses on raising fingerlings to be released in the reservoirs of the hydroelectric power plants, located in the Grande, Tietê, Pardo, and Mogi Guaçu rivers. The fingerlings repopulation uses the species curimatá (*Prochilodus lineatus*), dourado (*Salminus brasiliensis*), pacu-guaçu (*Piaractus mesopotamicus*), piapara (*Megaleporinus obtusidens*), piraicanjuba (*Brycon orbygnianus*), and tabarana (*Salminus hilarii*). Fish reproduction is

carried out in the aquaculture stations at our Barra Bonita and Promissão (SP) power plants.

An important biodiversity conservation mechanism is the Macrophyte Monitoring and Management Program. Through field surveys and remote sensing, we can prevent operational risks of the uncontrolled presence of these aquatic plants in the hydroelectric power plants reservoirs. Divided into two phases, the program relies on an automated system that monitors by satellite the displacement of the macrophytes in the water and

a management process that involves the analysis of the effluent water quality and the pouring of the plants in the dams' spillways.

In 2022, we had to perform an operational maneuver at the Mogi Small Hydroelectric Power Plant (SHPP), in the municipality of Mogi Guaçu (SP). A vessel, which works as a type of floating scissor, mechanically removed an exotic species of macrophyte that had proliferated in the plant's reservoir. In this operation, we worked together with stakeholder groups that use the reservoir mainly for navigation and water supply.

Research projects with Unesp, from Botucatu (SP), are under development focused on using certain types of macrophytes for pharmaceutical or cosmetic purposes.

## Environmental certification

In all our programs and initiatives, we aim to go beyond legal requirements, protocols, agreements, as well as other duties and obligations, as outlined in our 2030 ESG Commitments, which drives us to take leaps toward solid sustainable performance.

In 2022, we prepared the Salinas, Mandacaru and Ventus Wind Power Complexes, acquired in the previous year, and the Tucano Wind Power Complex, still under construction, to be accredited by the Environmental Management System (ISO 14001), in order to update and adapt the environmental management of these units to our culture and processes. Furthermore, in 2022, we were able to resume on-site audits, on-site inspections and environmental walks at our units.

At year-end, it was possible to carry out the internal audit to maintain the SGI's certification, which encompasses the Environmental Management and

the Health and Safety Systems. Certified under the ISO 14001 and ISO 45001 standards, the model complies with the Sustainability Policy's guidelines and is structured based on the SGI Manual and on managerial and operational proceedings.

Prior to this, we had already performed the Environment, Health and Safety (EHS) audits required by AES Corporation. The protocols were applied in our solar (Guaimbê and Ouroeste) and wind (Tucano and Cajuína) businesses.

### Strip cropping

A research conducted by AES Brasil in partnership with the Federal University of São Carlos (UFSCar) on a new planting arrangement for ecological restoration was one of the highlights in 2022. The work was published by the specialized magazine Abes (Revista Brasileira de Ciências Ambientais), on the March 31, 2022 issue, after presenting expressive scientific results for improving the development conditions of tree seedlings. The technique reduces planting costs, since the plants develop closer together and form an overlay in less time, encouraging natural regeneration. The initiative, which will go to the market, showcases our efforts to enter into partnerships in the search for differentiated solutions and innovations.

# Water

SASB IF-EU-140a.1, IF-EU-140a.3

Water is an intrinsic resource to energy generation and is essential to hydroelectric generation. Therefore, several dimensions are taken into account when we manage this resource.

We annually assess the status of our units in areas of water stress, using the World Resources Institute's (WRI) Aqueduct Risk Atlas platform. In 2022, three HPPs (Caconde, Limoeiro and Euclides da Cunha, all in SP) and four wind farms (Alto Sertão II, Salinas, Ventus and Mandacaru) were located in regions with high or extremely high overall water risk, according to the platform's parameters verified in January 2023. For human consumption, cleaning and gardening processes, these operations used 2,073.62 cubic meters in the year, equivalent to 24.3% of total water consumed by AES Brasil's assets.

Every year, we conduct an internal awareness-raising campaign about the correct use of water. The Chief Operating Officer is the executive responsible for water management at AES Brasil. The leadership of the water

We report our Water Security performance to the [Carbon Disclosure Program \(CDP\)](#) and we joined the Water Resilience Coalition

management theme is in the highest corporate governance stance, as the Operations Officer is part of the Sustainability Committee, an advisory body to the Board of Directors.

We report our Water Security performance to the [Carbon Disclosure Program \(CDP\)](#) and we joined the Water Resilience Coalition, led by the UN, which makes commitments to recognize the urgency and relevance of concrete actions in pursuing water resilience in our operations, promoting universal access to water and basic sanitation and protecting the watersheds where we operate.



## Own consumption

Our Sustainability Policy sets out the commitment to use water resources consciously, mostly focused on the solar power complexes, whose energy generation efficiency depends on the regular cleaning of the photovoltaic panels. We added some innovations to further reduce our consumption. For example, since 2021 we have used robots to clean the solar panels using less water.

Our water comes from the municipal water supply, surface water, and artesian wells, depending on the location and availability of each region. Consumption is monitored monthly and, whenever there is a deviation, actions are initiated to investigate and correct the causes. We assess the exposure of our activities to local risks, such as conflicts related to the use of reservoirs; operational risks, e.g., leaks, outages and dam bursts; climatic risks like microclimate; and hydrological risks, such as low inflow and sources of water in water-stressed areas.

### Water consumption (m<sup>3</sup>)<sup>1</sup>

	2022	2021	2020
Surface freshwater withdrawal	1,313	2,987	5,682
Groundwater withdrawal	38,638	32,024	33,428
Third-party supply (public or private)	2,711	1,488	1,610
<b>Total withdrawn</b>	<b>42,662</b>	<b>36,499</b>	<b>40,720</b>
<b>Water discharge (m<sup>3</sup>)</b>	<b>34,130</b>	<b>29,199</b>	<b>32,576</b>
<b>Water consumption (m<sup>3</sup>)</b>	<b>8,532</b>	<b>7,230</b>	<b>8,144</b>
<b>Water intensity (m<sup>3</sup>/GWh generated)</b>	<b>3.8</b>	<b>3.8</b>	<b>3.2</b>

<sup>1</sup> Does not include Caetés, Ventos do Araripe and Cassino Wind Power Complexes data because these assets were added to the operational portfolio in December 2022.

### Water quality

Focused on water quality at our reservoirs and on increasing water security, we develop the Water Quality Monitoring Program, which is responsible for overseeing the conditions and transformations of the aquatic environment in the areas of influence of the projects, when they are operation, and the dynamics of our reservoirs.

The program, which is based on the quality standards set forth by Conama Resolutions 396/2008 and 357/2005, makes it possible to generate concrete data that helps the competent bodies to carry out water management, and assesses water quality in the monitored

springs, according to criteria defined for use in subsistence irrigation projects in the communities surrounding the projects.

Our operations do not impact water availability in the regions where we operate. Energy generation in hydroelectric power plants only influences the flow of rivers, since the water resources are dammed to drive the energy-generating turbines. The entire volume that passes through the turbines is returned to the system with quality equal to or higher than that recorded at the entrance.

We have adopted actions for the protection of springs and, by means of reforestation incentives, we encourage rural landowners to develop conservation initiatives.

# Waste

Our waste and effluent management encompasses recycling, reuse and reverse logistics actions for waste generated in the activities at all our units. Implemented in 2011, the Selective Waste Collection Program aims to reduce waste sent to landfills and, therefore, increase that sent to recycling centers.

We held several campaigns during the year to raise awareness about selective collection for employees and outsourced service providers. Currently, we work in partnership with local cooperatives that recycle non-hazardous waste, such as paper, plastic, wood and metals. Hazardous waste is sent to previously approved companies, complying with

In 2022, we sent **55%** of non-hazardous waste to recycling.

the legislation and AES Corporation's standards. We use reverse logistics for the batteries replaced during maintenance and for the oils used in the wind power complexes. Moreover, in 2022, we approved a company for the disposal of photovoltaic panels, prioritizing the recycling and reuse of said materials.

Most of the waste we generate is related to plant maintenance. The volumes generated and their disposal are monitored and controlled by the SGA, and specialized, previously approved companies are responsible for the transportation and final disposal of materials.

Aiming to reduce waste generation, in 2022 developed an innovative pilot project in the region of the city of Borborema (SP). This project consists in installing electric fences in partnership with local rural producers. The initiative contributes to manage the waste generated by solar

panels that have lost generation efficiency, and reuses them as electric fences.

This action encourages the reuse of materials and the consequent waste reduction in the short term, and has the additional benefit of offering the protection of a physical fence at a lower cost. The

equipment used does not harm the life of wild animals.

Given its success, the project should be expanded in the Dandara settlement, near Promissão HPP. The local community works with agriculture and participates in a agro-forestry training project.

## Waste direct to disposal (in tons)

	2022 <sup>2</sup>	2021	2020
<b>Non-hazardous</b>			
Recycling	15.6 <sup>1</sup>	30.9	18.9
Landfill	12.8	7.6	7.8
<b>Subtotal</b>	<b>28.4</b>	<b>38.5</b>	<b>26.7</b>
<b>Hazardous</b>			
Recycling	8.1 <sup>1</sup>	12.8	11.0
Co-processing (and other forms of burning with energy recovery)	29.3	22.8	42.3
Other forms of waste recovery	16.9	0.8	0.0
Incineration	0.0	0.0	0.0
Landfill	16.0	10.2	0.0
Other forms of final disposal	20.4	44.0	56.4
<b>Subtotal</b>	<b>90.7</b>	<b>90.5</b>	<b>109.7</b>
<b>Consolidated total (non-hazardous + hazardous)</b>	<b>119.1</b>	<b>129.0</b>	<b>136.4</b>

<sup>1</sup> The amount of waste directed to recycling decreased because the assets merged into our portfolio in 2021 do not have a system to direct waste to recycling yet.

<sup>2</sup> Do not include Caetés, Ventos do Araripe and Cassino Wind Power Complexes data because these assets were added to the operational portfolio in December 2022..



# Social

We are committed to effectively contributing to the well-being, quality of life and development of our employees and the communities in the regions where we operate. Internally, we seek to ensure a safe and healthy work environment for our human capital, in which diversity, equity and inclusion, integrity and ethics prevail. Therefore, we

have established policies that appreciate and respect the health and safety at work and consistently managed the organizational climate.

We value the bond of trust and respect with the communities near our projects. We have created a financial investment plan in favor of the populations that

live close to our units and we have established a close relationship with them, practicing active listening, aiming at co-creating better and fairer solutions and projects. Our attention to the quality of the relationship with our stakeholders is also expressed by the care in selecting and in our relationship with suppliers.



# Our workforce

GRI 2-7, 2-8, 2-30

At the end of 2022, AES Brasil's most important asset, our human capital consisted of 594 employees, which represents an 11% year-on-year increase, driven by our growth during the year.

In order to appropriately meet the needs and aspirations of this public, we have developed a workplace characterized by transparency, respect, and gender equity, thus promoting engagement across the board.

## Employees by gender

	2022	2021	2020
Men	416	389	344
Women	178	145	110

## Employees by age group

	2022	2021	2020
Up to 30 years old	132	107	79
31 to 40 years old	265	241	198
41 to 50 years old	135	119	103
Over 51 years old	62	67	74

## Employees by region

	2022	2021	2020
Southeast	516	477	445
Northeast	78	57	9

The year was marked by the resumption of many in-person activities that had been interrupted or restricted as a result of the Covid-19 pandemic. In this environment, Human Resources initiatives aimed to support a good organizational climate and reaffirm our culture as a way to retain our talent and attract new professionals.



We also have a benefits package that covers all employees and includes:

#### Mandatory benefits

Such as food vouchers; additional food vouchers; dental assistance; medical assistance; pension aid; daycare, babysitter and disability aid; life insurance; aid for employees with disabilities; and charter bus, in addition to hazard pay, transfer pay and profit sharing for all employees (100% of the workforce).

#### Voluntary benefits

(not prescribed by law), such as Christmas voucher, Collective Bargaining Agreement, advance on the 13th salary Christmas bonus in January, private pension and healthcare plan for all own employees (100% of the workforce), regardless of hierarchical level.

#### Social assistance program

The “Conta com a Gente” (Rely on Us) program offers assistance on legal, behavioral and psychological issues and is available 24/7 for employees and their family members.

#### Compensation package

Salaries at the market median, leveraged by variable compensation.

#### Climate survey

Action plan and monitoring by senior management.

#### Scholarships

Undergraduate, graduate, and MBA programs; and language courses.

#### Flexibility

The hybrid work model is one of the voluntary benefits we have introduced. Employees can work three days a week

remotely and two days a week at our offices and plants, with flexible hours. In order to ensure the well-being of employees in the remote model, we provide equipment so that they can do their activities in an ergonomic manner not only at the office, but also at home.

We recognize the right to union membership, based on where the employee works. The Collective Bargaining Agreement covers the entire workforce, including apprentices, who are subject to specific clauses.

The termination process includes an interview to identify critical issues that may serve as input for a possible action plan. This process was essential for the implementation of positive changes in several programs, such as Leadership Tracks and Development for Non-leaders.

