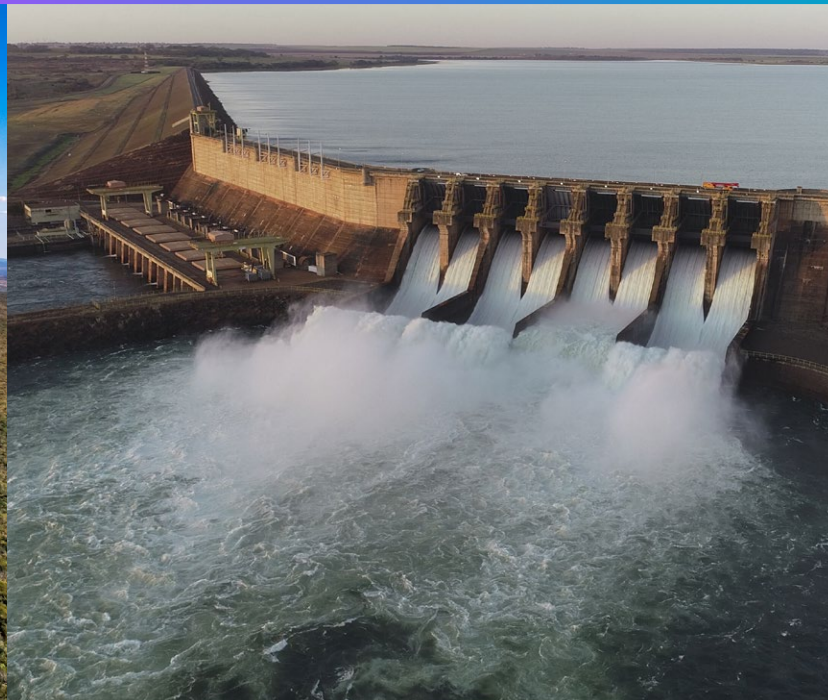




2023 Integrated Sustainability Report



aes Brasil

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Message from the CEO

GRI 2-22

2023 was a year of many achievements. We took important steps in the materialization of our strategy, increased our **operational wind capacity with 827 MW from Tucano and phase 1 of Cajuína Wind Complexes**, ending the year with an installed capacity of **5.2 GW of 100% renewable** and fully contracted energy, distributed between hydro, wind and solar sources, with **0.1 GW under construction**. We are also completing the construction of Cajuína Wind Complex – Phase 2 (RN), with works 94.5% complete.

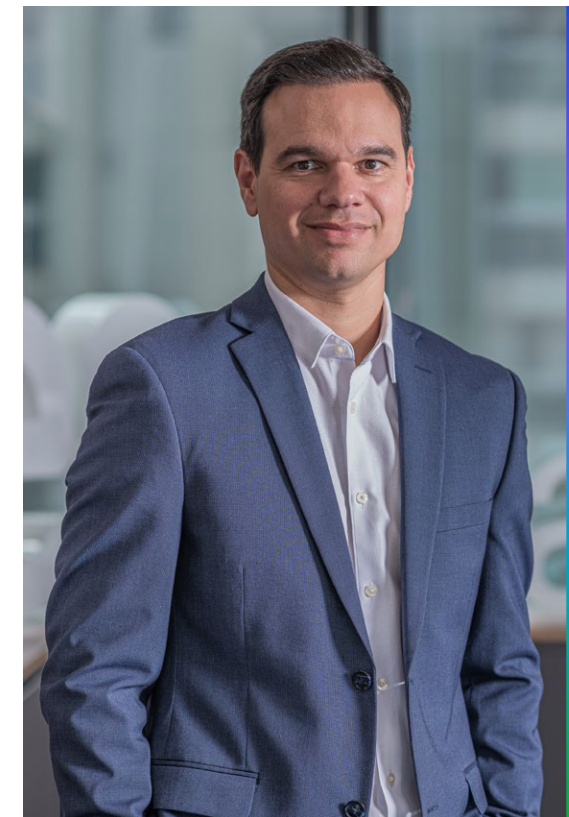
We entered an important partnership with a global customer, Microsoft in Brazil, to supply 77 MWavg for 15 years, starting July 2024. This energy will be supplied from stage 2 of Cajuína Wind Complex, which is in the final phase of construction. With this partnership, we created a customized solution that will deliver flexibility, predictability and competitiveness so that Microsoft will be able to execute its business plan, decarbonizing its activities. Working closely with customers, as in this case, is AES Brasil's strongest competitive edge.

Having the wind complexes in operation allowed us to start the company's deleveraging cycle, with a net debt/Adjusted EBITDA indicator of 5.31x at the end of 2023. It also allowed us to reach, in 2023, some

unprecedented milestones, such as the generation volume, which more than doubled.

In the retail sales segment, we achieved a new performance record and continued to evolve at an accelerated pace, signing agreements with 359 new customers, who traded 34 MWavg in the year. As a result, the retail trading portfolio has 447 customers, reaching sales of 78 MWavg of energy, placing us among the three largest retail traders. For us, being the customers' choice is proof that we deliver products with the features they need, in the conditions they expect and in the way that only we can.

Our strategy of being the customer's best choice in the free energy market with competitive, resilient and



Rogério Pereira Jorge
CEO da AES Brasil

29% of women
in senior leadership

BRL 28.1 million
invested in social and
environmental programs

responsible solutions is entirely based on environmentally friendly, socially fair and economically feasible management. This is our way of being and doing business

We have made important progress in our ESG 2030 Commitments, maintaining AES Brasil as a fully carbon neutral company since the beginning of its operations. We achieved a record of 29% women in senior leadership, very close to the target of having 30% women in these positions by 2030. We also invested BRL 28.1 million in various social and environmental programs

aimed at restoring the Atlantic Forest and Cerrado biomes, fisheries management programs and the protection of land fauna, environmental education, access to water for communities in the semi-arid northeast, among others.

An important highlight of our achievements, which makes me and our entire team very proud, is the inclusion of women in the maintenance and operation of wind farms. Tucano Wind Complex, in Bahia, was the first energy generation asset to be operated 100% by women and, in 2023, we moved

forward with the same initiative at Cajuína Wind Complex, in Rio Grande do Norte. Through a partnership with Senai RN, we trained 73 women in an exclusive course designed for them.

Management practices like these have made us, for the third year in a row, the only utilities company in Latin America to be rated “AAA” by MSCI ESG Rating, as well as keeping us in B3’s Corporate Sustainability Index (ISE) portfolio for the 17th year.

Combating climate change is an extremely important issue and is fully integrated into our business model. We conduct trend studies, participate in the global committee with the AES Corporation, monitor corporate risk management and continuously manage our performance. This diligence granted us, in 2023, an A- rating in CDP (Carbon Disclosure Project) Climate Change, a global benchmark in assessing

management and performance of companies on environmental issues.

With all these achievements, we can say that we are accelerating the future of energy, a commitment that is becoming a reality thanks to the relentless commitment of a highly committed team, which I would like to thank. We are pleased to see that this joint effort has led customers to choose AES Brasil as a partner in their decarbonization journeys.

Also, I would like to thank our shareholders, for entrusting us with the execution of our strategies, and the other stakeholders who support us in advancing towards our goals and objectives.

Rogério Jorge
CEO

Message from the Chairman of the Board of Directors

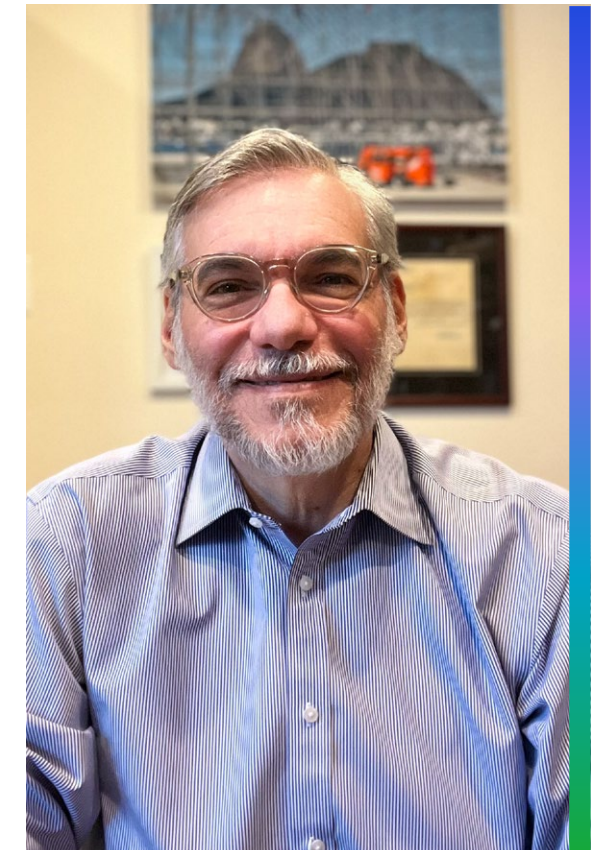
The global challenges of sustainable development require us to **achieve a carbon-free economy by 2050**. And to materialize this, significant investments are required in changing business models. Deciding on the energy to be consumed in the production of goods and the provision of services is a key factor in this transition.

AES Brasil is a company that made the choice to be 100% renewable and has been growing in recent years with wind and solar generation, directly contributing to increasing non-hydro renewable sources in Brazilian electricity matrix. Based on this vision, we have adopted measures that not only expand our portfolio, but also support our customers to decarbonize their operations.

Diversifying the portfolio, which also reduces exposure to hydro risks, brings with it new complexities and new opportunities for positive impacts. We sell more than MWh of electricity, we offer our customers energy solutions and social and

economic development in the regions where the MWh is generated, with actions aimed at the communities located in the areas of influence of our projects to improve their quality of life. We are aware of the social and economic role we play. Accordingly, we work very closely with communities, understanding their needs and expectations.

The Board of Directors (BoD) of AES Brasil plays a fundamental role in conducting the company's business, discussing scenario analysis, risks and opportunities and, in my role as chairman of this body and as an executive of The AES Corporation, I ensure alignment between the controlling shareholder



Francisco Morandi

Presidente do Conselho de Administração

and the subsidiary, considering AES Corporation's strategy, which has targets of achieving net zero carbon emissions in energy generation by 2040.

Managing relationships with communities, offering better solutions to customers, partnerships with suppliers, ensuring good results for investors and shareholders and a business strategy fully based on decarbonization and clean energy mean that ESG (environmental, social, and corporate governance) issues are always present in our analyses, debates, and decision-making on the Board of Directors.

To be assertive on these issues, we count on the advice of the Sustainability Committee, of which I am also an effective member. We now have increased participation of independent professionals, equivalent to half of the members of this body. By bringing their experience and new references of good practices to AES Brasil, they provide us with a clearer vision of market demands and expectations. By reconciling these perspectives with those offered by the other members, who bring learning and AES Corporation's global vision, gained from more than 40 years of operations in different countries, including emerging ones, we have built an interesting landscape to support our decisions.

Energy transition is happening at an increasingly accelerated pace. Based on the profile of our businesses, we can capture the opportunities offered by this scenario. We are committed to leading this transition. It's a unique opportunity, and making a difference is what moves us.



I thank and congratulate our teams, comprised by 670 employees who, day after day, add their efforts to AES Brasil. These professionals, led by the executive board, put our strategies into practice and conduct our operations, a joint effort that is reflected in positive social, economic and environmental impacts and significant results, such as those recorded in 2023, presented in this report.

Francisco Morandi
Chairman of the Board of Directors

2023 Highlights

Economic and growth

- Commercial excellence through a **100% renewable**, diversified and balanced portfolio;
- **+107.9%** in generation volume vs. 2022, due to the acquisition of Ventos do Araripe, Caeté and Cassino Wind Power Complexes in December 2022, and the full commercial startup of Cajuína 1 Wind Power Complex and phased startup of Tucano and Cajuína 2;
- **Installed capacity of 5.2 GW** (0.1 GW under construction, fully financed and contracted with long-term PPAs);
- Signature of PPA with Microsoft for the supply of **154 MW of renewable energy** from the Cajuína 2 Wind Power Complex;
- Among the 3 largest retail players in Brasil, with sold energy volume up by **+77%** versus 2022;
- **BRL 1,686.5 million in EBITDA** (42.5% versus 2022);
- **Net operating revenue of BRL 3.4 billion** (+20.6% versus 2022);
- **Net income of BRL 333.3 million** (+4.1% over 2022).

Governance

- **Industry benchmark in ESG**, listed in B3's Novo Mercado segment;
- **40% of the CEO's compensation** linked to ESG criteria;
- We joined the **Collective Action for Integrity** in the Electricity Sector;
- 917 employees participated in the **2nd Compliance Week**;
- Energy Trading and Risk Management System (**ETRM**) for managing market and credit risks.
- **27% of women** on the Board of Directors recognized by Women on Board

Social

- **73 women** graduated in the Operation and Maintenance of Wind Farms training program, offered in partnership with Senai-RN;
- Local teams **comprised only by women** employees for the operation and maintenance of the Tucano and Cajuína Wind Power Complexes;
- **BRL 2.1 million invested** in projects targeted at community development, benefiting 4.2 thousand people;
- Total women employees **increased by 19%**.

Environmental

- **Offsetting of greenhouse gas emissions**, maintaining the neutralization of emissions since the start of operations;
- **243.4 hectares** of Atlantic Forest and Brazilian Savanna (Cerrado) restored;
- **Preservation of 3** endangered Brazilian fauna species;
- **BRL 26 million invested** in environmental programs.

Awards and recognitions



The only utilities company in Latin America with an “AAA” score according to MSCI ESG rating, for the third consecutive year.



Grade in CDP’s Climate Change questionnaire improved to A- and maintained grade “B” in Water Security.



Participation in B3’s Corporate Sustainability Index (ISE) portfolio, for the 17th consecutive year.



Among the 15% best evaluated companies in the world according to S&P Global Corporate Sustainability Assessment (CAS) in the electric utilities industry.



TOP 100 Open Corps Award in the Electricity category for the third consecutive year.



For the second consecutive year, winner of the “2023 Awesome places to work for” award in the energy sector, by FIA and UOL.



Most awarded company in the energy sector in the 50 years of Exame Magazine’s “Melhores e Maiores” ranking.



3rd place in the energy sector in the People and ESG/Social and Environmental dimensions according to Época Negócios 360.



Pró-Ética 2022-2023 seal, awarded by the Controller General of Brazil.



Received the Anefac 2023 Troféu Transparência (Transparency Award) in the companies with revenue up to BRL 5 million category.



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



Rogério Jorge, the Company’s CEO, announced as spokesperson for UN SDG 7 – Affordable and Clean Energy by the UN Global Compact in Brazil.



Awarded by Women on Board, for gender diversity in the composition of the Board of Directors with three effective members.

About the report

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

We present our 2023 Integrated Sustainability Report in order to report to our stakeholders on the achievements and results for fiscal year 2023, for the period between January 1st and December 31st. This is the same period of the financial statements.

Published in March 2024, in both Portuguese and English, the report illustrates how we create value by detailing our strategy, guidelines and policies, as well as the economic, social, environmental and governance results of all our processes.

This document contains consolidated corporate information and covers all the businesses of AES Brasil Energia S.A. (“AES Brasil” or “company”) and its subsidiaries.




Comments, doubts and suggestions about the report contents can be sent by email to sustentabilidade@aes.com.