2030 ESG Commitments  
focused on diversity:

By 2025, have  
30% of women in top  
leadership positions.

By 2030, have 30% of  
underrepresented groups  
(ethnic-racial, gender  
identity and sexual  
diversity) in the leadership.



## Organizational climate

Our human capital is composed of a highly qualified team, in a very specialized industry. In 2022, our biggest challenge was to promote the acculturation of new employees, including professionals who came from recently acquired units.

The efforts to deepen our culture's principles contributed to the achievement of 94.4 points in employee satisfaction at year-end, as measured by the Organizational Climate Survey, which corresponds to an increase of one percentage point over the previous result. Conducted annually since 2004, the survey enables us to reflect on the employees' perception; it is carried out online, and all employees can respond. Participation is voluntary, and all responses are confidential to encourage engagement.

The performance is widely disseminated immediately after it is presented to senior management and cascaded down to team meetings, usually with the presence of a Human Resources Business Partner (BP).

The presentation of results kicks off the next stage of the process: the formation of a Climate Committee for each office, conducted by the HR BP. The purpose of the Climate Committee is to evaluate the results, discuss the main issues raised and, together with area managers and other BPs, formulate an action plan to work on the identified weaknesses. The plan is presented to senior management, but the identity of the employees who contributed to the Committee meetings remains confidential.

As a result of our efforts to constantly improve our organizational climate, FIA and UOL's survey elected AES Brasil as the "Most Awesome Company to Work for in the Energy Sector" for the second time. The award recognizes AES Brasil's merits at a time of transition and massive influx of new employees, driven by our accelerated growth.

# Diversity

GRI 3-3 Material topic – Diversity

We are committed to promoting diversity. Our guidelines, set out in the [Diversity and Inclusion Policy](#), aim to build a culture of inclusion and respect in all employee selection and development processes, with respect for individual characteristics and origins, without prejudice or discrimination based on race, gender, age, sexual orientation, language, nationality, religion, politics opinion or social condition. In 2022, we highlighted the gender issue.

Our practices follow the Women’s Empowerment Principles (WEPs) promoted by the UN Women and the Global Compact. They comprise seven business principles designed to strengthen the commitment to

gender equity and empower women in the workplace. In 2022, we became a signatory of *Movimento Elas Lideram 2030* (2030 Women Lead Movement), an initiative by the Global Compact Brazil Network and UN Women, targeted at increasing the presence of women in the senior management of organizations.

Corporate goals related to diversity, organizational climate, and health and safety are considered in the variable compensation of all leaders and executives. In our 2030 ESG Commitments, we set goals to expand the share of women, underrepresented groups, and people from local communities in our workforce.

The Diversity, Equity and Inclusion Program comprises five pillars:

**Culture** - Prohibition of racial or ethnic discrimination in the internal and external processes of AES Brasil and its subsidiaries.

**Gender** - No acts of discrimination based on gender, sexual orientation, marital status, or pregnancy shall be tolerated.

**LGBTQIA+** - Prohibition of discrimination based on sexual orientation, sexual identity, and gender expression.

**People with Disabilities** - Promotion of inclusive environments, focusing on respecting the individual characteristics of each person.

**Origins** - We welcome people from different regions, socioeconomic classes, and religions as employees and candidates in selection processes.

## Female representation

Female representation in leadership positions increased from 23% in 2021 to 28% in 2022. In senior management positions, this number went from 18% to 25%, in the same period. This improvement is the result of our efforts to empower talented women both in the succession pipeline and in new hires. The performance accelerated compliance with the 2023 ESG Commitment to increase the number of women in AES Brasil’s senior management from 18% to 30% between 2021 and 2025.

### Number of women in leadership positions

	2022
Executive Officers	2
Managers	12
Coordinators	13
<b>Total</b>	<b>27</b>

The initiatives of the Diversity, Equity, and Inclusion Program are developed within a three-group structure:

Structure

**Executive Committee**

Composed of senior management, the Executive Committee establishes the Program's strategic vision and validates action plans.

**Diversity Committee**

Composed of representatives from several areas, the Diversity Committee designs action plans and monitors the evolution of our initiatives based on the best market practices.

**Affinity Groups**

Composed of voluntary employees, the Affinity Groups execute the proposed action plans and promote the engagement of colleagues to consolidate the culture of diversity and inclusion. The Affinity Groups bring together employees from different departments to carry out actions designed within the scope of the Diversity Committee. In 2022, these groups focused their efforts on four main areas: training and development, recruitment and selection, communication, and safety.

Affirmative actions

The investment in the professional development of women from the communities where we operate so they can join the operational teams in our wind farms is fully in line with our strategic goal of promoting a more inclusive culture and valuing diversity.

In 2022, we pursued our goal of offering technical training to groups of women so they can join the operational and maintenance teams at our plants: we successfully implemented an online training pilot project exclusive for women, in partnership with Bahia's National Industrial Learning Service (*Serviço Nacional de Aprendizagem Industrial - Senai*), culminating in the graduation of 28 professionals living close to the Tucano Wind Power Complex. With the success of the initiative, the proposal was expanded to develop a new team of women to operate the Cajuína Wind Power Complex, which is under construction, in the state of Rio Grande do Norte.

The entire work has been carried out with attention to eliminating unconscious biases, because our entire team believes that gender

equality brings power and innovation. In our culture, it represents a lever to continue to grow in a more plural, effective, and creative manner. The purpose is to start mixing the operational teams among the plants until women's presence naturally becomes routine.

There are also challenges related to hydroelectric power plants. A little more than a year ago, the Power Generation Operation Center (COGE) did not have any women. In 2022, three women were incorporated into the team, bringing different perspectives to the table.

Affirmative actions are also being carried out in the Internship Program. By the end of the year, we opened 9 positions for Black people, people with disabilities and LGBTQIA+ candidates.

As we are aware that cultures do not change rapidly, we are working hard to ensure affirmative actions gain traction, based on the dialogue with these groups. In order to support this work, we engaged the Impulso Beta consultancy firm to help design the strategy.

## Training and development

GRI 404-1, 404-3

Our recruitment and selection process seeks to ensure that the candidates are aligned with our values.

In order to attract talent, we also encouraged applications for the Energy4Talent Global Trainee Program, which trains professionals to transform the energy market globally. This initiative focused on people who graduated between 2020 and 2022. Energy4Talent develops and trains new leaders to work in the electrical sector through training and mentoring with top professionals in their fields.

The Mentoring Program, structured last year and put into practice in 2022, aims to promote the growth of high-potential employees through in-house development activities. Conceived for the leadership level, it transforms the most senior leader into a mentor for less experienced professionals. With very positive results, the project demonstrated its ability to promote a collaborative

environment through the sharing of experiences and difficulties.

### Training hours per Employee on average

	2022 <sup>1</sup>	2021	2020
<b>By gender</b>			
Men	26.9	33.8	39.0
Women	11.0	6.9	10.1
<b>By employee category</b>			
Executive Officers	0.7	2.8	0.5
Managers	3.5	7.3	3.1
Coordinators	15.6	12.0	9.8
Administrative staff	8.0	11.8	11.1
Operational	40.2	44.7	65.9
<b>Consolidated</b>	<b>22.1</b>	<b>26.5</b>	<b>32.0</b>

<sup>1</sup> Some training activities included in the Annual Training Plan (PAT) will be accounted for in 2023

## Leader Convention

Held on November 7 - 11, the event brought together AES Brasil's leaders to work on their development and the development of our entire workforce. There were intense discussions about People Management with the participation of Executive Officers, Vice Presidents, and the CEO, as well as, for the first time, Managers and Coordinators. They also debated topics related to the day-to-day of the business that are essential for the professional and personal development of those involved, focusing on the mission to join forces to accelerate the future of energy. There were also lectures on mental health.



In 2022, we recorded 13,135 training hours

## Performance evaluation

GRI 404-3

In order to evaluate individual employee performance, we carried out a 360-degree evaluation based on seven competencies:

1. Vision and Clarity
2. Ownership and Responsibility
3. Coordination and Integration
4. Agility in Business
5. Focus on the Customer and the Market
6. Organizational Capacity
7. Teamwork

We use a methodological matrix that correlates performance and potential (9box). This methodology covers all hierarchical levels and enables the identification of the organization's highlights and planning for acceleration and continuous improvement.

Together with the HR department and his or her line manager, each employee receives an action plan that defines a Training Track. The goal is to educate our staff on self-knowledge, people management, and leadership styles. The goals of all employees are cascaded down through the hierarchical levels. The performance of all employees is monitored throughout the year.

We have High Potentials, a development program designed to train and develop employees from different levels (analysts, coordinators, managers, or officers). The program covers from competence mapping to continuing professional development.

### Percentage of employees receiving performance review

	2022	2021	2020
<b>By gender</b>			
Men	95.7%	94.9%	95.9%
Women	93.8%	93.1%	98.2%
<b>By employee category</b>			
Executive Officers	100.0%	100.0%	90.9%
Managers	97.5%	100.0%	100.0%
Coordinators	97.6%	100.0%	97.0%
Administrative staff	93.2%	90.9%	96.0%
Operational	95.8%	95.5%	96.7%
<b>Consolidated</b>	<b>95.1%</b>	<b>94.4%</b>	<b>96.5%</b>

To participate in the performance evaluation, employees need to have been at the Company for at least three months, among other requirements. Board members, interns, apprentices, and trade unionists are not eligible. In 2022, only 4.9% of our employees were not eligible.



## Health and safety

GRI 3-3 Material topic - Human and labor rights | GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9

Our goal is to have 95% of our employees and outsourced service providers attend the monthly safety meetings. In 2022, we successfully achieved this goal.

Life is our most important asset. Preventing and mitigating the impacts of our activities on people’s health and safety are directly associated with our businesses. In all agreements, we reinforce this commitment by including specific clauses to mitigate possible risks and encourage our partners to follow the highest quality standards in Occupational Health and Safety (SST).

We have structured our SST department so as to ensure excellence in promoting

We are part of the **Global Compact’s** Mind in Focus (*Mente em Foco*) initiative.

people’s well-being and quality of life, prioritizing initiatives such as constantly training and building capacity within our teams, promoting proactivity, encouraging self and collective care, encouraging employees to identify any improvements in processes and proceedings and the strict control and mapping of risks.



Our goal is to have **95% of our employees** and outsourced service providers attend the monthly safety meetings. In 2022, we successfully achieved this goal.

## Occupational Health and Safety Management System

The commitments set out in our Sustainability Policy inspire short-, medium- and long-term planning and decision making, encompassing behaviors and practices in several fronts. This Policy has encouraged us to set up an Occupational Health and Safety Management System able to mitigate and eliminate health and safety risks in our operations for both own employees and outsourced service providers, as well as neighboring communities; monitor the performance of the goals and targets set, training and awareness initiatives for employees and professionals at our subsidiaries; and establish a strong commitment on human rights. The Health and Safety System, implemented in accordance with the ISO 45001 standard, covers the operating units, including all of the company's workers.

All our activities comply with requirements of the Brazilian laws and our Values Guide and our Environmental, Health and Safety (EHS) Basic Guidelines are attached to all contracts with suppliers.

### Main Goals of our Occupational Health and Safety Management System (ISO 45001)

- Developing our culture of safety and steering activities focused on the following:
  1. Support and efforts from the leadership
  2. Availability of human resources and materials
  3. Open dialog with employees
  4. Emergency prevention and control
  5. Adherence from all own employees and outsourced service providers
  6. Continuous improvement
- Operating focused on eliminating danger, mitigating risks, preventing occupational illness, accidents and incidents
- Raise the awareness of the population neighboring our assets
- Ensuring an excellent management of physical assets



Emergency preparedness procedures are an integral part of the System, as well as Emergency Brigades trained for fighting fire and other unexpected risk events involving employees. We rely on the Internal Commission for the Prevention of Accidents (Cipa), which organizes the Internal Week for the Prevention of Accidents at Work.

At this year's Sipat, we developed the ESG theme in a hybrid event, with video interviews made available online and in auditoriums at our units, which addressed topics

such as Cipa's role, mental health care at the workplace, ESG and the connection with a new age of safety and quality of life.

### Safety walks

EU18

Based on ISO 45001, we undergo internal audits every year, and recertification every three years. In order to enhance safety levels, the Company's leaders carry out Safety Walks, an initiative to carry out stricter periodic

inspections of our critical activities. These proactive actions are targeted at our leadership, who makes the commitment to check the behavior and real working conditions of teams that work on site and evaluate the level of preventiveness of such behavior. The number of Safety Walks was up from 441 in 2021 to 895 in 2022.

This format allows faster solutions. The decision to conduct monitoring in accordance with the level of criticality involved in activities has created opportunities to improve proceedings and allowed our safety team to

anticipate possible issues. At weekly meetings, the team carries out a qualitative and quantitative assessment of all Safety Walks taken the previous week. The operations department and some leaders from the administrative offices, e.g., HR and the Chief Executive Officer, participate in monthly performance meetings to prepare a report to the Board of Directors.