Information was gathered with all AES Brasil’s departments and centralized by the ESG Corporate Department, reporting to the Strategy and ESG Officer, responsible for ensuring the Report’s integrity and recognizing the application of collective thinking according to the IIRC’s framework and principles. The Board of Directors participated in the preparation of the Report as well as its final review. At this stage, alongside the Fiscal Council, the Statutory Audit Committee and the Sustainability Committee. The document was also approved by the company’s senior management and submitted to external and independent assurance, free from conflicts of interest ([read more in Assurance report on page 145](#)).

How to read this report


DISCLOSURES,
for example
GRI 2-18; SASB IF-EU-110

EXTERNAL LINKS
 Icons indicating access to information on the AES Brasil website.

SDG ICONS,
for example:



POP UP MENU
 Link to main summary.

INTERACTIVE SUMMARIES
 Icons indicating interactive summaries.

ABOUT US

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Corporate Profile

GRI 2-1, 2-6

We are AES Brasil Energia S.A., a publicly held company traded on B3's Novo Mercado segment. We are headquartered in Brazil, in the city of São Paulo (SP), and operate exclusively in the domestic market, offering customized solutions for the generation and trade of 100% renewable energy.

Our goal is to be our customers' top-of-mind choice. Therefore, we strive to meet the most unique demands and needs of companies in the regulated (Regulated Contracting Environment, or ACR, in Brazilian Portuguese) and free (Free Contracting Environment, or ACL, in Brazilian Portuguese) markets. The country's leading energy generators, traders and distributors are among our customers and large companies and industries are part of our customer portfolio as end consumers. We are also among

Brazil's main energy retailers, focused on small and medium high-voltage consumers.

Our shares are traded on B3's Novo Mercado segment and we are part of the Corporate Sustainability Index (ISE B3), as well as other B3 indexes, such as the Corporate Governance Index. We are also listed as a publicly traded company – category A, by the Brazilian

Securities and Exchange Commission (CVM, in Brazilian Portuguese), which allows us to trade non-convertible debentures in the non-organized over-the-counter market.




We ended the year with fully renewable installed capacity of 5.2 GW, of which 5.1 GW are operational and 0.1 GW under construction, across seven states.

We offer customized solutions for the generation and trade of 100% renewable energy in Brazil.



Where we are

Rio Grande do Norte

-  Cajuina **314 MW**
-  Ventus **187 MW**
-  Salinas **50 MW**
-  Cajuina 2 **370 MW**
74 MW under construction





Pernambuco

-  Caetés **182 MW**

Bahia

-  Tucano **322 MW**
-  Alto Sertão II **386 MW**

São Paulo

-  Hydro **2,658 MW**
-  Guaimbê **150 MW**
-  Ouroeste **145 MW**
-  AGV VII (under construction) **33 MW**

Rio Grande do Sul


-  Cassino **64 MW**




Ceará

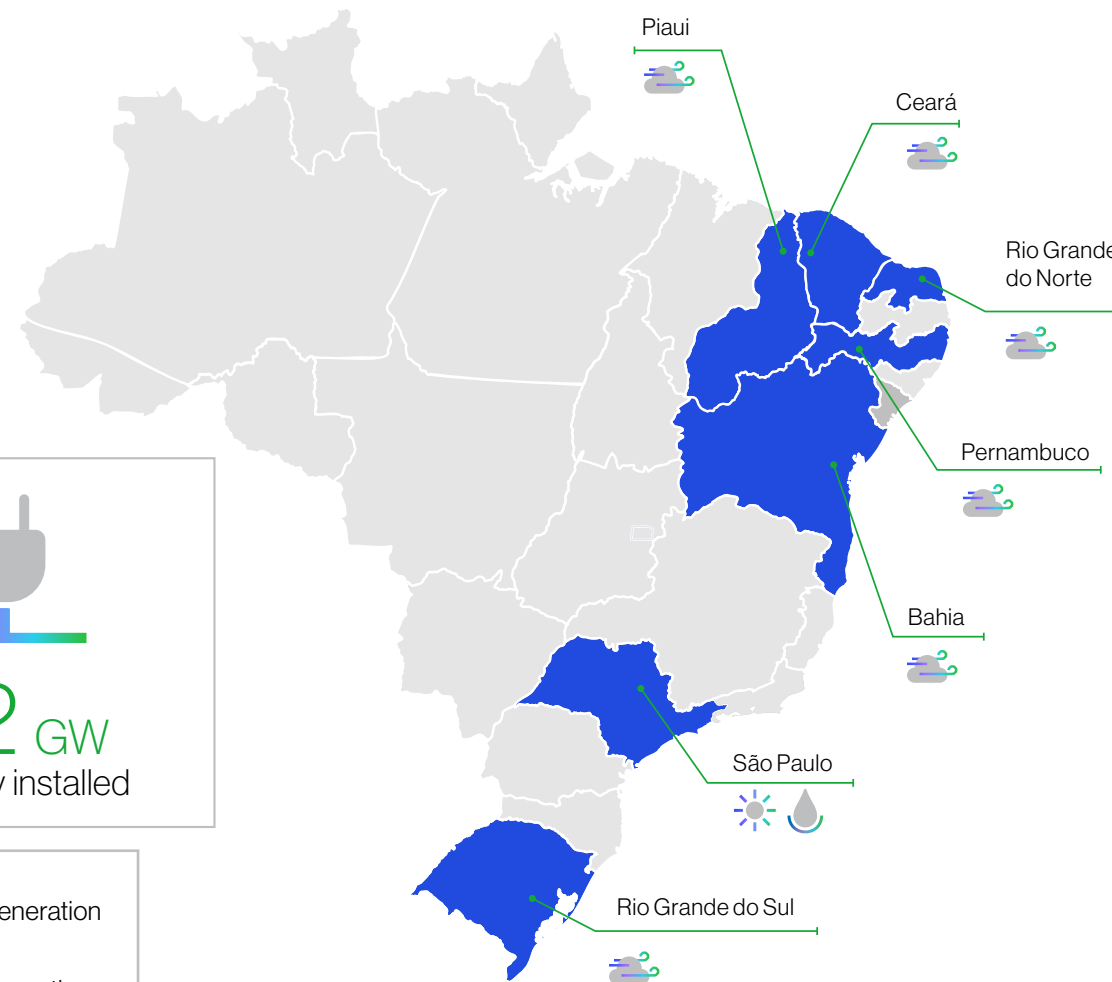
-  Mandacaru **108 MW**

Piauí

-  Ventos do Araripe **210 MW**


5.2 GW
capacity installed

-  Hydro Generation
-  Wind Generation
-  Solar Generation





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, outsourced service providers, 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, outsourced service providers, customers, partners and communities and hold the solutions we deliver together to global standards of excellence.

All together

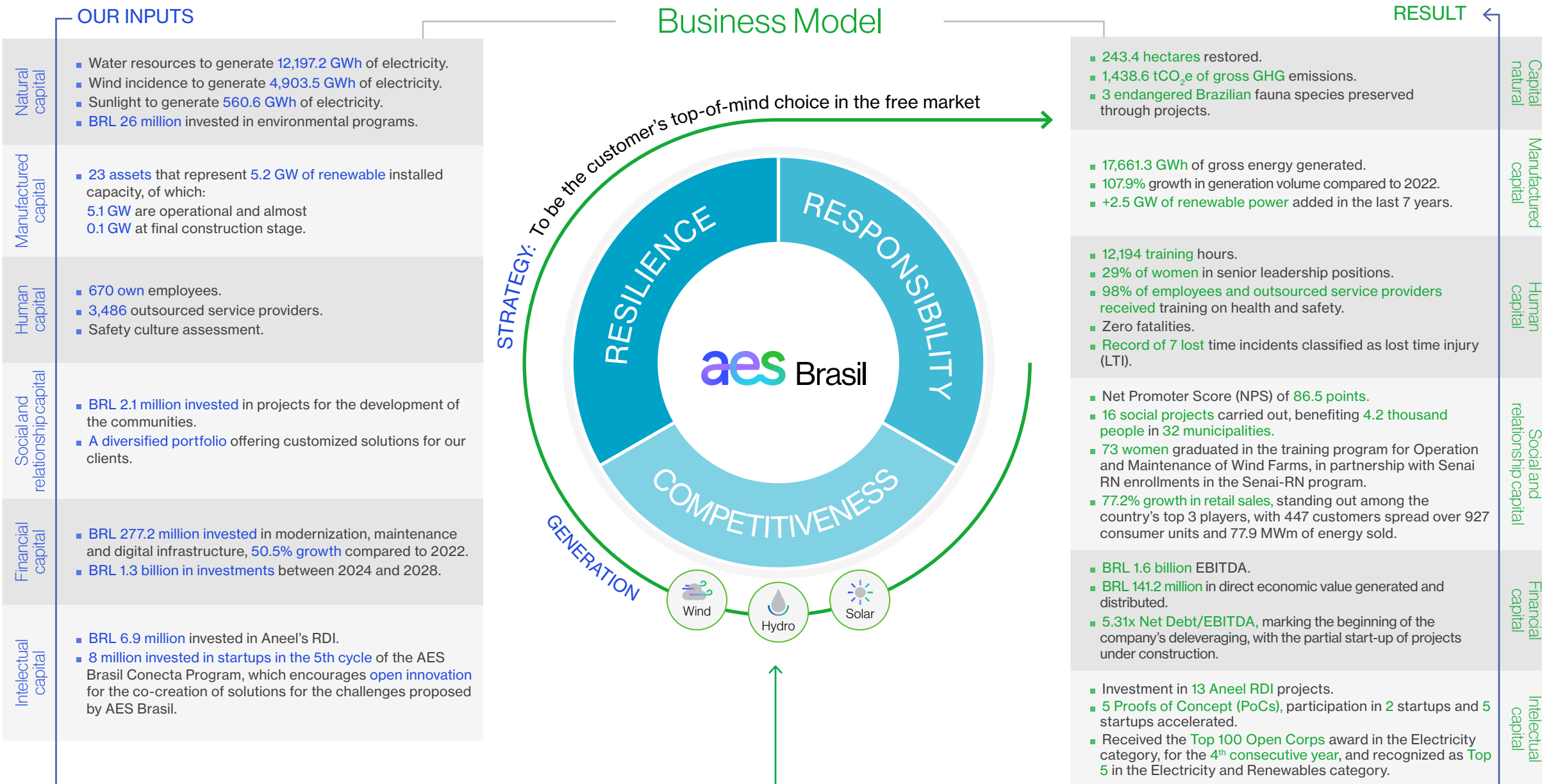
We work as one team across our business and with our people, outsourced service providers, customers, partners and communities. We meet changing customer needs with agility and have fun solving meaningful challenges as a team.

Business Model

Our business model directly and positively contributes to society's main social and environmental challenges and, therefore, we rely on a set of ESG commitments and targets ([read more on page 25](#)).

The Integrated Reporting framework guides the communication of how and where we create value (financial or otherwise) to our stakeholders, based on the concept of six capitals, seeking to highlight our value creation differentials as well as the deliveries and results achieved in the year.





Materiality

GRI 2-14, 3-1, 3-2, 3-3

In 2023, we continued to consider the ten material topics defined in 2022, as we believe they reflect the most relevant issues for our generation and value preservation. The materiality prepared in the previous year proved to be aligned with our **2030 ESG Commitments**. It should be noted, however, that we are already committed to updating the matrix for the next reporting cycle, in a comprehensive process that will involve our main stakeholders.



Impact Study

Each department has considered its internal processes and documents in order to identify the impacts of the material topics adopted by us on the economy, the environment, people and the company's own management. In this report, we highlight the most significant impacts, according to their size, scope, irremediable nature and likelihood. Impacts can be positive and negative, their likelihood can be actual or potential, in the short-, medium- and long-term, arising from our activities and business relations.



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



STRATEGY

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Our strategy

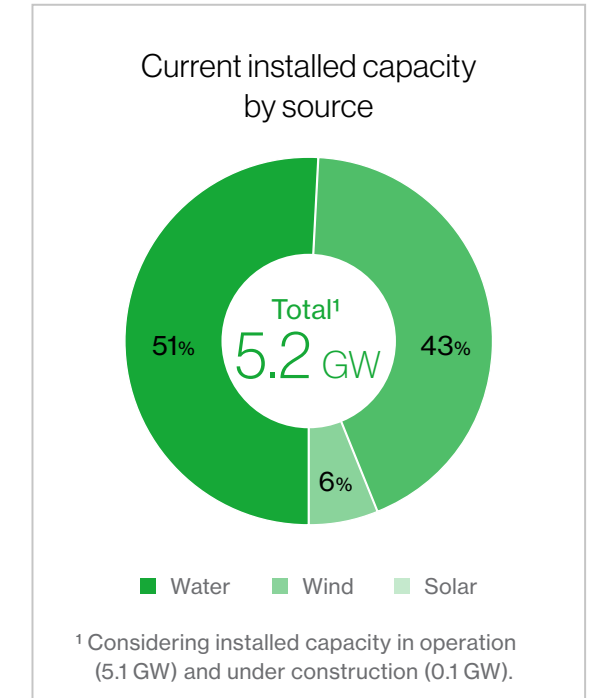
Our strategy aims to increase our generation capacity by diversifying our portfolio with non-hydropower sources and long-term contracts, geared towards creating and offering customized products and services that have the lowest possible environmental impact. We have been operating in Brazil for 25 years as an integrated electricity solutions platform, adaptable to our customers' needs and demands. Currently, our asset portfolio has a total installed capacity of 5.2 GW (0.1 GW under construction), comprising renewable energy only.

By offering the best resilient, competitive and responsible solutions to our customers, we play an important part in our industry' changes. Year after year, we have stood out for our increasingly large and varied range of renewable energy and contracting model.

Our growth is based on being on the lookout for market opportunities involving both the construction of new clean energy plants and the acquisition of operational units.

In 2023, the growth planned over the past few years was driven by the commercial startup of the Tucano Wind Power Complex and Phase 1 of the Cajuína Wind Power Complex (RN), coupled with the operational control of the Ventos do Araripe (PI), Caetés (PE) and Cassino (RS) wind power complexes acquired in December 2022.

Currently, construction for Phase 2 of the Cajuína Wind Power Complex (RN) is in the final stage, as is the AGV VII solar farm.



Our strategy is supported by three pillars, which reflect our goal of delivering quality services and products:



RESILIENCE

Increase resiliency by actively managing our existing portfolio as we grow in renewable sources.



RESPONSIBILITY

Manage the environmental, social, and governance impact of our business.



COMPETITIVENESS

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

Regulatory Scenario

We took part in numerous industry discussions. We made ten direct contributions to public processes of the Brazilian Electricity Regulatory Agency (Aneel, in Brazilian Portuguese) or the Ministry of Mines and Energy (MME), including topics on Energy Storage, the New Process for Developing Wind and Solar Farms (Grants and Access) and the methodology for calculating the Difference Settlement Price (or Preço de Liquidação de Diferenças – PLD) limits.