In 2022, Safety Walks produced an improvement in recording and reporting unsafe conditions, which allows for taking preventive measures. As a result, the reporting of unsafe conditions in 2022 was up 911% over 2021. Based on these figures and using employee engagement, we provided two trainings in risk perception and implemented improvements in the internal training processes, using the Workday training platform. In 2022, 3,778 workers, including own employees and outsourced service providers, were trained. 99.6% of outsourced service providers received training. The health and safety training offered are in compliance with the regulations called *Normas Regulamentadoras* (or NRs) set forth by legislation.

## Occupational Health

Medical examinations specific to each position are established according to the Risk Management Program (PGR) and the Medical Control and Occupational Health Program (PCMSO), thus ensuring every employee is fit to work.

At the same time, we rely on occupational medical examinations to monitor biological factors on a yearly basis and bring forward the diagnosis of any health conditions of employees. Outsourced service providers must undergo such examinations at their respective companies.

We provide health promotion examinations on top of what is determined by legislation, which are done during the periodic physical examinations to renew the Occupational Health Certificate (ASO).

## Covid-19 and mental health

In 2022, we invested R\$1.3 million in managing Covid-19 and conducted a constant monitoring of the situation at our power plants and offices, despite the reduction in the number of SARS-CoV-2 virus infection cases. Employees of all units could take free quick tests every week in 2022. Until mid-October, we emailed professionals Information Newsletters weekly with an update on the number of Covid-19 cases in our units and other relevant related information.

SST leadership had the mission to support decisions on prevention and hygiene measures at the workplace. In order to relieve stress from the past two years, we have paid special attention to mental health by hosting a series of lectures and initiatives for discussing this matter. Another important resource was the Count on Us (*Conte Com a Gente*) channel, which made an

In 2022, **Safety Walks** produced an improvement in recording and reporting unsafe conditions, which allows for taking preventive measures

interdisciplinary group available for responding to employee demands. The program has existed for 15 years and, during the pandemic, it became a model for AES Corporation to create support channels in countries other than Brazil.

Throughout the year, all employees were given free access to the Virgin Pulse app, which promotes a health and wellness experience. The app is used to reduce stress, support employees in creating and keeping up with healthy habits, and provides fun challenges among employees.

## Risk mapping

In order to identify potential risks and unsafe conditions at the workplace, we have mapped both our routine and non-routine activities. The process is described in the TIESGI-002-1 procedure – Identification of Unsafe Conditions and Risk Analysis, which directly involves departments or offices in identifying the risks of each activity.

One or more control measures are established for each risk, following the hierarchy below: eliminating risk; reducing unsafe conditions in the process; using work reorganization and engineering controls; using administrative controls, including training activities; and using appropriate Personal Protection Equipment (PPE).

Once preliminary unsafe conditions are identified, we discuss risks with our employees, updating the team through a dynamic process. Employees are allowed to work upon the identification of the protection measures and the formal issue of the Preliminary Risk Analysis (APR).

It is important to emphasize that our employees have the right and duty to refuse to engage in activities under unsafe conditions, and this prerogative is constantly recalled by leaders. All workers (own employees and outsourced service providers) may report unsafe conditions, including anonymously, and all risk conditions and incidents identified are recorded in the Intelex system.



In 2022, we hired a partner company specialized in psychology applied to **Health, Safety and Environment** to prepare a series of actions for stressing issues related to occupational safety targeting all professionals from the Operations department

## New Assets

EU18

In 2022, we hired a partner company specialized in psychology applied to Health, Safety and Environment to prepare a series of actions for stressing issues related to occupational safety targeting all professionals from the Operations department. This initiative aims to boost the dissemination of our culture of safety – especially now, with an important inflow of outsourced service providers and employees due to the recently acquired assets.

A thorough investigation of an incident occurred in 2021 revealed that certain safety procedure steps were not followed. In light of this, we implemented a series of actions to strengthen our culture of safety in 2022, taking into account the peculiarities of each department of our operating units.

## Construction Works

In 2022, the construction works at Tucano and Cajuína Wind Power Complexes led to the improvement of several processes in the safety department. Work dynamics involving a high number of hired companies and outsourced service providers demanded an additional effort for us to ensure the enforcement of our safety policies and procedures.

In 2022, three lost-time incidents were recorded during the construction works at the Cajuína Wind Power Complex's

Substation and Transmission Line. One of the incidents occurred with an outsourced service provider who fell from a height considered very serious. The emergency plan was activated, and the worker immediately received the necessary care and assistance for his recovery.

We have been reinforcing our safety programs for our assets under construction and strengthening our field team to spread AES Brasil culture of safety directly among the companies hired and their workers.

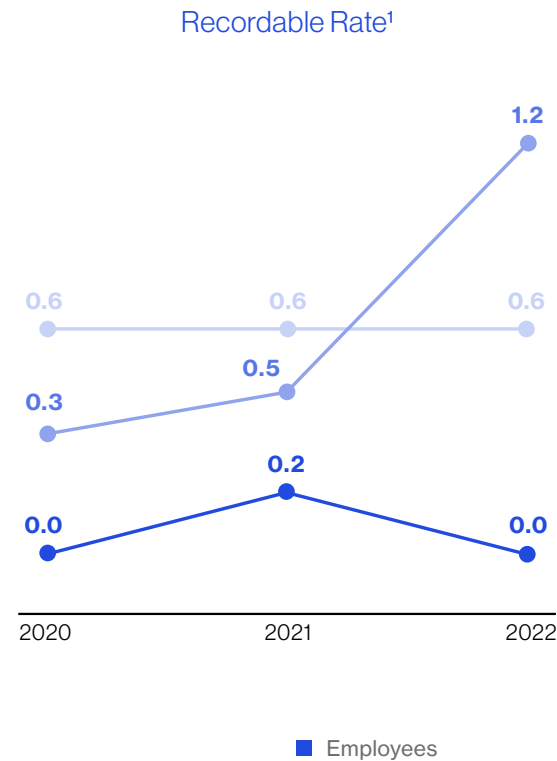


Recent internal and external audits reported there is no situation of imminent risk to **Cajuína employees**.

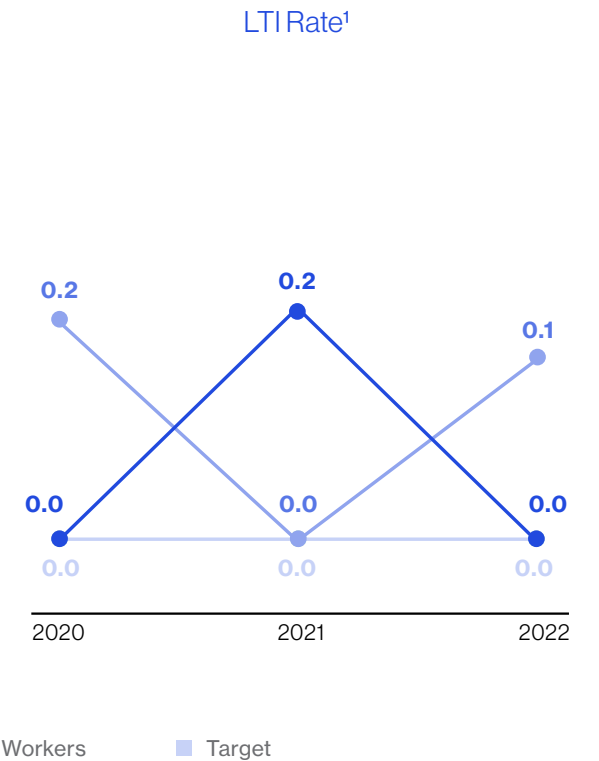
### Assessment and audits

All investigations and assessments of significant accidents and incidents are carried out through the TapRoot tool. Based on these assessments, we create Committees to analyze and make decisions about a certain case and issue a report with action plans to prevent similar events to occur again.

In November, we carried out safety internal audits at the construction works and the Guaimbê and Ouroeste Solar Power Complexes. We detected medium- or lower-level non-compliances and the Operations team acted in a satisfactory manner to correct failures. Recent internal and external audits reported there is no situation of imminent risk to Cajuína employees. Approximately 2,300 people were engaged in this project in 2022.



<sup>1</sup> It is calculated on the 200,000 man-hours worked factor and includes LTI accidents and typical accidents without lost time.



<sup>1</sup> The Recordable Rate is calculated on the 200,000 man-hours worked factor and includes fatalities and typical lost-time incidents.

# Suppliers

We foster a relationship based on respect, ethics, and partnership with companies and outsourced service providers. By expanding our business to several Brazilian regions, we have active suppliers in all states. In 2022, we had nearly 1,800 suppliers, from the most wide-ranging business areas – from maintenance and civil works to asset surveillance, information technology, telecommunications, and specific consulting firms, among others. All these contracts amounted to an investment of more than R\$2.2 billion.

All requirements and expectations applicable to suppliers, contractors, consultants and outsourced service providers are laid down in the [Code of Conduct for Suppliers](#). The document mandates that all agreements entered into with suppliers, agents, consultants, and partners complies with the guidelines of the Values Guide. Therefore, all outsourced service providers who work in the offices receive training on the Values Guide.

## Supply chain profile

GRI 2-6, 2-24, 308-2

We adopt technical as well as social and environmental criteria for the pre-qualification, registration and approval of suppliers, and consider some contractual requirements, which include specific skills and certifications.

The Contractual Compliance Program ensures the highest level of business integrity and seeks to know our partners from the reputation perspective. We require partners to commit, through specific legal clauses, to act ethically, transparently, and in accordance with the anti-corruption legislation. The Program assesses the compliance risk of a given transaction, defines the applicable due diligence procedures, includes the appropriate Compliance Clause, and presents the guidelines for contract approval.

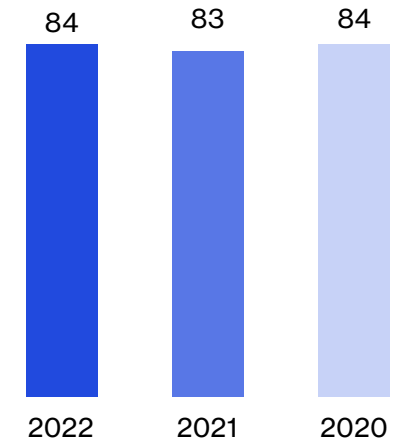
## Relationship with suppliers

GRI 308-1, 308-2

We regularly assess our suppliers' performance through the Supplier Performance Index (SPI), which identifies companies with critical risks. The evaluation questionnaire includes topics on the use of PPE, accidents, pollution control, environmental liabilities, ethics and compliance, labor rights, operational productivity, quality, compliance with legal requirements, and human rights matters, e.g., child labor and forced labor. Contract managers respond to the SPI on a monthly basis and evaluations with a score below 70 (on a scale from 0 and 100) lead to the development of improvement action plans. In 2022, 98 suppliers of 108 agreements were assessed (this figure does not include non-critical administrative agreements), and no significant environmental impact was identified.

To ensure a lasting relationship with critical suppliers, we perform an annual audit of the management of waste produced by these companies, especially for hazardous waste. The findings must be approved, as determined by our parent company, AES Corporation.

Average supplier score in the SPI





# Communities

We strive to work in partnership with the communities neighboring our projects. We practice active listening and work effectively to meet the needs that have been mapped out, in order to contribute to local development. This prerogative is laid down in our Sustainability Policy and in the Stakeholder Engagement Procedure, which lists communities as one of our priority stakeholders.

The internal procedures that set out the guidelines for all activities involving relationship with the communities

are included in the Social Management System (SGS). The SGS is based on the International Finance Corporation’s (IFC) Performance Standards and on the guidelines of the Sustainability and Private Social Investment Policies ([learn more on the page 100](#)).

Structured in 2021 and implemented in 2022, the SGS comprises a set of eight processes designed to respond to the social risks and impacts of the projects in the territories where we operate. One of these processes,

the Management of Complaint Mechanisms, focuses on establishing the procedure that must be followed to receive and treat requests and complaints from dwellers of communities neighboring our projects. Thus, we have created an Ombudsman channel, which works via WhatsApp, telephone, and e-mail, in addition to informing about the AES Helpline. There are also processes focused on, for example, the disclosure of campaigns on several important topics such as safety and respect for the local community.

## Social Management System operational processes

**Overview**

Presents the set of operational processes that make up the management system.

**SGS Governance**

Supports the definition of roles and responsibilities in the different areas.

**Social Communication Management**

Defines procedures for the preparation of territorial communication plans.

**Territory Development Management**

Guides processes to ensure contribution to actions in the territory, with the involvement of communities in a participatory action plan.

**Management of Social Emergencies**

Defines processes for managing climate, health, migratory or any other emergencies, with an impact on populations residing in the territories where we operate.

**Management of Complaint Mechanisms**

Establishes formal processes for listening to and handling complaints from communities.

**Social Project Management**

Defines the flows to be followed in project management, from planning to evaluation and closure.

**Impact Management**

Conducts the processes of establishing indicators for monitoring and evaluation of the entire Social Management System.

**Social Risk Management**

Establishes the flowchart and the measures to be adopted for a correct and efficient operation in the territory.

## Positive presence

GRI 3-3 Material topic - Community | GRI 413-1, 413-2

The Strategy and ESG Office, reporting directly to the CEO, is responsible for setting of the guidelines for the relationship with the community and drawing up the strategy and execution of our private social investment. These stakeholders provide feedbacks that are taken into account in the decision-making process of our Executive Board.