The Brazilian Congress' Green Agenda

was on the spotlight at the end of 2023 in an effort to leverage initiatives such as Green Hydrogen and the Energy Transition Acceleration Program (Paten, in Brazilian Portuguese)

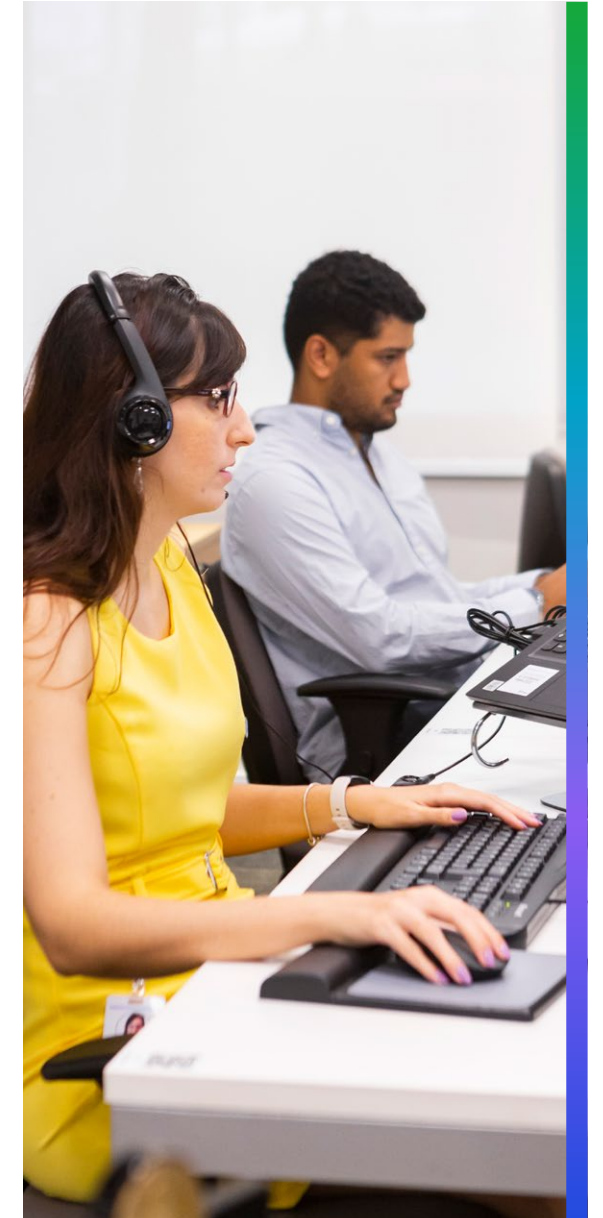
In a lawsuit filed by the Brazilian Association of Wind Power (ABEEólica) and the Brazilian Photovoltaic Solar Energy Association (Absolar), we sought reimbursement for non-billed amounts arising from post-blackout restrictions on loads delivered to the National Interconnected System (SIN).

The year 2023 was completely unusual in terms of regulatory matters, with the so-called “Gold Rush” culminating in the “Amnesty Day” (Aneel Normative Resolution No. 1,065/2023), which ended the oversupply boom of wind and solar power plant greenfield projects, through the activation of an exceptional amnesty and regularization mechanism.

This “Gold Rush” was driven by Law 14,120, of 2021, which formalized the end of the so-called wire discount, a

mechanism that, since the early 2000s, had granted discounts on the Network Tariffs for Using Transmission and Distribution Systems (Tust and TUSD, respectively, in Brazilian Portuguese) for incentivized energy, thus encouraging Brazilian electricity players to submit renewable generation projects.

The law also authorized all renewable projects that that formally applied for a grant with Aneel by early March 2022 to still be entitled to the benefit – in order to be entitled to the discount, plants had to be fully operational within four years as of receiving the Agency’s grant. The deadline generated a huge queue of possible new projects pending grant, to the point that the total number of applications (almost 200 GW) accounted for more than the country’s current installed capacity in operation.



Coupled with the vast number of projects, the transmission flow margin was depleted, creating yet another bottleneck for the system and an impediment to developing granted plants.

In May, given this imbalance, Aneel proposed the amicable termination of agreements for use of the transmission system signed by renewable energy generators that did not have viable projects. The Agency structured this termination in an Exceptional Mechanism, allowing the plants to leave the system without fines, penalties or excessive financial burdens. In addition to the termination, it was possible to regularize grants, so that agreements for use of the transmission system remained in force, and waive fines or penalties and some payment adjustments, in order to enable the implementation of projects at an advanced development stage.

We believe that, from an investor's point of view, the mechanism has enabled a re-evaluation of the portfolio and, as far as possible, the regularizations have provided security that the companies will be able to execute the project on the actual development schedule, without penalties for delays. Faced with this reality of adjusting the granted schedules to new schedules, we diligently took advantage of

the opportunity to postpone the schedules, when appropriate, of our investments.

New project development process

Another important regulatory change implemented in 2023 was known as the “inversion of phases” for the procedural rite of project development. The new model requires that, in order for a project to be implemented, first the connection to the transmission or distribution system must be guaranteed; then, only after detailed information is provided, can the project be authorized. Thus, an Agreement for Use of the Transmission System (Cust, in Brazilian Portuguese) must be signed before the grant is published, which is the de facto authorization to build the project.

From an investor's point of view, the measure is beneficial, as it brings more clarity to the regulatory process as a whole and brings the reality of a development closer to the procedural rite. With more robust guarantees in the access process, the system can have more accuracy in expanding generation and security as regards project implementation.

Fair remuneration

The transformation of the Brazilian electricity sector, based on the growing implementation of variable renewable plants (a term that encompasses hydropower, wind and solar), whether centralized or distributed, has imposed a new way of operating the system.

We have been discussing the parameters for renewing hydropower plant concessions, which have been in our portfolio for 30 years, in order to consolidate a business model that provides more security to entrepreneurs, fair remuneration to investors and ensures the best service to end consumers.

In addition to the evaluation of parameters for hydropower plants, it is important to consider their features, e.g., energy generation flexibility and power supply, as well as a series of energy security services (called ancillary services), for the proper functioning of the system, such as the absorption of reactive power, which was the subject of Aneel's Public Consultation No. 44/2023, to which we sent our contributions in order to support the auction that seeks to remunerate the services provided to the SIN.

Still on the subject of fair asset remuneration, we have actively participated in various sector discussions, including in associations of which we are members. One of the important topics was the Ballast and Capacity Methodology, a theme widely known in the industry as the “Separation of Ballast and Energy” and the subject of MME’s Public Consultation No. 146/2022.

Another aspect under debate, but more related to the impact of the system operation on a plant’s generation availability, concerns constrained-off operation, i.e., an order issued by the National System Operator’s (ONS, in Brazilian Portuguese) to reduce generation, motivated by transmission network limitations, system reliability requirements or energy limitations. Such restrictions on energy production are detrimental to companies, which sustain revenue losses.

There are only regulations addressing constrained-off operations for wind and solar power plants but said restrictions impact all of our assets. The regulation, in principle, aims to assess the types of constraint, the amount that can be reimbursed to the generation agent, given that it has no control over the production decision. However, considering that no event is caused or can be controlled by the generator, from an investor’s point of view, the rules are quite damaging.

The issue becomes clear when evaluating the SIN shutdown event (“August 2023 blackout”). On said occasion, several generators were disconnected from the system and, despite the re-establishment of power and the grid, for energy security reasons, many plants remained with generation restrictions. In order to improve this discussion and seek to reverse its detrimental effects, a lawsuit spearheaded by ABEEólica and Absolar is seeking reimbursement for the amounts the companies were prevented from generating through the reassessment of the regulation and the rights of generators, given the post-blackout restrictions.


Free Energy Market Opening

We are attentive for market opportunities, especially those arising from the authorization for all high-voltage consumers to acquire their energy in the free energy market as of 2024.

The main benefits of migrating to the free energy market are cost reduction and predictability (consumers become less exposed to price increases and changes in tariff flags) and flexibility (customers can choose their electricity supplier, source, volume, agreement terms, as well as negotiate prices and price adjustment schedules).

According to the Electricity Trading Chamber (CCEE, in Brazilian Portuguese), retailers represented a total load of 291 MWavg in 2023, 50% more than in 2022. At year-end, the CCEE had 100 companies qualified as retailers.

Close to 12,800 consumer units have formalized their intention to migrate to the free energy market in 2023, 94% of which demanded loads below 500 kW. Considering the six-month period between the termination of the contracts with energy distributors (formal notice to them that the consumer is migrating



Close to **12,800**
consumer units have
formalized their intention to
migrate to the free energy
market in 2023

to the free market) and the actual migration, it is expected that these free energy contracts will come into effect in the first half of 2024.

Green agenda

The year 2023 was marked by intensive action in the legislative branch to create an environment for regulating new technologies or markets to foster a green agenda as well as the famous energy transition.

In November, the House of Representatives approved Bill 2,308, which established the legal framework for low-carbon hydrogen and introduced the Brazilian National Low-Carbon Hydrogen Policy.

Upon approval of the Bill, green hydrogen (hydrogen fuel obtained from different technological routes using renewable energy sources)

and hydrogen fuel (used in fuel cell systems, engines and other combustion processes, for transportation, heating, electricity generation and industrial applications, among others) will be added to the Brazilian National Energy Policy and the Brazilian energy matrix, paving the way to develop a hydrogen market and related regulations.

It is important to mention that, in 2022, we signed a pre-agreement with the Port of Pecém's Industrial Complex (CE) to begin feasibility studies for the production of up to 2 GW of green hydrogen from electrolysis and up to 800,000 tons of green ammonia per year, in line with our strategy to contribute to the decarbonization of the global energy matrix through new technologies that help customers in this mission.

The House of Representatives also approved Bill 5,174, which created the Energy Transition Acceleration Program

(Paten, in Brazilian Portuguese) and the Green Fund (Fundo Verde). This fund aims to finance sustainable development projects, especially those related to infrastructure, technological research and technological innovation; bring financing institutions closer to companies interested in sustainable development projects; and allow private legal entities to use federal tax credits as a financing instrument.

Paten will rely on the Green Fund, managed by the Brazilian Development Bank (BNDES, in Brazilian Portuguese) and made up of private assets, such as registered warrants and federal tax credits; and the possibility of a tax transaction contingent on investment in sustainable development.

This project emerged as an idea to mobilize funds and expedite the use of renewable energies, hydrogen production and other initiatives. Furthermore, the

Green Fund aims to make Brazil more competitive without increasing public spending, ensuring that companies interested in implementing sustainable development projects can access credit lines at more attractive interest rates.

In 2022, we signed a pre-agreement with the Port of Pecem's Industrial Complex (CE) to begin feasibility studies for the production of up to

2 GW of green hydrogen

2030 ESG Commitments

Our operations contribute to an economy based on **carbon-zero energy production and consumption.**

The 2030 ESG Commitments comprise our long-term vision of climate change, diversity, equity and inclusion as well as ethics and transparency, in line with the strategic themes proposed by the six priority SDGs.

As a result of our strategy to be a 100% renewable company, thus positively contribute to global goals of energy transition towards

a low-carbon economy, our CEO, Rogério Jorge, was announced as spokesperson for UN SDG 7 – Affordable and Clean Energy, through the UN Global Compact's *Liderança com ImPacto* (Leadership with Impact) Program in Brazil.

One of our commitments is to contribute to the energy transition by increasing the share of renewable power in the Brazilian energy matrix, thus meeting SDGs 7 (Affordable and Clean Energy) and 9 (Industry, Innovation and Infrastructure).

The goals of reforesting 20% more than what is set out in the environmental licensing commitment and neutralizing our GHG emissions are linked to our desire to fight climate change. Our work aimed at restoring Brazilian flora biomes is

carried out by specialized teams and through processes that range from collecting seeds to monitoring the reforested areas.

The year was marked by important advances in gender equity and diversity indicators, especially the number of women holding senior management positions. Over the last three years, the share of women in said positions increased from 18% to 29% in 2023, very close to the target of 30% of women at this hierarchical level by 2025.

We also reduced greenhouse gas (GHG) emissions, thanks to our diligence and the way we resolved the SF6 leak at the Ventus Wind Power Complex (RN).











Joining strategic initiatives

We are a signatory to some of the most relevant global ESG initiatives, led and promoted by the UN Global Compact Brazil Network:

- **Women Lead Movement 2030 (*Movimento Elas Lideram 2030*):** commitment to gender equality in senior management by 2030
- **Mind in Focus initiative (*Movimento Mente em Foco*):** commitment to promoting employees' mental health
- **Climate Action Platform:** integration of climate change agenda into the corporate strategy
- **Human Rights Action Platform:** commitment to initiatives and practices regarding respect and appreciation of the topic
- **Anti-Corruption Action Platform:** promotion of anti-corruption initiatives



2030 ESG Commitments

Priority SDG	Commitments	Goal	Progress status	2021 Performance (reference year)	2023 Performance	Initiatives developed
	Promote diversity, equity and inclusion, ensuring equal opportunities at all levels.	By 2025, have 30% of women in senior leadership positions.		18%	29%	We increased the presence of women in senior leadership positions: the presence of women went up from 25% in 2022 to 29% in 2023 (read more in Governance Structure and Diversity).
 	Contribute to the energy transition through the increase of renewables in the Brazilian energy matrix.	Contribute, through the generation of renewable energy, so that our customers can avoid the emission of 582,000 tCO2e per year as from 2025.		N/A	N/A	In 2023, we advanced with the construction of the Tucano and Cajuína Wind power Complexes and took over the operational control of the Ventos do Araripe, Caetés and Cassino wind power complexes. (read more in Portfolio diversification).
	Transform lives through the local development of communities near our operations and ensure equal opportunities.	By 2030, have 30% of underrepresented groups (ethnic-racial, gender identity and sexual diversity) in leadership.		11%	21%	Progress of the Diversity, Equity and Inclusion Program and the Internship Program, with affirmative positions for these groups. In 2023, we developed a new Diversity, Equity and Inclusion Strategic Plan (read more in Our workforce).
		Hire at least 50% of local labor in construction of new projects.		ND	ND	Supplier engagement in progress in order to prioritize local manpower.

Subtitle:  Progress as expected

 Advanced

 Goal achieved

Priority SDG	Commitments	Goal	Progress status	2021 Performance (reference year)	2023 Performance	Initiatives developed
	Positively impact mitigation efforts to the effects of climate change	By 2030 reduce scope 1 and 2 greenhouse gas emissions by 18% tCO ₂ e per MWh generated, compared to 2020.	●	0.327 tCO ₂ e/GWh	0.070 tCO ₂ e/GWh	In 2023, total GHG emission was 1,237.9 tCO ₂ e for scopes 1 and 2. Emissions were down by almost 4% compared to the previous year due to the diligence and management for the solution of the SF6 leak at the Ventus Wind Power Complex (RN). (Read more in Climate Change) .
		Continue to neutralize our carbon emissions and be carbon positive annually.	☑	2020 neutralized	2022 neutralized	Greenhouse gas emissions related to 2022 were neutralized in 2023. We maintain this neutralization every year by purchasing carbon credits. Emissions for 2023 will be neutralized after we publish the GHG inventory in the 2 nd half of 2024.
		Até 2025, compensar as emissões históricas desde o início da operação da AES Brasil.	☑	N/A	1999 to 2020 neutralized	In 2022, we neutralized all historical greenhouse gas emissions (scopes 1, 2 and 3) since the start of our operations in 1999.
	Conserve, protect and preserve biodiversity	By 2030, increase reforestation by at least 20% in addition to the commitment to recover occupied areas.	●	0 (reference year)	5.7%	Investment in biodiversity projects in 2023 amounted to BRL 26 million, enabling the reforestation of 243.4 hectares of Atlantic Forest and Cerrado. In the last two years we have voluntarily reforested 20 hectares of Caatinga, in addition to our formal commitment, contributing to the recovery of occupied areas.

Subtitle: ● Progress as expected ● Advanced ☑ Goal achieved

Energy transition

GRI 3-3 Material topic – Energy transition

2.5 GW
installed
capacity of
wind and solar
generation.

2.7 GW
of installed
hydroelectric
generation
capacity



Up to 2016, our generation park comprised only hydropower plants, totaling an installed capacity of 2.7 GW. Today, our installed capacity is 5.2 GW, about half of which comes from wind and solar sources ([read more in Product and solution portfolio](#)).