Aligned with our strategic pillar of Responsibility ([learn more on the page 14](#)), we perform distinguished work in developing the communities surrounding our assets, through commitment and transparency. We seek to be a positive presence for these communities, contributing to their development and mitigating the negative impacts of our activities on people's lives.

Several positive impacts encourage a close relationship with these communities, such as the creation of jobs for local residents and fostering the region's economic and social development, and create value for our stakeholders. We are attentive to all opportunities to mitigate the effects of our operations, so as to prevent negative structural damage, avoid conflicts with community members and landowners and not to compromise our image and reputation.

Even before the construction of new assets begins, we take a proactive approach towards the communities. We try to get to know the local residents and make a diagnosis to understand the local scenario, which includes analyzing socioeconomic data, information on education level and on the municipality structure, in addition to discover what they expect from AES Brasil. We open direct conversations all agents, including community representatives, public authorities, associations, secretaries and government officials, and we seek to offer social projects that provide development and build a close, long-term relationship.

A Project Follow-up Committee (CAE) was created in the regions of the assets under construction, as well as in operation, such as the Alto Sertão II Wind Power Complex. In face-to-face meetings, held two to four times per year, we present the project and the initiatives geared towards the local community and different stakeholders. Furthermore, we have the Daily Safety Talk (DDS), designed to communicate to outsourced service providers the expected conduct regarding respect for human rights, safety and relationship with the community. At the Cajuína Wind Power Complex, a Pocket Guide was distributed to permanent employees and outsourced

service providers, which lists, among other topics, good behavioral practices with the community, to bring us as close as possible to local customs.

## Initiatives to prevent and mitigate impacts

GRI 413-1, 413-2

We adopt a responsible and preventive approach in all our activities. Through diagnostics prepared based on local data and mapping of the communities, we are able to mitigate possible impacts caused by our projects, whether they come from construction or acquisition. Moreover, AES Brasil assess the environmental impacts of 100% of its operations and continually monitors them. We find out the possible nuisances that could affect the neighboring communities, e.g., emission levels of noise and particulates in strategic points, which enable us to detect possible inconveniences and mitigate them. For this, we rely on an experienced social communication team, prepared to visit homes, hold community meetings, train teams of employees and outsourced service providers and support the Ombudsman channel.

In order to contribute to the safety of the population living near our assets, we develop awareness-raising campaigns, mainly about safety. One example is the campaign about the use of the reservoirs surrounding our hydropower plants for leisure activities. With ads in newspapers, local radio stations and on our social media, the campaign had the slogan “Use your energy to have fun responsibly”, including safety tips for residents and tourists in the vicinity of the São Paulo plants located along the Tietê, Grande, Pardo and Mogi-Guaçu rivers.



13   
volunteer  
employees in 2022

100 hours  
dedicated to  
activities and  
talks with the  
beneficiaries

## Basic Indigenous Environmental Plan

In compliance with a licensing condition, we drew up Basic Indigenous Environmental Plan. The SE Elevadora Icarai Transmission Line (SE Marco) was partially built in indigenous lands of two ethnic groups: Tremembé, in Córrego João Pereira and Queimada, both located in the state of Ceará. Our work with the indigenous people included talk sessions and workshops, called “Sharing Knowledge” and “Territorial Protection”.

Construction works, donations, and a historical and ethnographic research of documents about the Tremembé are also part of the plan, which also includes a course on Notions of Indigenous Law and Environmental Licensing and Technical Assistance and Rural Extension (Ater) works, for a comprehensive agriculture and ecological initiative and to support indigenous producers.

## Volunteer Program

The Volunteer Program encourages our employees to participate in the activities of the projects developed in the communities, in partnership with local schools and NGOs.

In 2022, thirteen employees dedicated a total of 100 hours in initiatives such as: Geração+, Cine na Praça (Movie Theater in the Square), remodeling of a school, Network of Multiplier Partners in Sports, and Water Security. Geração+ volunteers

prepared printed materials and videos about energy, which were shared with teachers and students. Two volunteers also gave an in-person lecture in one of the participating schools in Bariri (SP), who talked about solar energy. Volunteers in the project to remodel a school in the state of Bahia worked directly on the children’s educational activities during the event that celebrated the renovation of the daycare center’s spaces, held in May.

## Private Social Investment

By the end of the year, we reorganized our private social investment projects into an initiative called AES Brasil Gera+ Program, which brings together all social projects developed with the communities and aims to promote positive social impact, based on four pillars: productive inclusion and entrepreneurship; water security; education; and protection of rights.

The program is guided by the Sustainability and Private Social Investment Policies, which direct our operational strategy.

In 2022, we executed 12 projects and supported other 4 projects via incentive laws (Culture, Sports, Children's Fund, and the Elderly). We also provided support to an initiative focused on an emergency situation. We invested more than R\$1.9 million in initiatives that benefited almost 16,500 people in 30 municipalities.

An important highlight of the AES Brasil Gera+ Program is the Water Security and Productive Inclusion Project, announced by our CEO, Clarissa Sadock, in September during an event with the governor of Rio Grande do Norte, Fatima Bezerra. The project foresees investments

### Water for the semi-arid region

Our first initiative designed to promote the access to water for the communities in the semi-arid region directly benefited 50 families in Contendas, in the region of Pindaí (BA). In April 2022, the community received a water reservoir with a 50,000-liter storage capacity, built to contribute to the distribution of water to the population near the Alto Sertão II Wind Power Complex.

The reservoir is the outcome of a diagnosis prepares to get to know the Contendas community better. We offered educational workshops to the community on the preservation and conscious use of water. This initiative addresses SDG 6 (Clean Water and Sanitation), proposed by the UN.

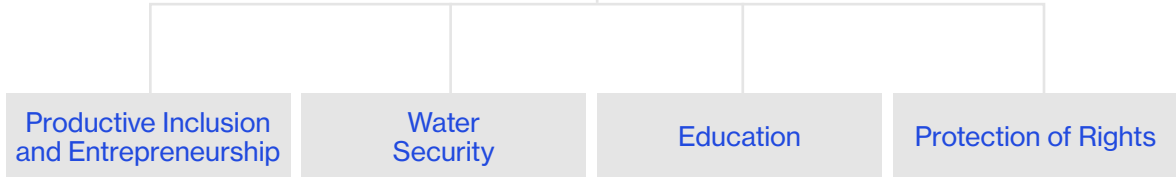
of up to R\$7.3 million in the coming years in social initiatives and technologies to provide access to water, promote rural technical assistance and strengthen entrepreneurship in the Sertão Central Cabugi region (RN), next to the Cajuína Wind Power Complex. As the project's first phase, we delivered 20 cisterns in the beginning of 2023 and started offering workshops to the community. For 2023, we planned the drilling of 4 wells in the region, which will benefit 86 families; in addition to offering water management workshops and a productive inclusion project that will benefit 126 women through training and rural technical assistance.

In the same project, a partnership signed in 2022 with Senai-RN will enable us to offer a technical training for women to work in the Operation and Maintenance of Wind Farms, an initiative that will contribute to the future hiring of labor when the undertaking starts operating. The wind farm will be the first in the state of Rio Grande do Norte to be 100% operated by women.



On the **Productive Inclusion and Water Security** fronts, AES Brasil declared its intention to invest up to **R\$7.3 million in the Cajuína Wind Power Complex** region, through the drilling of wells, construction of cisterns, water management workshops, rural technical assistance, and strengthening women’s entrepreneurship. As the project’s first phase, we delivered 20 cisterns in the beginning of 2023 and started offering workshops to the community.

AES Brasil Gera+ Program



In the education front, we must denote the *Geração+* Project in 2022. Focused on training teachers and students from 2nd to 5th grades of elementary school at public schools, the project covered topics including “Fauna and Flora”, “Electricity”, “Solid Waste Management”, and “Leisure and Safety”. Throughout the year, several educational activities were developed, contributing to raise

students’ awareness about fostering sustainable development. Since its creation in 2018, 42 schools in 17 municipalities have already participated in the project, benefiting 12,344 students and 774 teachers. In 2022, we were present in 12 public schools, with the participation of more than 180 teachers and 3,000 students.

A closer relationship with the local communities has enabled the development of several projects and actions that reaffirm our ambition to promote positive transformations in society.

Our ability to have an open and direct dialogue with the community resulted in delivering a community organic garden, which benefited 36 families, or 135 people, in the Tabocas and Mata communities, neighboring the Alto Sertão II Wind Power Complex, in the rural area of Caetité (BA). We also made available the consulting

services of agronomists; encouraged the installation of water tanks in the beds and fencing with mesh; in addition to offering workshops on management and attention to water resources, food hygiene, planting techniques and practices, and vegetable garden care.

## 2022 Social Investments

Pillar	Project	Project description	Area of Influence	Number of beneficiaries	Origin of funds
<b>Productive Inclusion and Entrepreneurship</b>	Impulso Empreendedor Project	Income generation project, with the structuring of a Tourism productive chain among the participating municipalities, offering technical training to boost local income generation.	Anhembi. São Manuel, São Pedro (SP)	33 direct 138 indirect	Own funds
	Productive Inclusion - Alto Sertão II	Project for the strengthening of family agriculture, offering training and rural technical assistance, for improving production and income generation.	Guanambi e Pindaí (BA)	50 people	Own funds
	Productive Inclusion - Botelhos	Productive Inclusion and income generation project, offering training and technical assistance.	Distrito de Palmeiral - Botelhos (SP)	50 people	Own funds
	Productive Inclusion - Mandacaru	Project for women entrepreneurship, strengthening of family agriculture and income generation, offering technical trainings.	Trairi (CE)	25 people	Own funds
	Productive Inclusion - Cajuína	Project for the strengthening of family agriculture focused on women, offering training and rural technical assistance for production and trade of surplus.	Fernando Pedroza, Angicos, Lages, Pedro Avelino (RN)	126 women	Own funds
<b>Water Security</b>	Water Security - Alto Sertão II	Project to improve access to water, with the construction of a 50,000-liter storage reservoir.	Pindaí (BA)	50 families	Own funds
	Water Security - Cajuína	Project for access to water by setting up cisterns and wells, and workshops on water security and living in the semi-arid region.	Lajes e Fernando Pedroza (RN)	66 families	Own funds

Pillar	Project	Project description	Area of Influence	Number of beneficiaries	Origin of funds
Education	Geração+ Project	Education project focused on sustainable development, benefiting teachers and students in the first years of elementary school, focused on: electricity, leisure and safety, waste management, fauna and wildlife.	Arealva, Bariri, Boracéia, Pederneiras, Iacanga (SP)	3,059 students 189 teachers 12 schools	Own funds
	Network of Multiplier Partners	Project for education and training of public-school teachers on educational sport management, fostering technical educational qualification.	Macedônia, Mira Estrela, Ouroeste, Indiaporã (SP)	79 distance learning attendees 53 in-person attendees	Tax incentive funds
	<i>Lab de Energia Criativa</i> (Creative Energy Lab)	Project to set up a lab, offering free-of-charge courses on creativity, design and innovation for young people	Bauru (SP)	78 young people	Tax incentive funds
	School renovation	Education project, for the improvement of child development and the training of educators, with the renovation and adaptation of three spaces of the daycare center (cafeteria, playroom, playground) with donation of furniture, playground and toys.	Tucano (BA)	205 children	Own funds
Protection of Rights	Donation of Food Boxes	Donation of food boxes in emergency situation.	Itabuna e Ipiáú (BA)	10,000 people	Own funds
	<i>Cine na Praça Itinerante</i>	Open-air movie screenings in public squares and cultural workshops with children and youngsters.	Guanambi, Pindaí, Caetité, Igaporã (BA)	1,234 spectators (children, adults and senior citizens) 141 students participating in the stop motion workshop	Tax incentive funds
	<i>Leitura no Campo</i>	Setting up a reading space at social organizations and/or schools in the rural area, with the donation of 1,200 books and renovation/adaptation of the space with new furniture.	To be defined	200 children	Tax incentive funds
	<i>Sementinhas no Esporte II</i>	Implementation of a sports initiation center for futsal, focused on the full development of children from the public school system, using the sport as a tool for educational support.	To be defined	160 children and teenagers	Tax incentive funds
	Children and Adolescent Fund	Support to registered social projects, according to the priorities and rules set forth by the Board.	Barra Bonita (SP)	399 children	Tax incentive funds
	Fund for the Elderly	Support to registered social projects, according to the priorities and rules set forth by the Boards.	Promissão (SP)	40 senior citizens	Tax incentive funds



# ATTACHMENTS

Complements to GRI and SASB contents \_\_\_\_\_ 105



# Complements to GRI and SASB contents

## GRI 2-2 | Entities included in the organization's sustainability reporting

All entities presented in the consolidated financial statements are included in the Integrated Sustainability Report. Information is available on the [website](#) and on page 29 of the 2022 [Financial Statements](#).

## GRI 2-4 | Restatements of information

Data related to the 2021 greenhouse gas emissions was restated as the national grid factor was updated in April 2022.