Our business expansion was driven by the acquisition of operational assets and construction of new wind farms, namely the Tucano and Cajuína Wind Power Complexes. These two

assets reflect our focus on contributing to the expansion of Brazil's renewable energy matrix, through low-cost clean, safe and highly reliable energy, capable of creating value for all by meeting the needs and demands of companies that seek AES Brasil as a partner for their energy transition.

For us, renewable energy has been our business model since the beginning of our operations in Brazil and is fully aligned with global needs and commitments to transition towards energy

sources other than fossil fuels. This topic took center stage at the 28th UN Climate Change Conference (COP 28), held in Dubai in at the end of 2023.

COP28's final document is an excellent material to explain geopolitics in light of the environmental agenda. After much discussion about mentions of fossil fuels and the tone to be adopted regarding energy transition, the document addresses the commitments needed to curb climate change and ratifies the goal of limiting the increase in average global warming to 1.5°C. For this reason, the goal of tripling renewable energy capacity and doubling energy efficiency worldwide by 2030 became even more relevant.

Over the past few years, we have invested in adding modern wind and solar generation plants to our portfolio, demonstrating our ability to present ourselves as the best alternative for customers.

Just and urgent decarbonization

The biggest global challenge is to decarbonize the energy matrix by balancing affordable energy generation with environmentally sustainable and socially just solutions, in line with the UN Sustainable Development Goals.

The World Energy Transitions Outlook (Weto) report, prepared by the International Renewable Energy Agency (Irena), corroborates the outcomes of COP28. According to the report, the goal would be to jump from the current 2,800 GW of renewable energy to more than 11,000 GW by 2030, adding, on average, at least 1,000 GW per year to the global energy matrix. According to Irena, the world gained 300 GW of renewable energy in 2022, which already represents an all-time high for the global matrix – currently, only 28% of global electricity comes from renewable sources.

The renewable energy market has never been more necessary or grown so fast. According to the Ministry of Mines and Energy's 2031 Ten-Year Energy Expansion Plan (PDE, in Brazilian Portuguese), Brazil's installed capacity was 200 GW in 2021 and is

expected to grow 75 GW by 2031, reaching 275 GW. Approximately 59 GW of which will come from wind and solar sources. The market configuration is also likely to change, as self-production and distributed generation contracts are expected to double their market share from 10% in 2021 to 20% by 2031.

Having complementary sources in our asset base is important because they reduce portfolio volatility, enhance resilience and make our assets more competitive.

Related policies

- Research and Development Policy
- Asset Management Policy
- Sustainability Policy

Product and solution portfolio

GRI 2-6

In São Paulo, our portfolio comprises 9 hydroelectric power plants (HPP), 3 small hydroelectric power plants (SHPP) and 2 large solar power complexes. In Brazil's Northeast region, we have expanded our range of renewable sources and generation capacity by adding 8 wind power complexes. In the South region, we have 1 wind farm.

Our varied energy generation portfolio is key to customers achieving their own sustainability goals. Through resilience, competitiveness and responsibility, we contribute to the energy transition journey of several customers.




We are one of the leading renewable energy generators. During the year, the number of customers in the free energy market grew substantially, which has boosted our increasingly strong presence in the retail sector – in Brazil, we are one of the three retailers that migrated the greatest number of customers.

In 2023, we maintained current and future power purchase agreements with customers in all Brazilian

regions, the vast majority of which are long-term agreements (PPAs). Many of these agreements were signed with customers operating in the Technology, Metallurgy, Aluminum, Chemical and Fuel industries.

The PPA signed with Microsoft to supply 154 MW of renewable energy from the Cajuína Wind Complex is an example of a successful deal that includes several specific requests by the big tech. The load to be delivered over 15 years, starting in July 2024, will prevent the emission of 28,700 metric tons of greenhouse gases (GHG) per year, which will contribute to Microsoft's global strategy of cleaning up its energy matrix.

Diversified portfolio
Total installed
capacity of
5.2 GW
(0.1 GW under
construction)

 **2.7 GW** hídrico
 **2.2 GW** wind
 **0.3 GW** solar
of installed capacity in
operation and under
construction

We present below our solutions:

Power Purchase Agreements (PPAs)

PPAs are bilateral power purchase and sale agreements at fixed prices and terms. The main benefits for our customers, especially energy-intensive companies, are cost reduction and predictability. In a long-term PPA, the contract is linked to a specific generation asset, for a fixed term and price, which allows customers to choose freely the energy they are going to purchase, with better negotiation of prices, terms and commercial conditions.

Self-production

In this option, customers receive a concession or authorization to generate their own energy, which can fully or partially meet their demand, depending on the size of their plant and their project's corporate structure. By taking on the burden of generation, self-producers guarantee a certain energy load to the system and, in return, are exempt from some sectoral charges proportional to their consumption – if the energy generated comes from a renewable source, self-producers are granted, by law, a 50% discount on the tariffs for the use of the distribution and transmission systems (Tariff for Use of the Distribution System – TUSD, and Tariff for Use of the Transmission System – TUST, both in the Portuguese acronym).

Trading Desk

Our Energy Trading Desk actively manages our generation portfolio by trading electricity, supporting the energy acquisition solutions offered to customers and guaranteeing our presence among the main energy traders and generators in the Brazilian electricity sector.

Most of our outstanding position results from the Energy Trading Desk, which trades our production. Our teams sell a large part of the available energy volume in advance, complementing portfolio management to its full potential.

The Trading Desk's governance follows the Market Risk Management and Credit Risk Management Policies. When non-standard movements are noticed, six financial performance metrics and conservative credit and trading limits trigger alerts to internal committees.



Our retail operation is one of the most competitive in the free energy market and already serves more than **900** consumer units



in **247** cities across **22** states

Retail

The service of representing individuals or companies before the Electricity Trading Chamber (CCEE), provided through our own sales structure and qualified commercial partners (sales channels).

Energy Management

Energy Management is a dedicated service offered to free market customers who want to take advantage of all benefits this environment provides. Our team devises the best strategy for acquiring energy and conducts all operational management with the CCEE, contributing to more efficient management of energy contracts.

Renewable Energy Certificate (REC)

REC is a renewable energy certificate that proves that certain energy consumption comes from 100% renewable sources and is traced back to the generation source. The guarantee of purchasing provenly renewable energy contributes to brand positioning. We are market leaders in REC, with more than 4 million certificates issued in 2023. Our certificates are issued and registered on the International REC Standard (I-REC) platform. Most of them also have REC Brazil certification, which guarantees compliance with sustainability criteria in line with the UN's Sustainable Development Goals (SDGs).

Carbon credits

Carbon credits are flexible mechanisms that help offsetting polluting gases emissions. Each credit represents the non-emission of one ton of carbon dioxide into the atmosphere. Some of our wind and solar power plants are in the process of qualifying for new credits – the latest were approved in 2022, from the Mandacaru and Salinas wind farms.

+ than **4 million** RECs were issued in 2023

Tailored Solutions

The possibility of tailoring energy contracts is one of the major differentials we offer to the Brazilian market. One of our most important goals is to help our customers achieve their decarbonization goals. Our contracts are based on the customer's specific needs. Each agreement becomes very individual, tailor-made, which builds longer-term relationships that generate higher margins.

A trend that has been standing out in the current scenario is that companies of all are now seeking contract flexibility. The market as a whole is adapting to serve them in the best way possible.



Portfolio diversification

GRI 3-3 Material topic - Energy transition



Diversified portfolio with tailored solutions to our customers

Water, wind and sun are our energy generation sources. Our portfolio includes 23 active assets in seven Brazilian states: 9 wind farms, 2 solar farms and 12 hydropower plants. In 2024, 97% of the portfolio is contracted and, for 2030, 60% of the energy volume is already contracted.

In 2023, we completed assets that consolidate our position as one of Brazil's largest electricity generators.

Phase 1 of the Cajuína Wind Power Complex was delivered and is fully operational. Construction works for Phase 2 are 94.5% completed, with 52 out of the park's 65 wind turbines in operation. The remaining 13 turbines (74 MW) are expected to be connected to the Castanha substation in the first half of 2024.

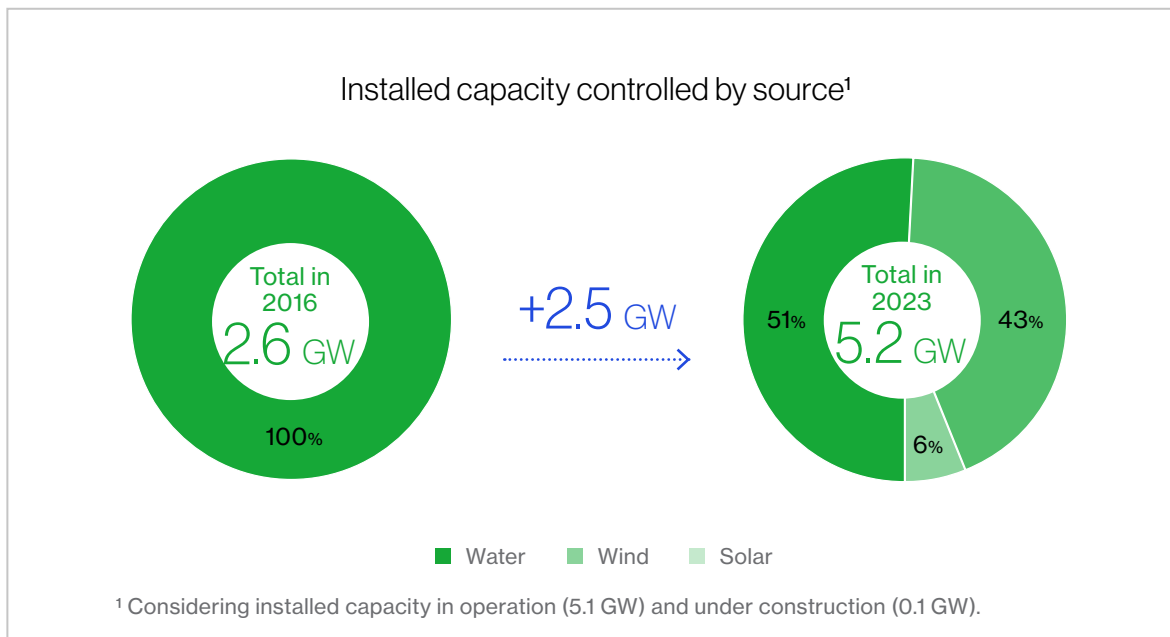
The Tucano Wind Power Complex has all 52 wind turbines commissioned and have authorization for commercial operation. By February 2024, 36 machines were in commercial operation, while 16 had components being retrofitted. The wind farm is expected to reach full operational capacity in the first half of 2024.

We have also begun to work on the expansion of the Ouroeste Solar Power Complex (SP), with the construction of AGV VII Solar Farm in an area adjacent to the complex. The project has installed capacity of 33 MW and is expected to start operating in the second half of 2024. Moreover, we continued the integration of the Caetés, Ventos do Araripe and Cassino wind farms, acquired in December 2022.

In 2023, we consolidated our business growth through all these assets contracted over the past few years, which led us to create even more value. Our strategy of having complementary profiles and a longer-term portfolio enables us to serve customers without generating market exposure, through the different contracting environments that make up our revenue.

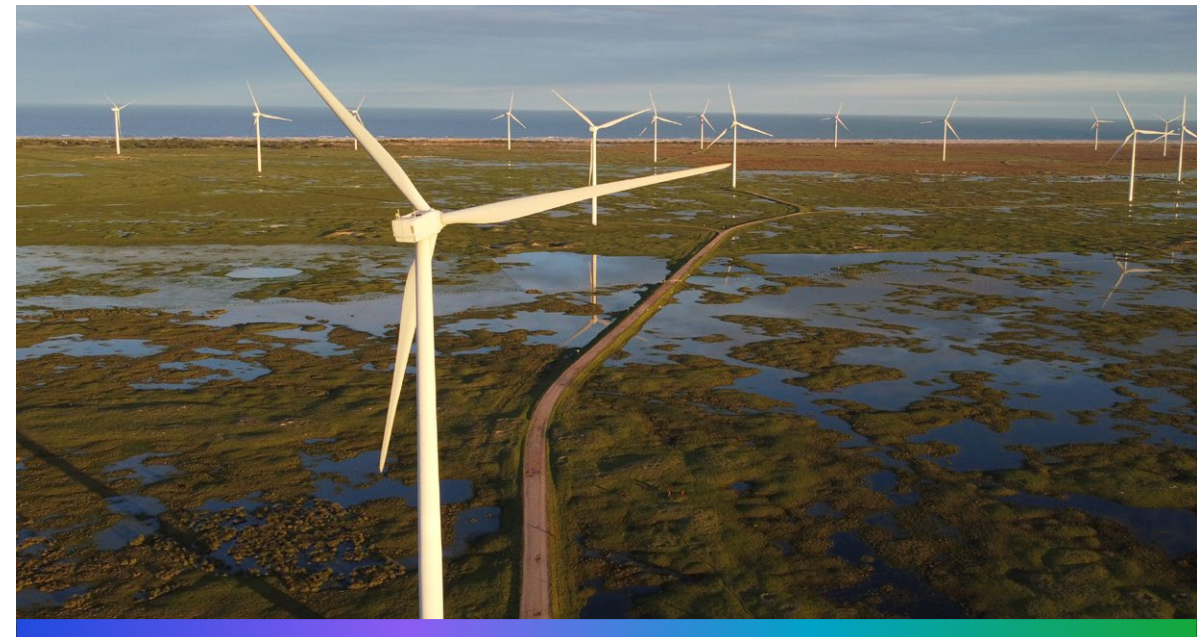
We are strengthening our commercial partnerships. Our transparency and reliability have made a difference for companies that partner with us in our projects.

Portfolio



We have also been able to diversify the company’s exposure to currencies by signing dollar-denominated agreements. Our customer base is also varied, comprising companies from different economic sectors, which are served differently: over-the-counter retail, trading operations, self-production plants or long-term PPA contracts ([read more in Product and solution portfolio](#)). The quality of our diverse portfolio guarantees low buyer concentration and ensures a healthy credit profile.

In 2024, one of our management priorities will be to make Tucano 2 and Cajuína 3 (272 MW) feasible through capital discipline.



Tucano and Cajuína Wind Power Complexes

Cajuína Wind Power Complex (RN)

314 MW
Stage 1 of Cajuína

Phase 1 of Cajuína Wind Power Complex:

Construction completed. All 55 wind turbines are in commercial operation, and its energy has been fully contracted through long-term PPAs. The complex now supplies energy to Minasligas, Ferbasa, Copel and BRF through long-term agreements (average duration of PPAs is 18.3 years).

Phase 2 of Cajuína Wind Power Complex:

Project is in the final development stage, with 94.5% of construction completed, and 52 of the 65 wind turbines in commercial operation. The farm is expected to be fully operational by the end of the first half of 2024.

Construction works began in 2022. Cajuína is the result of partnerships with large companies such as Unipar and BRF, which have signed self-production contracts. One of the complex's unique features is that it will be solely operated by women, as with the Tucano Wind Power Complex (BA).

Tucano (BA)

Phase 1 of the Tucano Wind Complex, located in the municipalities of Tucano, Biritinga and Araci, the state of Bahia, has a total installed capacity of 322.4 MW, of which 155.0 MW is through a joint venture with Unipar for self-production of energy and 167.4 MW is contracted in a PPA with Anglo American.

This was the first wind generation project built by AES Brasil. It is also a pioneer because the operation and maintenance team is all female.

At the complex, all 52 wind turbines have been commissioned and are authorized for commercial operation. The wind farm now supplies energy to Unipar and Anglo American through long-term agreements (average duration of PPAs is 17.4 years).

100% female team is responsible for the operation and maintenance of the Tucano and Cajuína Wind Power Complexes

By February 2024, 36 turbines were in commercial operation and the components of 16 machines are going through a retrofitting process. All the issues mapped out during construction and commissioning are currently in the final stage of correction and we have a team focused on ensuring that the supplier makes all necessary adjustments. The wind farm is expected to reach full operational capacity during the first half of 2024.

All-female operation

In two of our wind power complexes (Tucano and Cajuína) we have invested in all-female workforce. We have been pioneers in selecting, training and hiring only women to operate the new plants. First in Bahia, where we trained 28 women from the region in 2022, then, in Rio Grande do Norte, where a 460-hour training program prepared 73 students in 2023. In both regions, we partnered with the state's National Industrial Learning Service (Senai, in Brazilian Portuguese).

This different perspective on the social mobilization potential of our own activities has attracted the attention of our peers. Internally, the female profile has transformed the way we think about employee-centered actions. Topics directly suggested by them, such as domestic violence, have been included in the activities of the Internal Accident Prevention Weeks (Sipats, in Brazilian Portuguese). Thus, we expect that more women will soon advance in their careers and reach leadership positions.

The entry of women in the company in operational positions has progressively increased based on affirmative actions. The number of women hired for these positions rose from 19 in 2022 to 32 in 2023.

Caetés, Ventos do Araripe and Cassino Wind Power Complexes

At the Caetés (PE), Ventos do Araripe (PI) and Cassino (RS) Wind Power Complexes, acquired in December 2022, we focused on integrating them into our strict operational control environment, carrying out asset diagnostics, implementing maintenance plans, acquiring spare parts and replacing major components to improve operational performance. Team integration was also an important aspect in the transition process; thus, we invested heavily in employee training and capacity building.

Ouroeste Solar Power Complex

We have started the expansion works of the Ouroeste Power Solar Complex, in the interior of São Paulo state. The complex already features the Boa Hora and AGV I to VI solar farms, which have been in operation since 2019, and will now have the AGV VII farm in an adjacent area. The project, which is currently under construction, has an installed capacity of 33.2 MW and a projected Capex of BRL 162.4 million.

The AGV VII solar farm attests to our commitment of making more megawatts available in São Paulo state. At the end of the construction works, the Ouroeste Solar Complex will have an installed capacity of 178.3 MW.



Innovation

GRI EU8

For the fourth consecutive year, we have been included in [Top 100 Open Corps](#), a ranking prepared by the [100 Open Startups platform](#), we were also ranked among [the top five companies in the Electricity and Renewable Energy category](#).

We have accelerated the future of energy through innovation, research and the development of solutions and products. The projects contribute to the improvement of the electrical sector, making our customers more competitive, creating value for society as a whole and reducing the social and environmental impacts of our operations.

As we are aware that innovation is key to drive our business, we have a team fully dedicated to the topic. We comply with the regulatory obligation set out in the Research, Development and Innovation (RDI) Program of the Brazilian Electricity Regulatory Agency (Aneel), investing 0.4% of our net operating revenue in innovation projects. Through this program, we have been the first electrical company to accelerate startups.

Over the last decade, we invested over BRL 90 million in more than 45 innovation projects.

In 2023, we invested more than BRL 6.9 million in the RDI, 10% more than in 2022 (BRL 6.3 million).

We also encourage open innovation, through the AES Brasil Conecta Program ([read more in AES Brasil Conecta Program](#)). We invested more than BRL 8 million in startups, resulting in a stake in two of them, in addition to the acceleration of another five, the completion of five Proofs of Concept (PoCs) and the development of research and development projects by other startups.



Trend Map

We hired a consulting firm that specializes in studying the behavior of youth to analyze new energy consumption patterns. The Trend Map should be analyzed by senior management in order to define the strategies and the action plans to be executed in 2024.

AES Brasil Conecta Program

AES Brasil Conecta is our new innovation program. The challenge is to attract mature startups that present new solutions to the company's strategic challenges. In 2023, three PoCs were completed, including the automation of internal processes.

In the year, the Program joined Cubo Itaú, Itaú's innovation hub. We started using an online platform to pose challenges to the pool of registered startups, a much more assertive and economical approach.

Innovation Forum

In addition to an intense relationship with the external ecosystem, we have the Innovation Forum, a corporate initiative designed to bring the other innovation areas closer and encourage them to apply new concepts to their daily activities. We regularly invite speakers to talk about innovative topics for the company as a whole based on the feedback received in an internal form.

Conecta Energia RN Program

Conecta Energia RN was the first open innovation program focused on renewable energy in Rio Grande do Norte (RN) state, where we already have two Wind Power Plants in operation (Salinas, in the Areia Branca region, and Ventus, in Galinhos and Macau), in addition to Cajuína, which is under construction. The program involved our mentors in partnership with Brazilian Micro and Small Business Support Service of Rio Grande do Norte (Sebrae RN, in Brazilian Portuguese) and Avati Aceladora with the aim to develop the region's ecosystem, encouraging novel projects focused on decarbonization, social innovation and wind power.

The program received 180 applications from startups, independent researchers and students. Approximately 200 hours of training and mentoring were offered to the 50 selected initiatives. Of these, 10 finalists participated in the bootcamp stage (intensive software development journey) and presented their solutions before an evaluation panel. The final award was granted at Go! RN, the biggest innovative entrepreneurship, startup and technology event in Rio Grande do Norte, at the Natal Convention Center; the top three entities received prizes of BRL 30,000, BRL 20,000 and BRL 10,000, respectively.

The result of a roadshow ([see the box](#)), the initiative supported the development of new high-value businesses: the winner was Micro Ciclo, a socio-environmental innovation startup that proposes the use of bacteria to treat oily wastewater;

Roadshow in the Northeast

In partnership with accelerator Avati, AES Brasil's Open Innovation Program visited six cities in the Northeast region to reach out to more than 400 innovative companies in the region. In addition to Natal (RN), we visited Fortaleza (CE), João Pessoa (PB), Campina Grande (PB), Recife (PE) and Salvador (BA) to present opportunities and research and development projects focused on green hydrogen, electric mobility, decarbonization and energy storage.

We received 463 applications, and 266 institutions participated in 116 business pitches and 28 technical visits.

the runner-up was Compensei, with a solution that prepares CO2 emissions inventories for its clients and their supply chain by using international protocols in order to manage and offset their carbon footprint through carbon credits, renewable energy certificates or reforestation; Evoluce Tecnologia came third by proposing the use of deep learning for predictive maintenance and anticipation of wind turbine failures.

Research, Development and Innovation Projects

GRI EU8

We encourage innovation based on the identification of internal challenges to create alternative technologies and new business models that lead to operational improvements and enhance efficiency and reliability. In addition, we rely on our relationship with the ecosystem to detect external signs and thus anticipate trends and identify business opportunities.

We have recently formalized the project prioritization and assessment process, making selection more transparent and

objective for the entire company. In addition, a project management platform focused on the new rules of Aneel's program was in the final implementation stage at the end of the year.

As regards to innovation and research, the review of Aneel's RDI manual was an important event in 2023. The new rules for using regulated RDI funds are in line with the strategy that had already been applied by the company for a number of years.

In 2023, Aneel's Research, Development and Innovation (RDI) funds were directed to

13 projects,
with a total investment of
approximately
BRL 7 million

Autopilot

Among the projects developed in 2023, Autopilot stood out because it enabled the creation of a product for energy customers. The project focuses on the development of an automatic load curve controller for large electricity consumers. By adopting Autopilot, customers will be able to reduce costs through load

optimization, as well as monitor load management more closely and in a more customized way.

Autopilot is a direct result of the outstanding technological development of the Microgrid Project, which started with basic applied science, on a laboratory scale, and has materialized our vision of the project's great potential, which

is now reaching the proof of concept stage, before the product is launched to the market. This phase is conducted in partnership with the Atlântico research institute, which operates in the Northeast with productization projects, and the GreenAnt startup. A total of BRL 3.5 million will be invested over 18 months.

The manual adopts KPIs (Key Performance Indicators that track and evaluate the success of an activity, initiative or process). Indicators include the innovation TRL (Technology Readiness Level) scale, one of the most well-established ways to measure the technological level, from basic study and research to applied research; and the products' financial returns, which is in line with our vision that innovation should be focused on creating new products, services and business models that enable a greener future for our clients and society.

In addition to encouraging the industry to develop and adopt innovative solutions, the new RDI Manual enables the production of knowledge and the creation of patents, aligned with AES Corporation's global goal of becoming a center of excellence capable of exporting technology, good practices and lessons learned in the construction and management of wind power plants.

In late 2023, we launched a new RDI project for operations planning and maintenance of wind power plants, using artificial Intelligence to increase efficiency and reduce costs. The challenge is to develop software that can analyze vast amounts of wind turbine data and propose a predictive maintenance plan for these assets.

Energy Fund

The second phase of the Energy Fund project, which is part of Aneel's RDI program, is designed to develop the software and ancillary financial products to support the policies and processes needed to create an entity to trade the fund's energy.

The project aims to use concepts related to collaborative economies and financialization to serve mostly small and medium energy generators. The suggested management and trading format operates like an investment fund operated by an asset management firm. The mechanism is similar to a co-operative, with energy sale and purchase risks and benefits shared between the members, operated in a scalable way by a third-party company (portfolio manager).

In addition to these research and development projects, in 2023, we also invested in solutions for:

Environment and Safety

Chimerism II

[Project under development.](#)

Also known as "fish surrogacy", it entails the creation and application of an advanced fish reproduction technique through the transfer of genes from an endangered species to an abundant species in order to conserve and replenish stocks in the natural environment.



Climate Risk

[Project completed.](#)

Study of the impact of climate change on the renewable energy generation and estimation of the financial impacts on the hydro, solar and wind generation portfolios, in addition to optimization of generation planning by recommending measures to adapt to climate risk at an operational level.

Vegetation Control in Solar Power Plants

[Project completed.](#)

Analysis of sustainable surface protection techniques for solar power plants in order to control erosion, allow permeability and reduce maintenance costs through the use of geotextiles, natural binders and even legumes for vegetation control.

Macrophyte Use

[Project under development.](#)

Use of sustainably obtained macrophyte biomass and extracts in different agricultural production systems (conventional or organic), industry and healthcare, creating an alternative source of income for energy generators and riverside populations.

Human Reliability

[Project completed.](#)

Development, testing and application of a computer system to generate dynamic procedures to support decision-making with the aim to provide more safety for people, assets and the environment in the hydropower plants.

Energy management

Strategic 22 – Electromobility

[Project under development.](#)

Study and development of new electromobility business models through the use of a digital platform for managing charging stations and installing charging infrastructure for electrical vehicles to execute proofs of concept with our partners. One of the major outcomes was a business partnership with the electromobility startup that participates in the project.

Planning and system management

VPP II – Virtual Power Plants phase II

[Project under development.](#)

Development of innovative software for optimized client load management and aggregation to streamline and provide more transparency about the management of energy resources and new value creation opportunities, such response to demand, battery dispatch and backup system.

BESS Feasibility Calculator

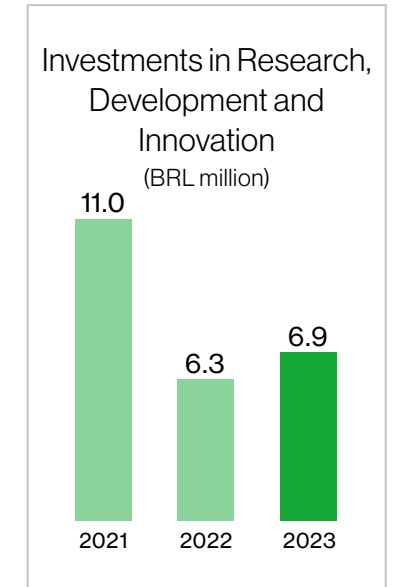
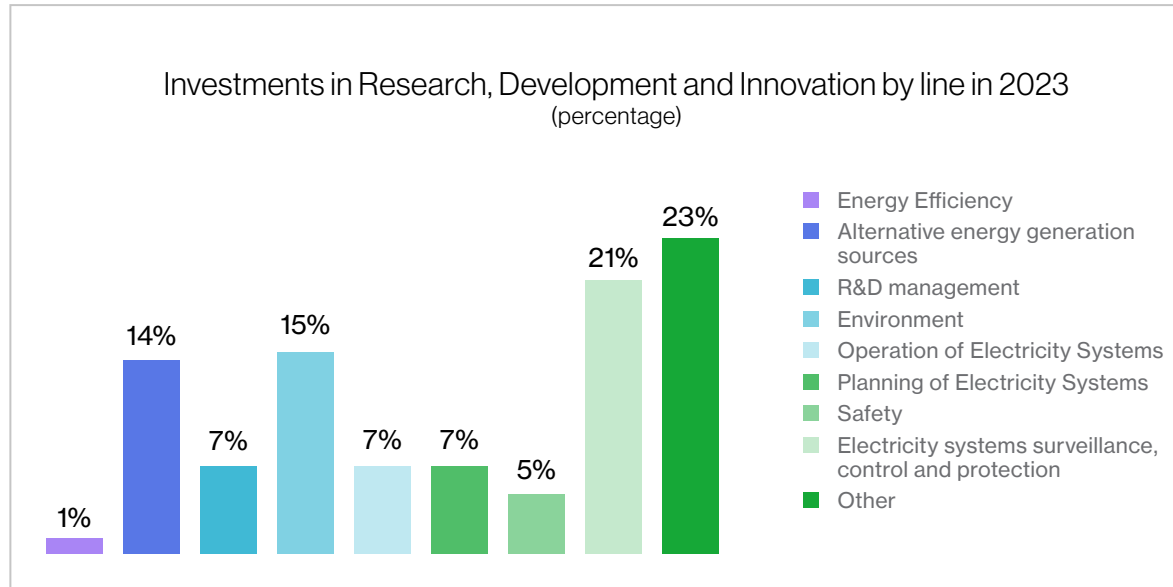
[Project under development.](#)

Development of a calculator that analyses the technical and financial feasibility of systems that store energy in batteries based on the actual load of free market customers and comparison with alternative systems, such as motor-generator sets (GMG, in Brazilian Portuguese). The tool also enables us to identify the best system for each client, in addition to measuring the financial gains and sustainability impacts.

Synchronous Green Hydrogen

[Project under development.](#)

Development of a simulator to optimize the conditions for low-carbon hydrogen production, considering the restrictions of the operational chain and the best cost. In addition, in order to create a certified H2 market in Brazil, the project comprises a module focused on studying regulatory aspects, identifying obstacles and proposing advancements in transmission use, trading rules and guidelines for certification.



RESILIENCE

44 Our generation

49 Portfolio management



Our generation

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

We strive to continually increase our business resilience by continuously managing our generating units and expanding our diversified portfolio through complementary generation sources in order to guarantee the availability of safe and reliable energy for our customers.

Focusing on growth, we have invested in wind and solar power plants, two successful production models on the global market.

The operational startup of the first phase of the Cajuína Wind Power Complex and part of the Tucano Wind Power Complex is part of this scenario, reinforcing our hydropower generation, which continues to play a major role in the national system. In 2023, increased rainfall and the subsequent recovery of the country's reservoirs to above-average levels resulted in higher-than-expected generation.