## GRI 2-5 | External assurance

Our Integrated Sustainability Report and the Greenhouse Gas Inventory have been externally and independently assured. One of the steps of the audit hiring process is the “consultation with auditors on the assessment of independence and/or conflict of interest,” where we map out if there are other auditing processes conducted by the same firm at the AES Brasil and, if so, whether there may be some type of conflict. Furthermore, the hiring must be authorized by the Controller, the Financial Vice President as well as the Statutory Audit Committee (CAE), and it must also be informed to the Board of Directors.

## GRI 2-6 | Activities, value chain and other business relationships

AES Brasil has joint venture partnerships with shared control for the for the construction of wind power complexes. In the Tucano Wind Power Complex, we partnered with Unipar (major consumer in the chemical industry) and in the Cajuína Wind Power Complex, with Unipar and BRF (food industry).

## GRI 2-7 | Employees

The increase in the number of employees, from 534 in 2021 to 594 in 2022, arises from new renewable energy projects acquired by the company over the last year.

### Number of employees by gender and by region<sup>1</sup>

Region	2022			2021			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Northeast	59	19	78	46	11	57	6	3	9
Southeast	357	159	516	343	134	477	338	107	445
<b>Total</b>	<b>416</b>	<b>178</b>	<b>594</b>	<b>389</b>	<b>145</b>	<b>534</b>	<b>344</b>	<b>110</b>	<b>454</b>

<sup>1</sup> All professionals are hired for undetermined term (permanent) and are full-time employees, except for the 12 apprentices (5 men and 7 women). Data refer to the reference date of December 31 of the respective years and do not consider temporary employees, board members, interns and apprentices, since, according to the Brazilian law, they do not have a labor relationship with AES Brasil.

### GRI 2-8 | Workers who are not employees

In 2022, the number of workers who are not direct employees totaled 1,713, who are generally outsourced service providers. This year, we recorded a 17.5% increase in outsourced service providers due to the construction works of the Tucano and Cajuína Wind Power Plants.

Some of these companies have long-term contracts, while others are hired on-demand for a specific activity or project. The jobs usually performed by these workers are: maintenance (electrical, mechanical, and civil), cleaning and conservation, front desk and surveillance services, information technology services, pest control, civil construction, among other activities. Information is gathered monthly and the number of outsourced service providers and the hours worked by them are verified and logged in the Interlex system.

### GRI 2-9 | Governance structure and composition

The composition of the Board of Directors and committees is available on the [website](#). As regards stakeholder representation on AES Brasil's governance bodies, minority shareholders (1 member) and the shareholder BNDES Participações S.A. (1 member) are represented in the Fiscal Council. There is no control of indicators of members from underrepresented groups.

### GRI 2-10 | Nomination and selection of the highest governance body

The nomination of our Board of Directors' members is laid down in the Nomination and Compensation Policy. Members may be nominated the Board members themselves (to complete a member's tenure) or by any shareholder, and must observe at least the criteria provided for in the Policy, e.g., complementarity of experience, academic background, availability of time to perform the duties and diversity.

The shareholder who wishes to appoint members for the Board of Directors must send written notification to AES Brasil, to the attention of the Investor Relations department, submitting the information requested in item 3.2.2 of the Company's Nomination Policy, without prejudice to the provisions of article 38 of CVM Resolution 81/22.

In compliance with Novo Mercado's requirements, the Board of Directors must also have at least two or 20% of independent members. At AES Brasil, we have four members with this qualification, accounting for 36% of the Board's composition.

### GRI 2-12 | Role of the highest governance body in overseeing the management of impacts

As provided for in the Company's Bylaws and in the Board of Directors' Internal Rules, the highest governance body is responsible for performing its role always seeking the Company's best interest and its balance with that of its stakeholders, in an ethical and responsible way, aiming at a sustainable business management.

The Board of Directors does not directly interact with the stakeholders. The Investor Relations Office and other AES Brasil's departments are responsible for the contact with shareholders through meetings, relationship conferences, emails and telephone calls. Stakeholder expectations are assessed in monthly Board of Directors meetings, prioritized and then added to specific engagement plans for each group. These plans are implemented and monitored by the teams in their daily activities, always pursuing transparency and creating shared value.

### GRI 2-13 | Delegation of responsibility for managing impacts

The Board of Directors delegates responsibility to AES Brasil's Executive Board, who acts directly on the Company's management. Executive Board convenes at least once a week and reports monthly to the Board of Directors. Periodically, the Board assesses and reviews

the level acceptable risk taken by the Company as a whole, to ensure that the balance between risk and benefit is properly managed and aligned.

#### [GRI 2-15 | Conflicts of interest](#)

AES Brasil has a Conflict of Interest Policy that provides guidance to employees on how to identify and conduct situations of conflicts of interest in the Company's daily activities. This policy also outlines complementary instructions to support the principles laid down in AES' Code of Conduct. The Ethics and Compliance team invests in training on the topic and strongly recommends that employees who witness any conflicts or situations that may give the impression of a conflict of interest report it immediately.

There are numerous ways to report such situation and receive guidance. Employees can contact an AES leader, a member of AES Brasil Ethics and Compliance Department or even through the AES Helpline. The Department has autonomy and independence to analyze the claims on an individual basis and provide answers on how to prevent or mitigate the potential conflict of interest. If the situation requires so, an Ethics Committee is formed to resolve on the necessary measures and/or to mitigate the conflict of interest, whenever necessary. The Board of Directors is informed of the consultation and claim rates on the topic.

The provisions on conflicts of interest are disclosed to stakeholders as provided for in (i) the Company's Bylaws; (ii) the Internal Rules of the Board of Directors; (iii) the Company's policies, in particular the Policy on Related-Party Transactions – any related-party transactions are disclosed to the market via a Material Fact about said transaction.

#### [GRI 2-16 | Communication of critical concerns](#)

Critical concerns are reported to the Executive Board, the Board of Directors, the Fiscal Council and the Statutory Audit Committee. The topics usually reported are related to the claims and consultations received in the AES HelpLine channel, the number of high- and low-risk contracts, donations and sponsorships received, breaches to laws and procedures and other matters that concern the company's management. Themes received via the AES HelpLine channel are reported to the Board of Directors grouped by topics. Hence, we do not have the total number of crucial concerns informed to the Board in 2022.

#### [GRI 2-18 | Evaluation of the performance of the highest governance body](#)

The Board of Directors Chairman is responsible for conducting the evaluation of each Board member separately, and a self-evaluation of his performance

is carried out collectively. This process is based on subjective and objective evaluations. The evaluation is not independent and, according to the Novo Mercado Regulation, it must be carried out at least once during the Board's tenure. The evaluation of the current Board of Directors composition was carried out in 2022.

#### [GRI 2-20 | Process to determine remuneration](#)

In 2022, the Annual Shareholders' Meeting was held on April 28. Compensation was approved by 83 votes in favor, 8 against and 3 abstentions.

#### [GRI 2-21 | Annual total compensation ratio](#)

In 2022, the annual total compensation of the company's highest-paid individual was equivalent to 9.06 times the average of all other employees. The ratio of percentage increase in the total compensation of the company's highest-paid individual was 0.53 times the average percentage increase of other employees. Information used in this calculation was obtained from the payroll system, which gathers information from all employees. To obtain the total amount, the annual salary was added to the Employee Profit Sharing/bonus.

### GRI 2-23 | Policy commitments

AES Brasil's [Code of Conduct](#) and [Sustainability Policy](#) were based on the Universal Declaration of Human Rights (UN, 1948), the International Convention on the Rights of the Child (UN, 1989) and the Guiding Principles on Business and Human Rights (UN, 2011). The Compliance Policy and the Code of Conduct provide for due diligence processes. The Sustainability Policy and the Compliance Policy have been approved by AES Brasil's Board of Directors, while the Code of Conduct was approved by the Board of Directors of AES Corporation. All policies apply to AES Brasil and its subsidiaries. Moreover, we also rely on a [Code of Conduct for suppliers](#), which is applicable specifically for suppliers. The prevention and precautionary principles are foreseen in AES Brasil's systems that aim to fulfill the commitments outlined in the policies. The Environmental Management System acts in an environmentally preventive manner; the Health and Safety Management System aims to protect employees, outsourced service providers, and communities; and the Social Management System aims to provide the guidelines to all community-related processes. Policies and commitments undertaken by AES Brasil are available on our [website](#). Furthermore, we disclose them on the intranet, on contractual clauses, during training sessions and at meetings.

### GRI 2-25 | Processes to remediate negative impacts

Our commitments are based on existing policies, whose assumption is to create value for all stakeholders, seeking to contribute to the local development in order to enhance positive impacts and mitigate the negative ones. Based on our policies, we emphasize:

- [Sustainability Policy](#): commitment to enhance the positive impacts on the local communities; mitigate the negative environmental impacts of our operations; and the protection and promotion of Human Rights;
- [Biodiversity and Land Use](#): guidelines for protecting and preserving the environment and land use, encompassing strategic actions and raising stakeholder awareness;
- [Statement of Commitments to Climate Change](#): outlines the action fronts for reducing greenhouse gas emissions from activities and managing risks and opportunities;

- [Values Guide – Code of Conduct](#): includes AES Brasil's values and guidelines on how to interact with the different stakeholders.
- [Risk Management Policy](#): defines the risk management processes in order to minimize the consequences of risk occurrence based on impact and probability;
- [Integrated Management System](#): integrates environmental and health & safety management guidelines and processes;
- [Social Management System](#): structured processes to respond to the social risks and impacts of the projects in the territories where the company operates;

As communication mechanisms, in addition to the AES Helpline and the toll-free number, which were already described in the Ethics and Compliance topic, upon the construction of new projects, we implemented an Ombudsman channel for the communities' claims. The status of demands is weekly monitored by the Social Communication Program team and, after the claims are addressed, the team provides feedback to the stakeholders.

Through Environmental Programs and local diagnoses, we identify the possible impacts and define mitigation actions. Besides widely announcing the ombudsman channels, we also hold meetings with the communities and with different stakeholders, such as civil society, NGOs, public authorities, where we inform the communication channels, contributing to the engagement of the community.

#### [GRI 2-27 | Compliance with laws and regulations](#)

We currently have 22 instances of non-compliance with laws and regulations considered as significant. Among these instances, there are no isolated cases instituted for the exclusive collection of fines or for the application of non-monetary penalties. In 2022, there were no payment of fines for instances that occurred during the reporting period or in previous years. We consider as significant the instances reported in the Financial Statements (explanatory note with amounts greater than R\$ 5MM and instances relevant to the Company). Details on such instances can be found on the [Financial Statements](#), page 64.

#### [GRI 2-28 | Membership associations](#)

AES Brasil participates in several associations/entities, and the most relevant are: Brazilian Association of Public Companies (Abrasca), Brazilian Association of Electricity Generation Companies (Abrage), Brazilian Energy Storage and Quality Association (Abaque), Brazilian Association of Wind Energy (Abeeolica), Brazilian Solar Photovoltaic Energy Association (Absolar), Brazilian Association of Independent Power Producers (Apine), Brazilian Power Traders Association (Abraceel), Brazilian Green Hydrogen Association (ABH2), American Chamber of Commerce (Amcham), member of the Brazil Network of UN Global Compact and Energy Industry Union of the State of São Paulo (SindiEnergia). AES Brasil's participation in these industry associations and entities contributes to the discussion of important topics in the markets where the company operates and to exchange goods practices. This engagement is also relevant for the advocacy of common interests in the public agenda and for spreading our sustainability vision.

#### [GRI 2-29 | Approach to stakeholder engagement](#)

Our stakeholders include shareholders, electricity sector agents, electricity sector associations, customers, employees, communities, suppliers, the press, regulatory agencies, civil society organizations, and public authorities. We frequently engage with our stakeholders through face-to-face and virtual meetings, relationship meetings, e-mails, and phone calls, and we dynamically identify the main interests and demands of each stakeholder group. These expectations are assessed by the responsible departments, which then designs engagement plans for each stakeholder group, in accordance with the Stakeholder Engagement Policy. Geared towards transparency in the relationships and to generate shared value, these strategies are followed up and executed by the teams in their daily routine.

The purpose of stakeholder engagement is different for each group. This engagement is continuous during the relationship period, through weekly, monthly, quarterly or even yearly contacts, and happens directly with the stakeholders or through representatives. The company makes human and financial resources available for this process, for hiring specialized consulting firms and tools that make communication easier.

Stakeholder	Purpose of engagement
<b>Shareholders</b>	Building a bridge between the company and the market, providing necessary information to the different types of investors, interacting with our shareholders and potential investors. Comply with B3's Novo Mercado regulatory rules.
<b>Public authorities and regulatory agencies</b>	Strengthening the relationship with public agents and sector entities, engaging in dialogue and contributing to the development of the Company's business and in the themes under study for the improvement and advancement of the industry.
<b>Electricity sector associations</b>	Conducting joint studies, debating innovative ideas and proposing regulatory changes in order to foster competitiveness and increasing investments in clean and renewable energy generation in Brazil.
<b>Press</b>	Safeguarding AES Brasil's image and reputation, strengthening the AES Brasil brand and positioning the company as a benchmark in the industry and of good practices as a private company.
<b>Employees</b>	Supporting the company's culture and strategy and providing a better working environment for employees.
<b>Communities</b>	Identifying and mitigating AES Brasil's actual and potential impacts in the locations where it operates, as well as providing information to the population near the projects about safety, promoting goodwill in relation to the brand, and ensuring the so-called "Social license to operate".
<b>Suppliers</b>	Ensuring transparency and compliance in the agreements executed, making AES Brasil a good business partner.
<b>Civil society organizations</b>	Positively impacting society, being a protagonist agent of the energy transition in Brazil, fostering economic growth guided by ESG standards.

In order to ensure a significant engagement with the different stakeholder groups, we use appropriate communication channels, conduct interviews and meetings, regular project monitoring meetings with community leaders, among other initiatives.

### GRI 205-2 | Communication and training about anti-corruption policies and procedures

By 2022, 100% of employees at all employee categories and members of the Board of Directors, Fiscal Council and Statutory Audit Committee have been informed about and trained on anti-corruption policies and procedures. 100% of suppliers receive the Code of Conduct for suppliers, which provides for anti-corruption guidelines.

### GRI 304-3 | Habitats protected or restored

Protected habitats areas were not verified by third parties, only by companies hired by AES Brasil. For the next cycle, we will carry out a cost estimate to evaluate the feasibility of implementing an external professional assessment.

### GRI 308-1 | New suppliers that were screened using environmental criteria

In 2022, no new suppliers were screened using environmental criteria.

### GRI 413-1 | Operations with local community engagement, impact assessments and development programs

Local development programs based on the needs of local communities are carried out in 25% of AES Brasil's operations (assets acquired in December 2022 are not considered in the calculation).

## EU2 | Net energy production by primary energy and regulatory regime

Net energy generation in 2022 by regulatory regime (GWh) <sup>1</sup>	GWh	%
Free market	2,882.5	25.6
Regulated market	8,367.2	74.4

<sup>1</sup> For the Ventos do Araripe (PI), Caetés (PE), and Cassino (RS) wind assets, it considers net generation only for December 2022, month when these assets were added to the operational portfolio.

Net energy generation – GWh	2022	2021	2020
Hydropower	8,367.2	6,674.1	9,920.0
Wind <sup>1</sup>	2,292.5	2,148.0	1,810.9
Solar	590.0	574.3	557.5
<b>Total</b>	<b>11,249.7</b>	<b>9,396.4</b>	<b>12,288.4</b>

<sup>1</sup>For the wind assets Ventos do Araripe (PI), Caetés (PE), and Cassino (RS), it considers only the net generation of the month of December 2022, the month in which the entry of these assets to the base of operations took place.

### EU25 | Number of injuries and fatalities to the public involving the Company's assets including legal judgments, settlements and pending legal cases of diseases

AES Brasil carries out a series of measures to prevent incidents with the population near our assets, such as training for employees and outsourced service providers, media campaigns and placing signs near the dams. With this approach, we did not record incidents involving the population in our assets in 2022.

### SASB IF-EU-550a.1 | Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations

In 2022, we had no incidents of non-compliance with physical and/or cybersecurity standards or regulations.

### SASB IF-EU-000.A | Number of customers served: (1) residential, (2) commercial and (3) industrial

In 2022, we served 27 customers in the captive market, 87 in the free market and 36 retail consumers.

### SASB IF-EU-000.B Total electricity sold to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers and (5) wholesale customers

In 2022, the energy sold by AES Brasil totaled 12.681,2 GWh. of which 3,181.6 GWh to customers in the captive market, 9,260.9 GWh to customers in the free market and 238.8 GWh to retail consumers.

### SASB IF-EU-000.E | Total electricity purchased in wholesale market

In 2022, the energy purchased by AES Brasil totaled 6,887.6 GWh.

### SASB IF-EU-120a.1 | Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb) and (5) mercury (Hg); percentage of each in or near areas of dense population

We do not monitor these types of air emissions in our operations.

### SASB IF-EU-140a.2 | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations

In 2022, we did not record any incident of non-compliance with licenses or permits related to water withdrawal, consumption and discharge.

## SASB IF-EU-320a.1 | (1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR)

### Occupational safety indicators for employees and outsourced service providers

	2022	2021	2020
Total man-hours worked	5,563,978	3,748,896	2,203,762
Number of recordable incidents <sup>1</sup>	25	7	2
Fatalities	0	0	0
Number of near miss incidents <sup>1</sup>	154	27	22
Total recordable incident rate (TRIR) <sup>1</sup>	0.9	0.4	0.2
Fatality rate	0.0	0.0	0.0
Near miss frequency rate <sup>1</sup>	5.5	1.4	2.0

<sup>1</sup> The increase recorded in 2022 is almost entirely due to the construction of the Cajúina Wind Power Complex and is related to the significant increase in the number of outsourced service providers and consequent higher number of man-hours worked. Throughout 2022, we carried out actions to reduce this indicator (learn more in Safety).

## GRI 403-9 | Work-related injuries

### Health and safety indicators for own employees by region<sup>1</sup>

	2022			2021			2020		
	Northeast	Southeast	Total	Northeast	Southeast	Total	Northeast	Southeast	Total
Number of injuries	0	0	0	1	2	3	0	3	3
Number of injuries with leave of more than 15 days	0	0	0	0	1	1	0	1	1
Lost/debited days	0	0	0	7	3,698	3,705	0	141	141
Man-hours worked	156,693	1,111,948	1,268,641	68,276	1,051,930	1,120,206	17,645	1,018,158	1,035,803
Fatalities	0	0	0	0	0	0	0	0	0
Frequency rate of injuries with and without lost time	0.0	0.0	0.0	14.7	1.9	2.7	0.0	3.0	2.9
High-consequence work-related injury rate <sup>2</sup>	0.0	0.0	0.0	0.0	0.9	0.9	0.0	1.0	1.0
Fatality rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severity rate	0.0	0.0	0.0	102.5	3,515.4	3,307.4	0.0	1380	1360

<sup>1</sup>Rates calculated according to NBR 14,280 on the factor of 1,000,000 man-hours worked. No worker was excluded in this content.

<sup>2</sup>It considers injuries with leave of more than 15 days.



Health and safety indicators for outsourced service providers by region<sup>1</sup>

	2022			2021			2020		
	Northeast	Southeast	Total	Northeast	Southeast	Total	Northeast	Southeast	Total
Number of accidents <sup>2</sup>	27	4	31	5	2	7	2	4	6
Number of injuries with leave of more than 15 days	1	0	1	0	0	0	0	1	1
Lost/debited days <sup>2</sup>	80	0	80	0	0	0	0	112	112
Man-hours worked	3,421,840	873,497	4,295,337	1,832,293	796,397	2,628,690	196,186	971,773	1,167,959
Fatalities	0	0	0	0	0	0	0	0	0
Frequency rate of injuries with and without lost time <sup>2</sup>	7.9	4.6	7.2	2.7	2.5	2.7	10.2	4.1	5.1
High-consequence work-related injury rate <sup>3</sup>	0.3	0.0	0.2	0.0	0.0	0.0	0.0	1.0	0.9
Fatality rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severity rate <sup>2</sup>	23.4	0.0	18.6	0.0	0.0	0.0	0.0	115.0	96.0

<sup>1</sup> Rates calculated according to NBR 14,280 on the factor of 1,000,000 man-hours worked. No worker was excluded in this content.

<sup>2</sup> The increase recorded in 2022 is almost entirely due to the construction of the Cajuina Wind Power Complex and is related to the significant increase in the number of outsourced service providers and consequent higher number of man-hours worked. Throughout 2022, we carried out actions to reduce this indicator (learn more in Safety).

<sup>3</sup> It considers injuries with leave of more than 15 days.

## GRI 405-1 | Diversity of governance bodies and employees

Diversity in the composition of the Board of Directors<sup>1</sup>

	2022	2021	2020
<b>Number of members by gender</b>			
Men	7	8	8
Women	4	3	3
<b>Number of members by age group</b>			
Up to 30 years old	0	0	0
31 to 40 years old	0	2	2
41 to 50 years old	3	1	2
Over 51 years old	8	8	7

<sup>1</sup> The Board of Directors of AES Brasil was installed in December 2020. Due to the incorporation, in March 2021, of the shares of AES Tietê Energia S.A. and migration to the Novo Mercado, the historical values of 2019 refer to the Board of Directors of AES Tietê Energia, and those of 2020, 2021 and 2022 refer to the Board of Directors of AES Brasil Energia.

## Number of employees per employee category and gender

	2022		2021		2020	
	Men	Women	Men	Women	Men	Women
Executive Officers	14	2	11	1	9	2
Managers	28	12	25	7	23	6
Coordinators	29	13	25	10	27	6
Administrative staff	104	132	94	115	106	95
Operational	241	19	234	12	179	1
<b>Total</b>	<b>416</b>	<b>178</b>	<b>389</b>	<b>145</b>	<b>344</b>	<b>110</b>

## Number of employees per employee category and age group

	2022				2021				2020			
	Up to 30 years old	31 to 40 years old	41 to 50 years old	Over 51 years old	Up to 30 years old	31 to 40 years old	41 to 50 years old	Over 51 years old	Up to 30 years old	31 to 40 years old	41 to 50 years old	Over 51 years old
Executive Officers	0	3	11	2	0	3	8	1	0	2	8	1
Managers	3	20	10	7	4	14	7	7	1	15	5	8
Coordinators	2	21	12	7	0	15	15	5	2	14	12	5
Administrative staff	84	107	36	9	73	97	29	10	59	102	28	12
Operational	43	114	66	37	30	112	60	44	17	65	50	48
<b>Total</b>	<b>132</b>	<b>265</b>	<b>135</b>	<b>62</b>	<b>107</b>	<b>241</b>	<b>119</b>	<b>67</b>	<b>79</b>	<b>198</b>	<b>103</b>	<b>74</b>

## Number of women in leadership positions

	2022	2021	2020
Executive Officers	2	1	2
Managers	12	7	6
Coordinators	13	10	6
<b>Total</b>	<b>27</b>	<b>18</b>	<b>14</b>

## Number of people with disabilities per employee category

	2022	2021	2020
Executive Officers	0	0	0
Managers	0	0	0
Coordinators	0	0	0
Administrative staff	5	6	6
Operational	5	4	5
<b>Total</b>	<b>10</b>	<b>10</b>	<b>11</b>

## GRI 406-1 | Incidents of discrimination and corrective actions taken

In 2022, we did not record any discrimination incident considered well-founded.

## GRI EU30 | Average plant availability factor by energy source and by regulatory regime

### Duration of outages per power plant (hours)

	2022		2021		2020	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
<b>Hydroelectric Power Plants</b>						
Água Vermelha	769.0	1,418.6	1,682.5	297.6	329.9	123.0
Bariri	576.2	646.1	3,649.8	100.4	701.0	399.0
Barra Bonita	7,440.2	707.0	2,513.5	106.7	405.6	251.9
Caconde	1,172.6	194.4	207.6	-	912.1	102.5
Euclides da Cunha	521.0	14.9	631.3	278.4	211.7	69.8
Ibitinga	591.8	1,891.0	17.4	82.7	4,128.7	852.5
Limoeiro	211.7	143.8	636.2	58.8	255.6	110.9
Nova Avanhandava	277.2	744.0	267.9	85.1	149.3	60.2
Promissão	889.0	46.1	1,909.7	44.4	191.9	179.3
SHPP Mogi Guaçu	6.5	1,983.8	22.9	237.2	264.9	84.5
SHPP São Joaquim	290.6	184.3	81.8	-	8,606.0	55.4
SHPP São José	677.0	1,181.0	2,878.2	1,143.7	142.6	1,091.4
<b>Subtotal</b>	<b>13,423.0</b>	<b>9,155.0</b>	<b>14,498.9</b>	<b>3,232.4</b>	<b>16,299.1</b>	<b>3,380.1</b>
<b>Alto Sertão II Wind Power Complex</b>						
Da Prata	911.5	2,678.5	855.7	1,764.5	4,870.5	1,826.1
Dos Araçás	957.8	4,152.1	874.8	6,988.0	1,042.8	4,517.6
V Nordeste	966.7	1,760.8	1,017.5	1,950.5	817.2	962.7
Tanque	2,955.0	6,441.8	4,562.2	7,017.2	1,105.1	1,913.6
Morrão	1,008.3	3,525.8	3,301.5	16,296.3	2,649.4	9,249.7
Seraíma	4,863.8	5,164.0	2,437.2	10,340.0	1,019.3	6,562.4