Installed Capacity in operation by source (MW¹)

	2023	
Source	MW	%
Hydropower	2,658.4	55%
Wind	1,880.4	39%
Solar	295.1	6%

¹Considers only the installed capacity of operating plants until December 2023.

Gross energy generation (GWh)


	2023	2022 ²	2021
Total	17,661.3	11,351.1	9,522.8
Hydropower	12,197.2	8,398.6	6,795.7
Wind	4,903.5	2,358.7	2,149.4
Solar	560.6	593.9	577.8

² Considers the generation of December 2022 from the wind assets Ventos do Araripe (PI), Caetés (PE), and Cassino (RS), the month in which these assets entered our base of operations. The 2022 wind generation was restated and considers the start of generation at the Tucano Wind Complex | GRI 2-4

Gross Energy Generation in 2023 (total and versus 2022)

 4,903.5 GWh gross wind power generation, ↑ up by 107.9%

 560.6 GWh gross solar power generation, ↓ down by 5.6%

 12,197.2 GWh of hydropower generation, ↑ up by 45.2%

Installed capacity in operation by energy market (MW)

69%
Free Energy Market

31%
Regulated Energy Market

Hydroelectric Power Plants

Our hydropower generation complex comprises nine hydroelectric power plants and three small hydroelectric power plants, which are part of the Energy Reallocation Mechanism (ERM), a financial structure for sharing hydrological risk. In practice, the ERM distributes the total energy generated in the mechanism to all the participating plants in proportion to their physical guarantees. Our hydropower generation accounts for almost 2% of the national system's total hydro physical guarantee.

Four of our plants operate with reservoirs (storage plants), while the others run on what we call streams (run-of-river plants).

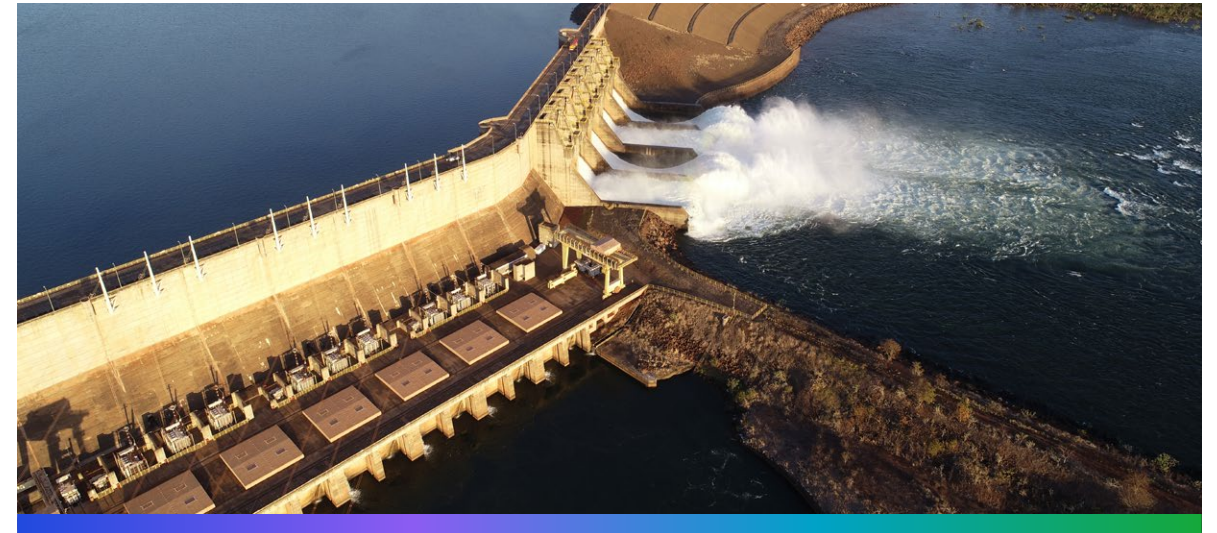
Revenue from our hydropower generation depends on a number of factors. The most important one is our energy allocation strategy during the year, and is not directly related

to generation volume, since our hydroelectric power plants are part of the ERM.

After several years of unfavorable rainfall for hydroelectric power plants, in 2023, rainfall volume enabled substantial hydroelectric plant dispatch determined by the ONS, which was even higher than in the previous year.

The total gross energy volume generated by our hydroelectric power plants was 45.2% higher than in 2022. Our plants recorded average availability of 90.3%, an important factor in assessing the company's asset management excellence.

In 2023, due to higher rainfall and the subsystems' reservoirs at maximum capacity, managing the system's resources led to a phenomenon called



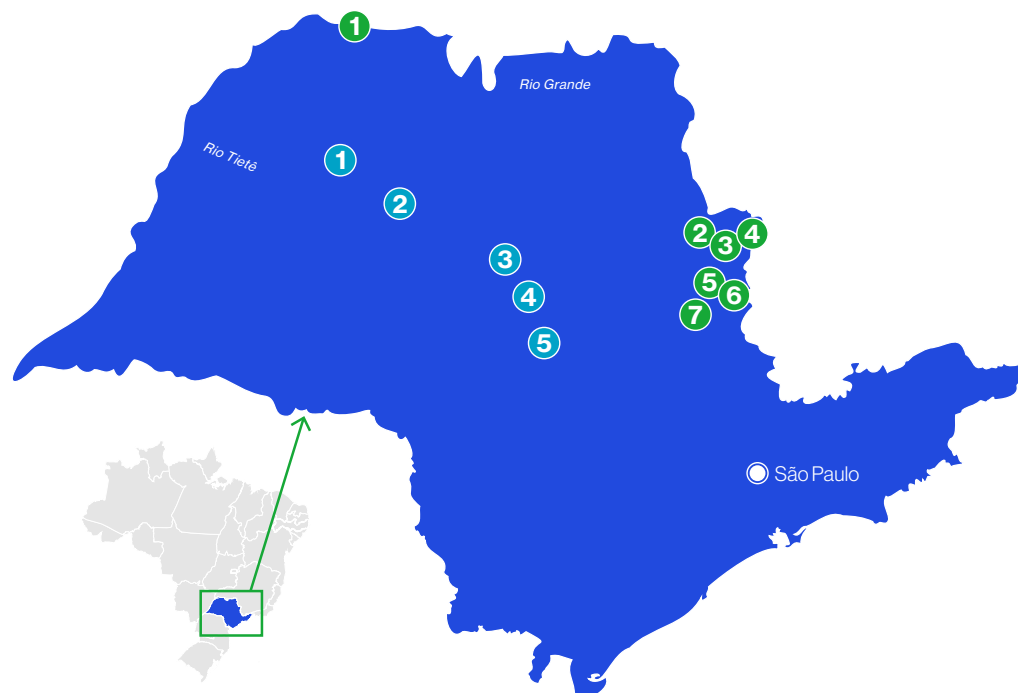
“Turbinable Flow” (or Vertimento Turbinavel in Brazilian Portuguese), which entails the release of water from the reservoirs when there is no demand for this energy.

It is important to emphasize that hydroelectric power plants are vital assets to the energy sector, as they have important characteristics for the system's

security. In this sense, since the plants are centrally dispatched by the ONS, they do not fully manage the use of their resources. Therefore, it is especially important to improve the industry, including fair remuneration for the assets, as presented in the Regulatory Background chapter ([see page 21](#)).



Hidropower Plants



Plants with gates

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

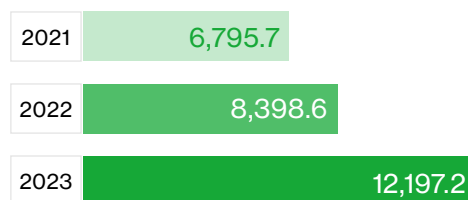
Plants without gates

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



2,658.4 MW
installed capacity

Gross hydropower generation (GWh)



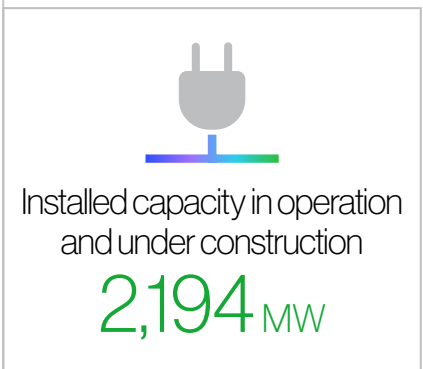
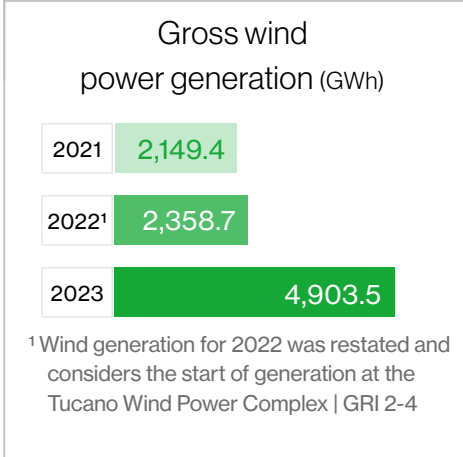
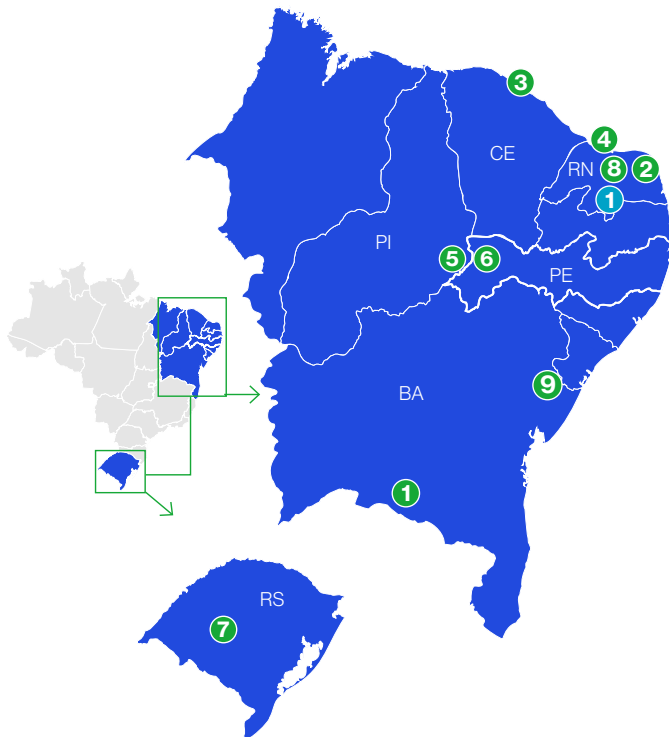


Wind power complexes

Over the past few years, we have invested heavily in this energy source, leading to an installed wind capacity of 2.2 GW, 0.1 GW of which under construction.

Our wind farms are distributed across six states and their operation varies according to the wind regime in each location and may have different guidelines, even though their operation is centralized by the ONS.

Gross generation at the Ventos do Araripe, Caetés and Cassino Wind Power Complexes totaled 1,656.0 GWh. In these assets, recently merged into our base, we have completed the implementation and consolidation of our asset management system and proceeded with the certification processes: ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), and ISO 55001 (Asset Management System).



Construction

- 1** **Cajuína Wind Power Complex 2**
74 MW out of 370.0 MW in final construction stage

Operation

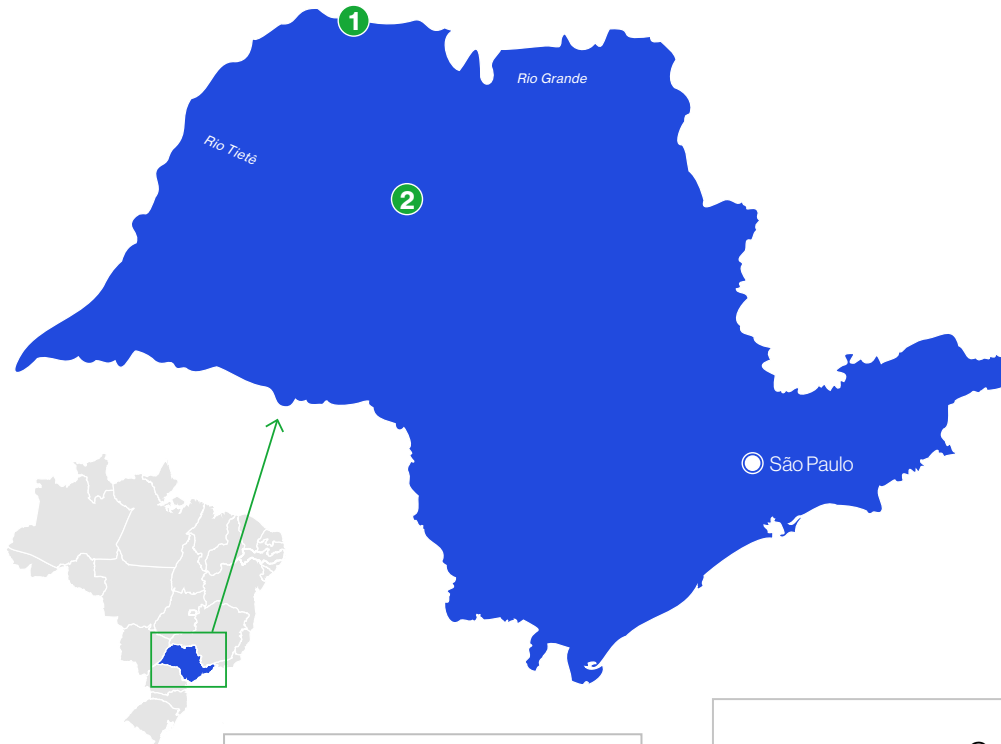
- 1** **Alto Sertão II Wind Power Complex**
Installed power: 386.1 MW
Number of wind turbines: 230
Number of parks: 15
- 2** **Ventus Wind Power Complex**
Installed power: 187.0 MW
Number of wind turbines: 112
Number of parks: 3
- 3** **Mandacaru Wind Power Complex**
Installed power: 108.1 MW
Number 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
- 8** **Cajuína Wind Power Complex 1**
Installed power: 314 MW
Number of wind turbines: 55
Number of parks: 7
- 9** **Tucano Wind Power Complex**
Installed power: 322.4 MW
Number of wind turbines: 52
Number of parks: 8

Solar power complexes

Our solar power generation comes from two complexes located in the interior of São Paulo. Our annual gross generation totaled 560.6 GWh in 2023, moving down 5.6% from 2022.

In Ouroeste (SP), a new solar farm is under construction as part of the Ouroeste Solar Complex's expansion.

As with wind power plants, solar farms can be subject to constrained-off operation. However, due to their location, restrictions were not significant at the two complexes.