Duration of outages per power plant (hours)	2022		2021		2020	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
Maron	1,443.8	2,324.0	1,194.5	1,093.0	787.7	1,083.7
<b>Alto Sertão II Wind Power Complex</b>						
Pilões	3,187.3	6,078.3	1,086.5	1,612.8	1,069.8	4,976.8
Ametista	1,019.7	3,493.5	2,237.5	2,243.5	932.8	2,359.0
Dourados	1,012.8	1,495.5	2,621.5	1,272.8	1,037.5	3,478.8
Caetité	1,110.2	2,188.8	5,127.3	2,724.2	1,035.2	1,802.4
S. do Espinhaço	686.8	1,356.7	2,430.0	1,843.7	553.6	1,463.5
Espigão	307.7	2,024.2	1,467.2	1,026.2	239.9	573.4
Borgo	727.0	3,130.7	964.3	1,375.7	541.6	1,858.7
Pelourinho	486.7	2,963.8	1,143.3	1,341.3	644.5	2,901.1
<b>Subtotal</b>	<b>21,645.1</b>	<b>48,778.7</b>	<b>31,321.0</b>	<b>58,889.7</b>	<b>18,346.9</b>	<b>45,529.5</b>
<b>Ventus Wind Power Complex</b>						
Miassaba 3	47,094.9	20,098.9	12,943.3	23,107.0	NA	NA
Rei dos Ventos 1	32,492.3	28,540.5	8,964.0	14,920.9	NA	NA
Rei dos Ventos 3	12,084.6	36,572.7	5,435.3	43,553.3	NA	NA
<b>Subtotal</b>	<b>91,671.8</b>	<b>85,212.1</b>	<b>27,342.5</b>	<b>81,581.3</b>	<b>NA</b>	<b>NA</b>
<b>Mandacaru Wind Power Complex</b>						
Embuaca	4,100.4	37,808.5	0.0	9,222.2	NA	NA
Icaraí de Amontada	1,080.8	19,733.6	0.0	10,542.2	NA	NA
Santo Antônio de Pádua	6,515.3	4,903.5	0.0	11,497.7	NA	NA
São Cristóvão	15,745.7	8,951.4	0.0	15,123.1	NA	NA
São Jorge	9,189.8	14,642.8	0.0	23,384.9	NA	NA
<b>Subtotal</b>	<b>36,631.9</b>	<b>86,039.9</b>	<b>0.0</b>	<b>69,770.2</b>	<b>NA</b>	<b>NA</b>
<b>Salinas Wind Power Complex</b>						
Areia Branca	1,735.4	5,723.7	0.0	6,934.7	NA	NA
Mar e Terra	1,077.5	2,610.2	0.0	2,053.4	NA	NA

Duration of outages per power plant (hours)	2022		2021		2020	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
<b>Subtotal</b>	<b>2,812.9</b>	<b>8,333.9</b>	<b>0.0</b>	<b>8,988.0</b>	<b>NA</b>	<b>NA</b>
<b>Caetés Wind Power Complex<sup>1</sup></b>						
Santa Brígida 1	4.7	50.3	NA	NA	NA	NA
Santa Brígida 2	2.3	150.5	NA	NA	NA	NA
Santa Brígida 3	4.7	28.5	NA	NA	NA	NA
Santa Brígida 4	1.3	59.3	NA	NA	NA	NA
Santa Brígida 5	0.0	51.2	NA	NA	NA	NA
Santa Brígida 6	0.9	71.9	NA	NA	NA	NA
Santa Brígida 7	0.7	101.8	NA	NA	NA	NA
<b>Ventos do Araripe Wind Power Complex<sup>1</sup></b>						
Santa Joana II	3.6	112.0	NA	NA	NA	NA
Santa Joana VI	2.2	105.5	NA	NA	NA	NA
Santa Joana VIII	11.4	9.3	NA	NA	NA	NA
Santa Joana XIV	0.1	238.2	NA	NA	NA	NA
São Onofre I	2.5	56.2	NA	NA	NA	NA
São Onofre II	11.5	110.5	NA	NA	NA	NA
São Onofre III	3.2	105.0	NA	NA	NA	NA
<b>Cassino Wind Power Complex<sup>1</sup></b>						
Vento	1.4	7.3	NA	NA	NA	NA
Wind	4.5	43.8	NA	NA	NA	NA
Brisa	1.4	8.7	NA	NA	NA	NA
<b>Ouroeste Solar Power Complex</b>						
AGV	295.1	288.8	NA	1156.3	NA	962.9
Boa Hora	764.1	2.8	NA	95.5	NA	177.1
<b>Guaimbê Solar Power Complex</b>	<b>40.3</b>	<b>652.5</b>	<b>NA</b>	<b>351.3</b>	<b>NA</b>	<b>481.5</b>
<b>Consolidated total of all asses</b>	<b>167,340.7</b>	<b>239,773.9</b>	<b>73,162.3</b>	<b>224,064.6</b>	<b>34,646.0</b>	<b>50,531.1</b>

## Duration of outages per power plant (hours)

2022

2021

2020

	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
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<sup>1</sup>For the Ventos do Araripe (PI), Caetés (PE), and Cassino (RS) wind assets, it considers availability only for December 2022, month when these assets were added to the operational portfolio.

## Average availability factor per power plant (%)

2022

2021

2020

## Hydroelectric Power Plants

Água Vermelha	95.7	96.1	99.1
Bariri	95.3	85.5	95.8
Barra Bonita	76.7	92.2	98.1
Caconde	92.2	98.6	94.1
Euclides da Cunha	98.3	97.2	99.2
Ibitinga	90.5	99.5	81.1
Limoeiro	97.9	95.5	97.9
Nova Avanhandava	96.1	98.4	99.2
Promissão	96.4	92.0	98.6
SHPP Mogi Guaçu	78.0	98.4	98.0
SHPP São Joaquim	94.3	89.5	1.4
SHPP São José	89.1	75.7	93.0

## Alto Sertão II Wind Power Complex

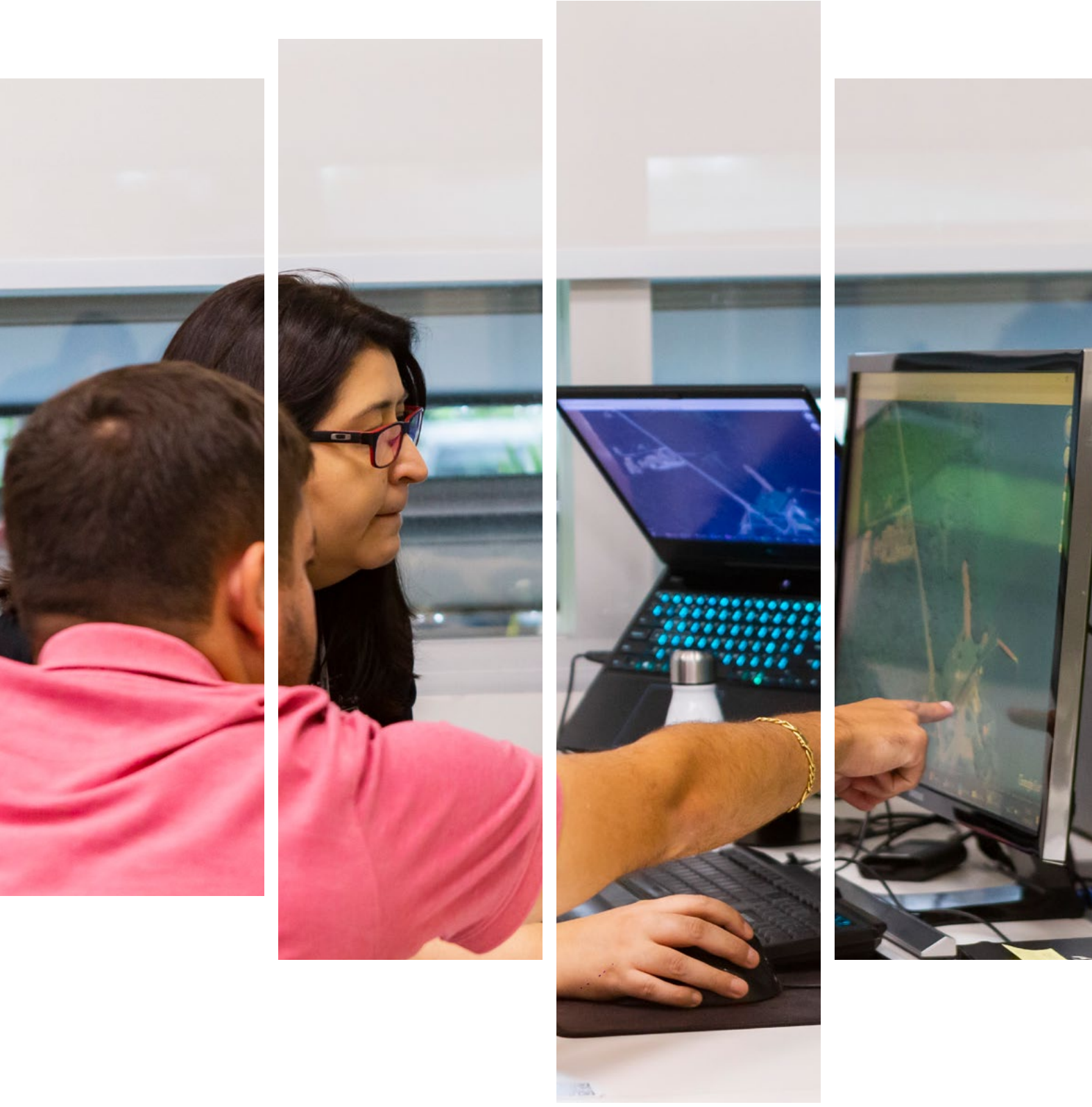
Da Prata	96.9	97.7	94.1
Dos Araçás	96.9	95.3	96.7
V Nordeste	97.8	97.6	98.6
Tanque	94.0	92.7	98.1
Morrão	97.1	87.6	92.5
Seraíma	93.6	91.9	95.2
Maron	97.6	98.5	98.8
Pilões	94.1	98.3	96.2

Average availability factor per power plant (%)	2022	2021	2020
Ametista	96.9	97.0	97.8
Dourados	98.3	97.4	97.0
Caetité	97.9	95.0	98.2
S. do Espinhaço	97.9	95.6	97.9
<b>Alto Sertão II Wind Power Complex</b>			
Espigão	95.6	95.3	98.5
Borgo	96.4	97.8	97.7
Pelourinho	97.0	97.8	96.9
<b>Ventus Wind Power Complex</b>			
Miassaba 3	81.3	82.2	NA
Rei dos Ventos 1	80.1	86.3	NA
Rei dos Ventos 3	83.7	81.8	NA
<b>Mandacaru Wind Power Complex</b>			
Embuaca	63.1	81.7	NA
Icaraí de Amontada	70.4	73.7	NA
Santo Antônio de Pádua	81.5	59.3	NA
São Cristóvão	78.5	74.1	NA
São Jorge	77.5	57.3	NA
<b>Salinas Wind Power Complex</b>			
Areia Branca	93.1	87.8	NA
Mar e Terra	96.3	94.3	NA
<b>Caetés Wind Power Complex<sup>1</sup></b>			
Santa Brígida 1	92.6	NA	NA
Santa Brígida 2	79.5	NA	NA
Santa Brígida 3	95.5	NA	NA

Average availability factor per power plant (%)	2022	2021	2020
Santa Brígida 4	91.9	NA	NA
Santa Brígida 5	93.1	NA	NA
Santa Brígida 6	90.2	NA	NA
Santa Brígida 7	86.2	NA	NA
<b>Ventos do Araripe Wind Power Complex<sup>1</sup></b>			
Santa Joana II	84.5	NA	NA
Santa Joana VI	85.5	NA	NA
Santa Joana VIII	97.2	NA	NA
Santa Joana XIV	68.0	NA	NA
São Onofre I	92.1	NA	NA
São Onofre II	83.6	NA	NA
São Onofre III	85.5	NA	NA
<b>Cassino Wind Power Complex<sup>1</sup></b>			
Vento	98.8	NA	NA
Wind	93.5	NA	NA
Brisa	98.6	NA	NA
<b>Ouroeste Solar Power Complex</b>			
AGV	97.8	86.8	89
Boa Hora	97.1	98.9	98
<b>Guaimbé Solar Power Complex</b>	<b>98.4</b>	<b>96.0</b>	<b>94.5</b>

<sup>1</sup>For the Ventos do Araripe (PI), Caetés (PE), and Cassino (RS) wind assets, it considers availability only for December 2022, month when these assets were added to the operational portfolio.





# GRI AND SASB CONTENT INDEX

# GRI and SASB Content Index

Use statement	AES Brasil reported in compliance with the GRI Standards for the period January 1, 2022 to December 31, 2022					
GRI 1 used	GRI 1: Foundation 2021					
Applicable GRI Sector Standard(s)	GRI G4: Electric Utilities Sector Disclosures 2013					
GRI/SASB Standard	Disclosure	Page	Omissions			
			Requirements omitted	Reason	Answer	
<b>General disclosures</b>						
<b>The organization and its reporting practices</b>						
GRI 2: General disclosures 2021	2-1	Organizational details	10, 133			
	2-2	Entities included in the organization's	8, 105			
	2-3	Reporting period, frequency and contact	8			
	2-4	Restatements of information	70, 71, 105			
	2-5	External assurance	8, 105, 131			
<b>Activities and workers</b>						
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships	10, 15, 96, 105			
	2-7	Employees	82, 105			
	2-8	Workers who are not employees	82, 106			
<b>Governance</b>						
GRI 2: General disclosures 2021	2-9	Governance structure and composition	57, 58, 106	2-9-c-vi	Not applicable	There is no participation of under-represented social groups in the governance bodies of AES Brasil.

GRI/SASB Standard	Disclosure	Page	Omissions			
			Requirements omitted	Reason	Answer	
<b>Governance</b>						
GRI 2: General disclosures 2021	2-10	Nomination and selection of the highest governance body	57, 58, 106			
	2-11	Chair of the highest governance body	58			
	2-12	Role of the highest governance body	65, 106			
	2-13	Delegation of responsibility for managing impacts	65, 106			
	2-14	Role of the highest governance body in sustainability reporting	8			
	2-15	Conflicts of interest	60, 107			
	2-16	Communication of critical concerns	57, 107	2-16-b	Not applicable	Critical concerns are reported to the Board of Directors on a percentage basis by theme, so we do not have the total number of concerns raised in 2022.
	2-17	Collective knowledge of the highest	57			
	2-18	Evaluation of the performance of the highest governance body	107			
	2-19	Remuneration policies	59	2-19-a-iv	Not applicable	The Management Nomination and Compensation Policy does not include the return of bonuses and incentives (clawback).
	2-20	Process to determine remuneration	57, 59, 107			
2-21	Annual total compensation ratio	59, 107				

GRI/SASB Standard	Disclosure		Page	Omissions		
				Requirements omitted	Reason	Answer
<b>Strategy, policies and practices</b>						
GRI 2: General disclosures 2021	2-22	Statement on sustainable development strategy	4			
	2-23	Policy commitments	108			
	2-24	Embedding policy commitments	29, 96			
	2-25	Processes to remediate negative impacts	60, 108			
	2-26	Mechanisms for seeking advice and raising concerns	60			
	2-27	Compliance with laws and regulations	109			
	2-28	Membership associations	109			
<b>Stakeholder engagement</b>						
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement	109			
	2-30	Collective bargaining agreements	82			
<b>Material topics</b>						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	27			
	3-2	List of material topics	27			
<b>Climate change mitigation and adaptation</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 68			
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	69			
<b>Integrity</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 60			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	110			
	205-3	Confirmed incidents of corruption and actions taken	60			

GRI/SASB Standard	Disclosure	Page	Omissions		
			Requirements omitted	Reason	Answer
<b>Energy transition</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 31		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	70		
	302-3	Energy intensity	70		
GRI G4: Disclosures for the electric utility sector 2013	EU1	Installed capacity, broken down by primary energy source and by regulatory regime	39		
	EU2	Net energy output broken down by primary energy source and by regulatory regime	39, 111		
	G4-DMA (antigo EU6)	Management approach to ensure short and long-term electricity availability and reliability	43		
GRI G4: Disclosures for the electric utility sector 2013	EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development	32, 34		
	EU30	Average plant availability factor by energy source and by regulatory regime	115		
<b>Biodiversity</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 72		
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	74		
	304-3	Habitats protected or restored	72, 110		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	75	304-4-a-v	Not applicable

GRI/SASB Standard	Disclosure		Page	Omissions		
				Requirements omitted	Reason	Answer
<b>Emissions</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 70			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	70			
	305-2	Energy indirect (Scope 2) GHG emissions	70	305-2-b	Not applicable	
	305-3	Other indirect (Scope 3) GHG emissions	70			
	305-4	GHG emissions intensity	70			
SASB Electric Utilities & Power Generators 2018: Greenhouse gas emissions & energy resource planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	70			
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	70			
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	68, 70			
SASB Electric Utilities & Power Generators 2018: Air quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near	111			
<b>Human and Labor Rights</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 89			
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	89			
	403-2	Hazard identification, risk assessment, and incident investigation	89			
	403-3	Occupational health services	89			

GRI/SASB Standard	Disclosure		Page	Omissions		
				Requirements omitted	Reason	Answer
<b>Direitos humanos e trabalhistas</b>						
GRI 403: Occupational health and safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	89			
	403-5	Worker training on occupational health and safety	89			
	403-6	Promotion of worker health	89			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	89			
	403-8	Workers covered by an occupational health and safety management system	89			
	403-9	Work-related injuries	89, 112			
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	87			
	404-3	Percentage of employees receiving regular performance and career development reviews	87, 88			
GRI G4: Disclosures for the electric utility sector 2013	EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	91, 94			
SASB Electric Utilities & Power Generators 2018: Workforce health & safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	112			
<b>Diversity</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 85			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	114			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	115			
<b>Community</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics				

GRI/SASB Standard	Disclosure	Page	Omissions			
			Requirements omitted	Reason	Answer	
<b>Community</b>						
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	98, 110			
	413-2	Operations with significant actual and potential negative impacts on local communities	98			
GRI G4: Disclosures for the electric utility sector 2013	EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	48			
	EU25	Number of injuries and fatalities to the public involving company assets including legal judgments, settlements and pending legal cases of diseases	111			
<b>Corporate governance</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 55			
<b>Customer Relationship</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	27, 49			
<b>Extra disclosures - indicators not included in the materiality report, but which AES Brasil decided to report in order to maintain the historical series and comparability</b>						
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	50			
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	96, 110			
	308-2	Negative environmental impacts in the supply chain and actions taken	96			
SASB Electric Utilities & Power Generators 2018: Greenhouse gas emissions & energy resource planning	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market		Complete standard	Not applicable	Not applicable to Brazilian electric utilities sector.
SASB Electric Utilities & Power Generators 2018: Water management	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	78			



GRI/SASB Standard	Disclosure		Page	Omissions		
				Requirements omitted	Reason	Answer
SASB Electric Utilities & Power Generators 2018: Coal ash management	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations				
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks				
	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled		Complete standard	Not applicable	Not applicable, because AES does not operate coal generation.
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment		Complete standard	Not applicable	Not applicable, because AES does not operate coal generation.
SASB Electric Utilities & Power Generators 2018: Energy affordability	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers		Complete standard	Not applicable	Not applicable, because AES does not operate in the distribution sector.
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month		Complete standard	Not applicable	Not applicable, because AES does not operate in the distribution sector.
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days		Complete standard	Not applicable	Not applicable, because AES does not operate in the distribution sector.
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory		Complete standard	Not applicable	Not applicable, because AES does not operate in the distribution sector.
SASB Electric Utilities & Power Generators 2018: End-Use efficiency & demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)		Complete standard	Not applicable	Not applicable to Brazilian electric utilities sector.
	IF-EU-420a.2	Percentage of electric load served by smart grid technology		Complete standard	Not applicable	Not applicable to Brazilian electric utilities sector.
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market		Complete standard	Not applicable	Not applicable to Brazilian electric utilities sector.
SASB Electric Utilities & Power Generators 2018: Nuclear safety & emergency management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column		Complete standard	Not applicable	Not applicable, because AES does not operate nuclear generation.
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness		Complete standard	Not applicable	Not applicable, because AES does not operate nuclear generation.

GRI/SASB Standard	Disclosure		Page	Omissions		
				Requirements omitted	Reason	Answer
SASB Electric Utilities & Power Generators 2018: Grid resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	65, 111			
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days		Complete standards	Not applicable	Not applicable, because AES does not operate in the distribution sector.
SASB Electric Utilities & Power Generators 2018: Activity metrics	IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	111	Categories used	Not applicable	AES Brasil does not sell to commercial clients. The other categories (commercial and industrial clients served) are not applicable to the company.
	IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	111	Categories used	Not applicable	AES Brasil does not sell to residential customers. The other categories (commercial, industrial, all other retail customers and wholesale customers) are not applicable to the company.
	IF-EU-000.C	Length of transmission and distribution lines		Complete standard	Not applicable	Not applicable, because AES does not operate in the distribution and transmission sectors.
	IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	39			
	IF-EU-000.E	Total wholesale electricity purchased	111			

# Assurance Report

GRI 2-5

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## Independent auditors' limited assurance report on non-financial information included in the Integrated Sustainability Report

(A free translation of the original report in Portuguese, containing the Assurance Report).

To the Board of Directors and Shareholders of  
AES Brasil Energia S.A.  
São Paulo - SP

### Introduction

We have been engaged by AES Brasil Energia S.A. ("AES Brasil" or "Company") to present our limited assurance report on the non-financial information included in the "Integrated Sustainability Report for the year ended December 31, 2022" of AES Brasil, related to the year ended December 31, 2022.

Our limited assurance does not extend to information from prior periods or to any other information disclosed in conjunction with the Integrated Sustainability Report, including any images, audio files, or embedded videos.

### Responsibility of the independent auditors

The management of AES Brasil is responsible for:

- select and establish appropriate criteria for the preparation of the information contained in the Integrated Sustainability Report;
- prepare the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards), with the Sustainability Accounting Standard - Electric Utilities & Power Generators of the Sustainability Accounting Standards Board (SASB) and the CPC 09 Guidance - Integrated Reporting, correlated with the Basic Conceptual Framework of Integrated Reporting, prepared by the International Integrated Reporting Council (IIRC);
- design, implement and maintain internal control over information relevant to the preparation of the information in the Integrated Sustainability Report that is free from material misstatement, whether due to fraud or error.

### Responsibility of the independent auditors

Our responsibility is to express a conclusion on the non-financial information contained in the Integrated Sustainability Report 2022, based on the limited assurance engagement conducted in accordance with Technical Communication CTO 07/2022 issued by the CFC, and based on NBC TO 3000 - Assurance Engagements other than Audits and Reviews, also issued by the CFC, which is equivalent to 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). These standards require compliance by the auditor with ethical requirements, independence, and other responsibilities relating to it, including 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 compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Additionally, these standards require that the work be planned and executed with the objective of obtaining limited assurance that the non-financial information contained in the





Integrated Sustainability Report 2022, taken as a whole, is free of material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists primarily of making inquiries of AES Brasil's management and other AES Brasil's professionals involved in the preparation of information, as well as applying analytical procedures to obtain evidence that enables us to conclude, in a limited assurance manner, 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 Integrated Sustainability Report, taken as a whole, may present material misstatements.

The procedures selected were based on our understanding of the aspects related to the compilation, materiality and presentation of the information contained in the Integrated Sustainability Report 2022, other circumstances of the engagement and our consideration of areas and the processes associated with the material information disclosed in the Integrated Sustainability Report 2022 where material misstatements could exist. The procedures comprised, among others:

- a. planning the work, considering the materiality of the aspects for the activities of AES Brasil, the relevance of the information disclosed, the volume of quantitative and qualitative information and the operational and internal control systems that served as a basis for preparing the information contained in the Integrated Sustainability Report 2022.
- b. the understanding of the calculation methodology and the procedures for the compilation of the indicators through inquiries with the managers responsible for the preparation of the information;
- c. the application of analytical procedures on the quantitative information and inquiries on the qualitative information and its correlation with the indicators disclosed in the information contained in the Integrated Sustainability Report 2022; and
- d. for the cases in which the non-financial data correlate with indicators of a financial nature, the confrontation of these indicators with the accounting statements and/or accounting records.
- e. analysis of the processes for the preparation of the Report and its structure and content, based on the Principles of Content and Quality of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI - Standards), with the Sustainability Accounting Standard

- Electric Utilities & Power Generators of the Sustainability Accounting Standards Board (SASB) and of the Guidance CPC 09 - Integrated Reporting, correlated with the Basic Conceptual Framework of Integrated Reporting, prepared by the International Integrated Reporting Council (IIRC);
- f. understanding of the calculation methodology and the procedures for the compilation of the indicators through interviews with the managers responsible for the preparation of the information;
- g. analysis of the reasonableness of the justifications for the omission of performance indicators associated with aspects and topics indicated as material in the Company's materiality analysis.

The limited assurance work also included adherence to the guidelines and criteria of the GRI - Standards structure applicable in the preparation of the information included in the Integrated Sustainability Report 2022.

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 performed in limited assurance work vary in nature and timing, and are smaller in extent than in reasonable assurance work. Consequently, the level of



assurance obtained in limited assurance work is substantially lower than that which would be obtained if reasonable assurance work had been performed. If we had performed reasonable assurance work, we could have identified other issues and possible distortions that may exist in the information contained in the Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work on data reported for prior periods, nor in relation to future projections and targets.

The preparation and presentation of sustainability indicators followed the GRI - Standards criteria and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations. These

standards do, however, provide for the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines are incurred. Our assurance report must be read and understood in this context, inherent to the selected criteria (GRI - Standards).

### Conclusion

Based on the procedures performed, described in this report, and on the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in the Integrated Sustainability Report for the year ended December 31, 2022 of AES Brasil has not been prepared, in all material respects in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI - Standards), the Sustainability Accounting Standard - Electric Utilities & Power Generators of the Sustainability Accounting Standards Board (SASB) and CPC Guideline 09 - Integrated Reporting, correlated with the Basic Conceptual Framework for Integrated Reporting, prepared by the International Integrated Reporting Council (IIRC).

São Paulo, March 17, 2023

KPMG Auditores Independentes Ltda.  
CRC 2SP014428/O-6  
Original report in portuguese signed by

Sebastian Yoshizato Soares  
Contador CRC 1SP257710/O-4

# Credits

GRI 2-1

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## MSCI Disclosure Statement

In 2022, AES Brasil Energia S.A. received a rating of AAA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. Learn more about MSCI ESG ratings by [clicking here](#).

## Sustainalytics Disclosure Statement

In September 2021, AES Brasil Energia S.A. Received an ESG Risk Rating of 9.4 and was assessed by Morningstar Sustainalytics as being at insignificant risk of suffering material impacts from ESG factors. In no circumstance should this report be construed as investment advice or expert opinion as defined by applicable law.

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