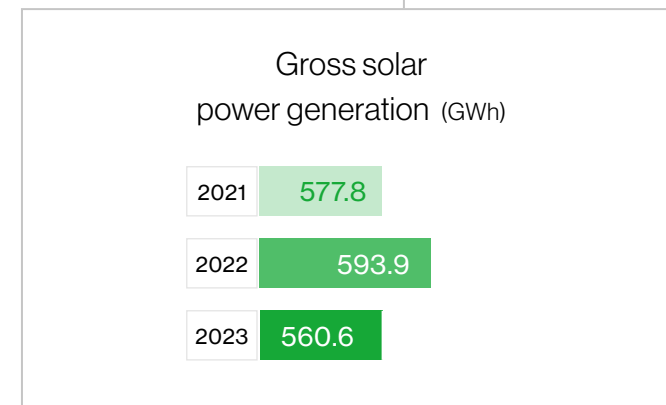
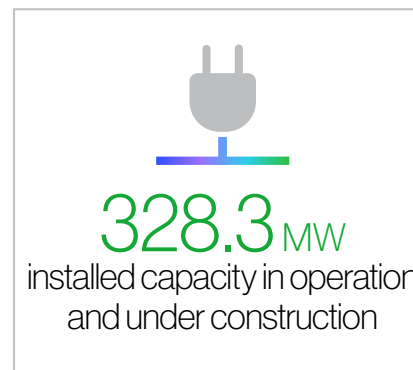


Operation

- 1** **Ouroeste Solar Power Complex**
Installed power: 145.1 MW
Number of solar panels: 522,760
Number of parks: 6
- 2** **Guaimbê Solar Power Complex**
Installed power: 150.0 MW
Number of solar panels: 557,490
Number of parks: 5

Construction

- 1** **AGV VII Solar Farm**
Installed power: 33.2 MW



Portfolio management

GRI EU6

Almost
100%
of the energy is
already contracted
for 2024 and 2025

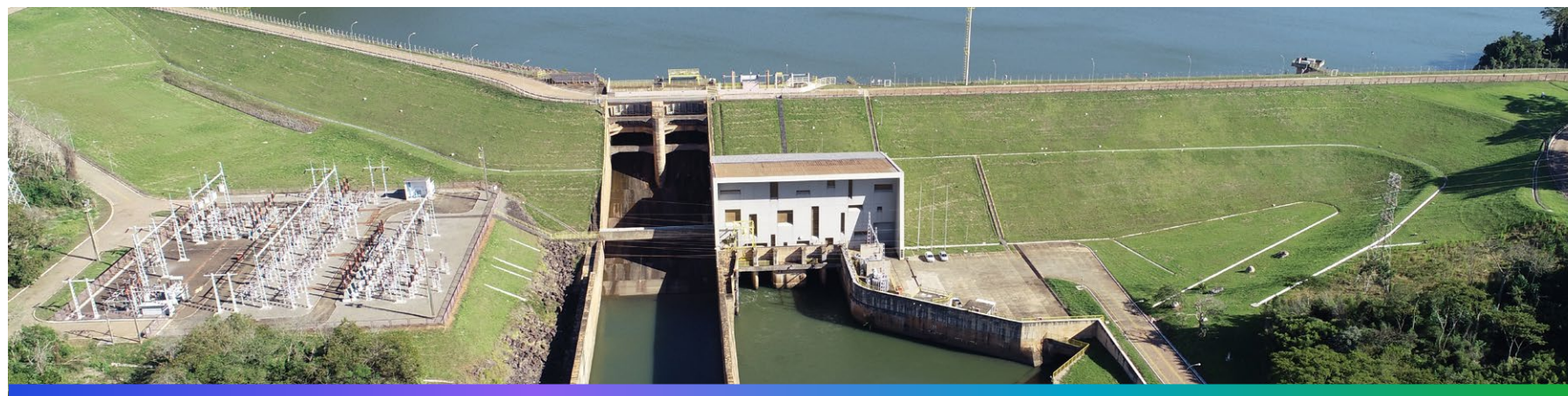
Our portfolio management considers using hydropower reservoirs to modulate generation availability and the minimum energy price when making dispatch decisions. Thus, we are able to maximize hourly price gains and guarantee adequate supply even when wind is scarcer.

We carry out regular market studies, which inform decisions on new investments to expand our generation park, the creation and pricing of new products and strategic guidelines linked to mitigating risks related to market exposure.

Free market and trading

Our meteorologists carry out long-term climate studies to identify possible periods of intermittent generation for each energy source. These analyses are essential for managing energy generation and modulating the prices charged on the trading desk.

In this scenario, having the Trading Desk operating daily in the free energy market, defining and implementing strategies in accordance with risk policies has brought us substantial capillarity and liquidity gains and allowed for active management of our increasingly complex portfolio.



COMPETITIVENESS

- 51 Excellence in generation
- 53 Dam safety
- 54 Customer Focus
- 55 Financial performance



Excellence in generation

In 2023, **72%** of the hydropower, solar, and wind power plants had ISO 14001 and ISO 45001 certifications, and **67%** were ISO 55001.

The year 2023 was marked by an increase in the share of wind and solar power generation in our energy matrix. The recent addition of operating wind assets balanced the hydropower installed capacity.

Focused on continuous improvement, internal and external audits attested to the compliance of processes that ensure operational efficiency in energy generation. In 2023, 72% of the hydropower, solar, and wind power plants had ISO 14001 and ISO 45001 certifications, and 67% were ISO 55001 certified. Also in 2023, the Ventus Wind Power Complex, located in Galinhos (RN), underwent an external audit, and it currently is one of the units that have ISO 14001 and 45001 certifications. The plants that have not been certified yet are undergoing the process for implementing the Management Systems, because they were recently acquired.

Physical Asset Management System

The Physical Asset Management System (SGAF), certified ISO 55001, defines the maintenance strategy for equipment and systems. The Policy focused on the topic establishes AES Brasil's commitment and formal plan to manage its physical assets in order to promote the sustainable development of the environment in which it operates, with the generation of clean, safe and reliable energy. The document also formalizes the support and commitment of the company's senior management to the SGAF in the different stages of the assets' life cycle: acquisition, operation, maintenance and decommissioning.

The Asset Management Committee is responsible for the SGAF, chaired by the Operations Director, for mapping risks, planning interventions and preparing critical analyses. The system's guidelines

provide for training on the topic for all company employees, available online through our learning tool.

The local procedures that make up the SGAF are reviewed annually after the disclosure of global objectives and goals by AES Corporation. In this way, we ensure that SGAF's local strategy is aligned with global guidelines, contributing to the coordination of processes, in order to extract maximum value from the company's assets.

Monitoring and measuring asset performance is carried out through specific indicators that are reported to leadership and those responsible for analysis and correction of identified problems. Furthermore, preventive and corrective actions, as well as continuous improvement, aim to identify

opportunities and address any and all deviations that the asset requires.

The identification of the company's risks follows an adaptation of the Failure Modes and Effects Analysis method, considering the severity of the impacts related to the materialization of risks, their estimated frequency and the possibility of identifying them in advance and treating them.

Internal and external audits are carried out regularly, annually, and are provided for in the SGAF procedures.

Supply Management

Excellence in generation also translates into the ability to organize our operations to avoid production losses or failures. Supply management allows us to have more control over our daily work steps and activities. At the Tucano Wind Power Complex, for example, we have the largest operating wind turbine model in Brazil, well suited for local wind conditions – 6.2 MW, while equipment in the market usually reach 2.1 MW. In

order to ensure adequate maintenance for equipment of each generation source (hydropower, wind, solar), we have created a specialized procurement structure, divided as follows:



Direct
services and materials that directly impact power generation.



Indirect
services and materials that do not directly impact power generation.

Moreover, we made progress in diversifying part of our suppliers and developing our global supply chain, which provides us with better inventory availability that feeds scheduled and emergency maintenance, thus avoiding generation downtime.

Forced outage level

The lower the failure rate of equipment in a given time frame (Equivalent Forced Outage Factor, EFOF), the higher the asset management excellence level. We determine maximum tolerable failure percentage for our assets and work to keep EFOF below the threshold.

In 2023, we set a 0.81% EFOF target for our solar complexes. By applying our processes to the operation and maintenance of our portfolio, EFOF stood at 0.55%. As regards to wind farms, we had set a 2.59% EFOF for the Cassino Wind Power Complex, one of the most recent complexes in our portfolio, but EFOF was 1.29%, 50% down from forced outages estimated for 2023. Our hydroelectric power complex, comprising 12 plants, reached a 1.16% EFOF, demonstrating our culture of asset management as a tool for achieving operational efficiency.

Dam safety

GRI EU21, EU25

All the dams in the hydroelectric power plants (HPPs) under our concession are structures consolidated, designed, built, and maintained according to the strictest engineering technical standards, in a single construction stage.

We carry out hydrological monitoring of watersheds through 36 telemetered stations distributed in tributaries and reservoirs, allowing us to anticipate decisions in high-discharge events. Specialized technicians and engineers monitor dam civil structures by using a wide range of instruments. We carry out periodic inspections of structures with the support of robotic technologies, such as drones and Remotely Operated Vehicles (ROV), of exposed and submerged surfaces. The technical team issues bimonthly technical evaluation reports, validating the structure's safety conditions.

One of the strengths is the use of new technologies. We are pioneers in the internal use of innovations, such as drones, which we adopt with our own quarterly inspection process.

Contingency Plans

Every year, we update and send our Emergency Action Plan (PAE, in Brazilian Portuguese) to civil defense bodies. The technical and administrative procedure helps us prepare local contingency plans in emergency events involving the dams, in a dam burst scenario. In 2023, we held workshops

with local civil defense bodies in self-rescue zones for integration and mutual experience exchange.

We update the Dam Safety Form (FSB) and send it to the inspecting agent, in compliance with Law 12,334/2010 and Aneel Resolution 696/2015, which establishes safety criteria and actions for hydropower plant dams. We provide internal training on the Emergency Situation Operation System (SOSEm, in Brazilian Portuguese), which defines the procedures for operating the weirs in high-discharge conditions, as well as carry out communication actions. In addition, we conduct campaigns aimed at informing the communities neighboring the reservoirs about the importance of attention and safety while doing leisure and entertainment activities.

It is worth noting that we are susceptible to and have already undergone auditing by the parent company (AES Corporation), regulatory agency, Environment and Safety Integrated Management System (SGI, in Brazilian Portuguese), and other agents.

In addition, we regularly conduct safety campaigns to raise population awareness about entering the reservoirs and wind and solar farms, by spreading media and distributing print and digital graphic materials, as well as hold contact channels.

Customer Focus

GRI 3-3 Material topic – Relationship with customers



Having lasting, productive, ethical, and healthy relationships with customers is one of our strategic pillars. This is one of the characteristics that enable us to be the top-of-mind choice in the free energy market, with resilient, competitive, and responsible solutions. Therefore, we cocreate and customize solutions with our customers.

We carry out several customer engagement initiatives, such as events, webinars, and communication actions that address energy-market related topics. Our tactical plan brings together our commercial initiatives – a good portion of them focused on enhancing customer experience and satisfaction.

We continuously improve our initiatives based on the feedback we receive through an annual satisfaction survey. This has been a relevant

tool to register ideas and suggestions shared with customers that will be incorporated into future action plans. In addition, we use the survey to track the effectiveness of these actions, comparing scores received for each attribute, year after year.

In 2023, we created a database that supports a new interface with customers in the free energy market in a much more intelligent process.

Our Net Promoter Score (NPS), the most acknowledged metric to quantify customer satisfaction, was at 86.5 points (with a margin of error of 7% more or less) in 2023, versus 95 points in 2022. The 8.5-point drop is due to the communication criterion. It is worth noting that an NPS above 75 is considered a zone of excellence.

Financial performance

GRI 201-1

In 2023, our net operating revenue was up by 20.6% from 2022, totaled BRL 3,431.5 million). Net operating margin totaled BRL 2,347.4 million growth of 36.6% in the year. These figures reflect, among other aspects, the BRL 159.4 million increase from the active management of the hydropower portfolio in a favorable hydrological scenario, in which energy was sold at prices 4.2% higher, coupled with a 18.6% decrease in the average energy purchase price. As regards wind power, our performance was driven by a BRL 462.0 million gain from the acquisition of the new wind power complexes (Ventos do Araripe, Caetés e Cassino) and the beginning of the phased commercial startup of Tucano and Cajuína, partially compensated by higher curtailment in all assets, reflecting the limitations of the transmission network and ONS restrictions. The solar portfolio

presented an increase of BRL 2.9 million, reflecting the annual price adjustment of contracts indexed to inflation. Also considers an increase of BRL 4.2 million, reflecting the performance of AES Comercializadora, which started its activities in the second half of 2022.

EBITDA in 2023 was BRL 1,686.5 million, an increase of 42.5% in 2023 from 2022. The hydropower portfolio showed an increase of BRL 102.7 million, thanks to active portfolio management in a favorable hydrological scenario, with an increase in the average selling price and a reduction in the average purchase price of energy.

As for wind, the increase of BRL 398.4 million reflects the contribution from the new wind complexes (Ventos do Araripe, Caetés, Cassino,

Tucano and Cajuína), partially offset by the impact of curtailment at all assets in the portfolio. Regarding solar, an increase of BRL 3.0 million due to the adjustment of contracts based on inflation, combined with the reduction in expenses.

Due to the factors mentioned above, net income was BRL 333.3 million in 2023, up 4.1% in the year from the same periods in 2022.



Click here and access the [Company's 4Q23 and 2023 Earnings Release and Financial Statements](#).

Consolidated Financial Highlights – 2023 (BRL million)

Financial Indicators	2023	2022	2021	Var. 22/23
Net Revenue	3,431.5	2,845.1	2,511.7	20.6%
Energy Costs ¹	(1,084.1)	(1,126.1)	(1,241.4)	-3.7%
Adjusted Net Margin ²	2,347.4	1,719.0	1,270.4	36.6%
Adjusted EBITDA ²	1,686.5	1,183.7	864.8	42.5%
Adjusted EBITDA Margin ²	49.1%	41.6%	34.4%	7.5 p.p.
Adjusted Net Income ²	333.3	320.1	(38.8)	4.1%

Value added distribution (BRL thousand)

	2023	2022 ¹	2021 ²
Employees	193,899	160,898	104,306
Government	704,835	524,664	(352,140)
Lenders/ third parties	1,118,701	672,949	425,161
Shareholders	333,287	320,147	424,564
Total	2,350,722	1,678,658	601,891

¹ In 2022, the economic retained value was BRL 151.6 million.

² In 2023, this value was BRL 141.2 million.

Managerial cash flow

AES Brasil ended 2023 with consolidated cash balance of BRL 2.6 billion, a decrease of BRL 1.8 billion from the same period in 2022 (BRL 4.4 billion), reflecting the use of funds as Capex for the construction of the Tucano and Cajuína Wind Complexes. This amount includes BRL 0.6 billion in financing guarantees.

Operating cash generation totaled BRL 1.6 billion in the year, chiefly reflecting the acquisition of the Ventos do Araripe, Caetés and Cassino Wind Complexes, the phased startup of Tucano and Cajuína Wind Complexes, the favorable hydrological scenario and better operational performance by the Company's assets.

Costs and expenses

In 2023, operating costs and general and administrative expenses totaled BRL 660.9 million. Excluding non-recurring effects, costs and expenses amounted to BRL 664.2 million, moving up 23.5% from the previous year. This variation is explained by the following factors:

The inflation adjustment on costs and expenses during the period. Note that all of the Company's PPAs (ACR and ACL) are also annually adjusted for inflation.

Regarding growth, the expenses of the Tucano and Cajuína Wind Complexes and assets added to the portfolio in December 2022.

The increase in expenses with personnel due to the increase in staff, as well as increase in third-party services and materials.

Regarding non-recurring effects in 2023, provision resulting from the sale of Distributed Generation assets (BRL 23.0 million), partially offset by reversals of contingencies (BRL 15.0 million), receipt of the bankruptcy estate of Banco Santos (BRL 5.8 million) and reversal of payroll provisions (BRL 1.9 million).

Debt

AES Brasil ended 2023 with consolidated Gross Debt of BRL 10.9 billion, up 6.4% from 2022 (BRL 11.0 billion), due to the following:

- Full disbursement by BNB for the Tucano Complex in 1Q23 (BRL 37.0 million);
- Funds raised through instrument 4,131 in 1Q23 (BRL 571.1 million);
- 1st issue of debentures by Veleiros, JV of Cajuína and Unipar in 1Q23 (BRL 400.0 million);
- 2nd issue of debentures by Veleiros in 4Q23 (BRL 160.0 million), followed by the partial prepayment of the 1st issue, resulting in a balance of BRL 292.0 million; and
- Interest, amortization, and monetary adjustments incurred and/or paid between the periods, in addition to the following movements at AES Brasil Operações.

Investments

Investments totaled BRL 2,655.1 million, up 23.2% from 2022.

The growth in Modernization and Maintenance mainly reflects the advanced turnaround of the Ventos do Araripe, Caetés and Cassino Wind Complexes (+BRL 95.1 million in the year) and maintenance of wind turbines' main components at Alto Sertão II (+BRL 34.3 million).

Moreover, we continued to make investments in the construction of the AGV VII solar complex, situated in the state of São Paulo, and in the common structure of Cajuína for developing our pipeline.

Between 2024 and 2028, we plan to invest approximately BRL 1.3 billion, on:

- Expansion of projects already contracted and with a defined construction plan (Tucano and Cajuína 2 Complexes);
- Development of a pipeline of Cajuína and construction of the AGV VII solar complex;
- Modernization and maintenance of operating assets, including the turnaround of wind assets acquired through M&A.

Green Bonds

Between 2019 and 2022, we issued four green bonds, also known as green debentures, for solar and wind renewable generation projects.

The first assets to receive green bond investments on behalf of AES Brasil Operações S.A. were the Guaimbê and Ouroeste Solar Power Complexes. Totaling BRL 820,000, the bonds prevented the release of over 75,000 tCO_{2e} and were recertified in 2022. According to this green bond's requirements, we account for the environmental benefits created by these projects, especially the emissions prevented by renewable energy generation.

In 2021, we issued another two bonds, this time for the Tucano Holding II and Tucano Holding III projects, totaling BRL 500.0 million, at a term of 20 years and semi-annual payments starting in July 2024.

In 2022, we carried out our fourth issue of green bonds. We issued BRL 950 million related to the first stage of the Cajuína Wind Power Complex's implementation. The Natural Intelligence (Nint) consulting firm evaluated the project and issued an opinion stating that the Cajuína AB1 is expected to prevent the emission of 178,400 metric tons of CO₂ per year over the bond's 22-year term.

Green bonds of the solar power complexes	Guaimbê Solar Power Complex	Ouroeste Solar Power Complex
Debenture investment	BRL 560 million	BRL 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 2023	259,137.22 MWh	301,490.71 MWh
Emissions avoided in 2023	9,979.26 tCO ₂	11,610.28 tCO ₂

Green bonds of the Cajuína Wind Power Complex	Issued by Cajuína AB1
Debenture investment	BRL 950 million
Municipalities covered	Pedro Avelino, Angicos and Fernando Pedroza (RN)
Generation units	39
Installed capacity	230 MW
Total area	5,926 hectares
Energy generated in 2023	247,383.04 MWh
Emissions avoided in 2023	9,526.61 tCO ₂

Green bonds of the Tucano Wind Power Complex	Issued by AES Tucano Holding II SA	Issued by Tucano Holding III SA
Debenture investment	BRL 300 million	BRL 200 million
Municipalities covered	Tucano and Biritinga (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
Energy generated in 2023	305,214.80 MWh	260,740.53 MWh
Emissions avoided in 2023	11,753.69 tCO ₂	10,041.00 tCO ₂

RESPONSIBILITY

60 Governance
75 Environmental
89 Social



Governance

GRI 3-3 Material topic – Corporate governance | GRI 2-1, 2-14, 2-23, 2-24

Corporate governance is a key element for creating value. Supported by a responsible and **decentralized management structure**, each action reflects our ethics and transparency.

Good governance leads to greater transparency and trust for all the company’s stakeholders. It is an essential element with a positive impact on our value creation and reputation.

We rely on collegiate bodies that safeguard our rules and regulations and ensure we act in an informed, regulated and responsible way.

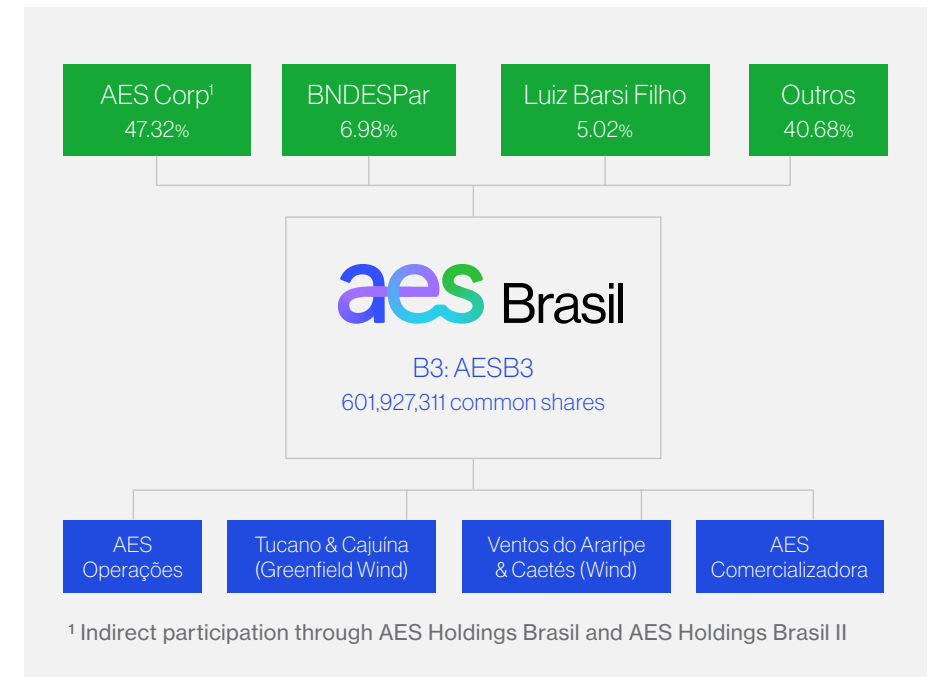
All our processes are defined based on compliance rules. The notion of integrity leads us to conduct business responsibly. Ethical value urges us to comply with the various local, regional and international laws and regulations, and to accurately record and track all our business transactions.



Our governance comprises several policies, which are available at: [Click here to know more.](#)

Shareholding structure

AES Corporation, one of the largest global energy groups, is our indirect controlling shareholder, holding 47.32% of our shares. The company’s shareholding structure, consolidated as of December 31, 2023, is as follows:



Ownership Structure

	Total (Common Shares)	% Total
AES Corporation	284,823,374	47.32%
BNDESPAR	42,030,280	6.98%
Luiz Barsi Filho	30,190,000	5.02%
Others	244,883,657	40.68%
Total	601,927,311	100.00%



The following foundations and principles guide our actions and relations:

- Compliance
- Integrity
- Ethics

Governance structure

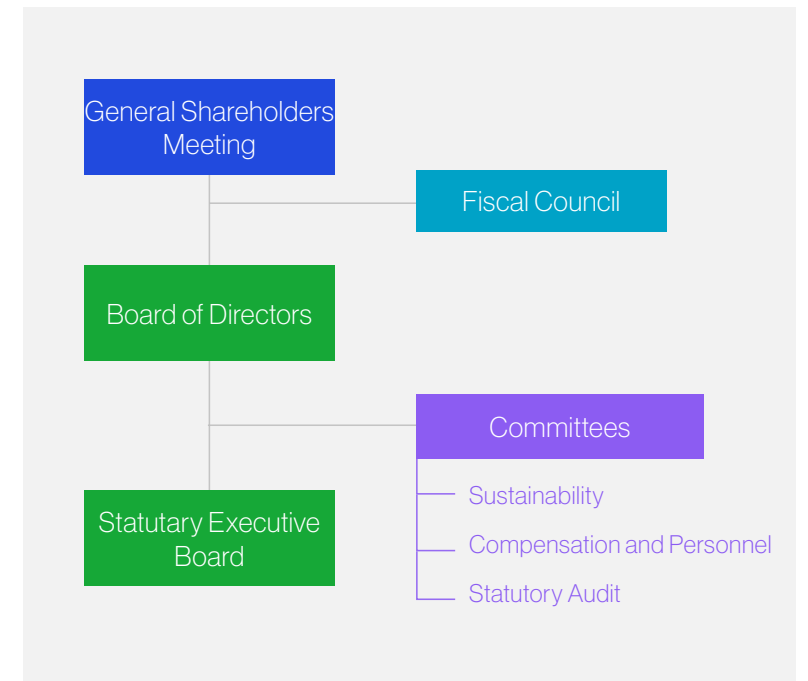
GRI 2-9, 2-10, 2-11, 2-14, 2-17

In compliance the highest standards, our governance structure comprises the Board of Directors and its advisory committees (Statutory Audit Committee, Compensation & Personnel Committee and Sustainability Committee), the Fiscal Council and the Statutory and Executive Boards.

As a publicly held company listed on the Novo Mercado special trading segment of B3 - Brasil, Bolsa e Balcão S.A. (B3), we are subject to specific regulations to ensure compliance with the best corporate governance practices. Moreover, the members of the Board of Directors and Statutory Executive Board abide by the company's corporate policies and the precepts defined by our Code of Ethics and Conduct, the Bylaws and rules in force, especially the Brazilian Corporate Law.

Our indirect controlling shareholder is represented in the Board of Directors (six out of eleven members) and in the Fiscal Council (one member out of three, considering sitting members only).

The Board of Directors meets on a monthly basis and, throughout the year, receives the Sustainability Committee's reports. Furthermore, at specific meetings, the Board receives updates from the Statutory Audit Committee members, ensuring regular and transparent communication between both bodies.



Statutory Executive Board

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

Board of Directors

GRI 2-9, 2-10, 2-11, 2-12, 2-17

The Board of Directors' mission is to set the company's overall business direction aimed at achieving its corporate purpose, in order to protect and value the company's assets by always acting in its best interests, as well as maximizing the return on investment through sustainable business management, based on balancing the economic, social and environmental dimensions.

The company's highest governance body, the Board is composed of, a least, five, and at most eleven sitting members, all of whom elected and dismissed by the Annual Shareholder's Meeting (AGO), for a two-year tenure, with reelection permitted, in accordance with the Bylaws. We currently have five independent members, accounting for 45.45% of this body's composition (above the 20% required by B3's Novo Mercado segment).

The chairman is not a company executive. Representing the controlling shareholder, he is elected by unanimous vote of the other directors and serves as Global Vice President of Corporate Strategy at AES Corporation. In 2023, he was unanimously elected by the attending members.

The nomination of Board of Directors' members is laid down in the Nomination and Compensation Policy. Members may be nominated by the senior management or by any company shareholder, and must observe some criteria, e.g., unblemished reputation; alignment with our values and culture; and at least 10 years of professional experience in strategic management positions.

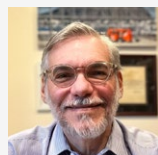
The Board's responsibilities are attributed by the company's shareholders, as outlined in article 21 and subsections of the Bylaws.

A work plan is proposed by the chairman at the first Board meeting, held at the beginning of each fiscal year. At this meeting, the members discuss the Annual Corporate Calendar and other matters, such as social and environmental issues and their impact on business; the CEO's targets; diversity, ethics and compliance programs and policies; as well as internal controls.

All matters brought to internal meetings are discussed in accordance with the applicable legislation, observing the duty of diligence, the corporate interest, the duty of loyalty, the duty of secrecy, strictly observing the Bylaws and the Board of Directors' Internal Charter.

The Board of Directors is also responsible for assessing and reviewing the acceptable level of risk assumed by AES Brasil, in line with the Risk Management Policy, ensuring balance between risk and benefit.

Members of the Board of Directors



Francisco Jose Morandi Lopez
President of the Board of Directors



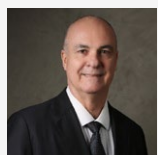
Jeffrey Kenneth MacKay
Effective Member



Bernerd Raymond da Santos Ávila
Effective Member



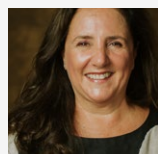
Juan Ignacio Rubiolo
Effective Member



Charles Lenzi
Effective Member (Independent Member)



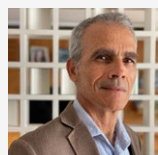
Madelke Mitzuri McCalla Molinar
Effective Member



Denise Duarte Damiani
Effective Member (Independent Member)



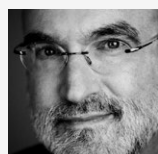
María Paz Teresa Cerda Herrerros
Vice President of the Board of Directors



Eduardo Klingelhofer de Sá
Effective Member (Independent Member)



Mauro Gentile Rodrigues da Cunha
Effective Member (Independent Member)



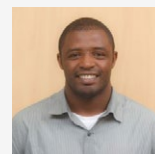
Franklin Lee Feder
Effective Member (Independent Member)

Composition as of 12/31/2023

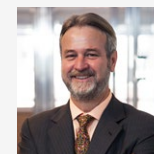
Fiscal Council

Independent from the company's management and external auditors, the Fiscal Council's main responsibilities entail reviewing management activities and analyzing the financial statements. It is also responsible for overseeing and controlling management activities, ensuring compliance with laws and regulations, promoting transparency and good governance. It currently comprises three sitting members and an equal number of alternates, and will be installed at the request of the shareholders, elected annually at the Annual Shareholders' Meeting.

Members of Fiscal Council



Lidiano Santos
Effective Member



Raimundo Cláudio Batista
Effective Member



Tiago Brasil Rocha
Effective Member

Composition as of 12/31/2023

The effective members of the governance bodies are being considered.

Advisory committees

The committees collaborate with and support the Board of Directors in making decisions on specific matters. Currently, the following committees are active:

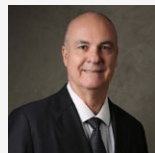
Statutory Audit Committee (CAE)

CAE, a statutory and permanent body, is composed of two independent Board of Directors members and one independent external specialist member. The Committee is responsible for overseeing our internal controls and risk management system.

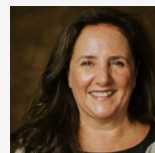
Members of Statutory Audit Committee



Mário Shinzato
Chairman of the Committee



Charles Lenzi
Member



Denise Duarte Damiani
Member

Composition as of 12/31/2023

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, the identification and evaluation of people suitable to become members of the Statutory and Executive Boards, among other responsibilities. It is composed of three members: one independent Board of Directors member, one external independent specialist and an executive officer specialized in human resources.

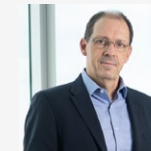
Members of Compensation and Personnel Committee



Alberto de Miranda Santos
Member - Human resources specialist



Franklin Lee Feder
Member - Independent Board Member



Ricardo Bull Silvarinho
Member - Human resources specialist

Composition as of 12/31/2023

Sustainability Committee

GRI 2-17

The committee is chaired by the CEO and includes the Chairman of the Board of Directors as member, four independent members e other company's executives. Playing an important part in spreading collective knowledge, it advises the Board on decision-making processes related to sustainability and regularly reports on the company's social and environmental performance.

Members of Sustainability Committee



Rogério Pereira Jorge
Chairman of the Committee



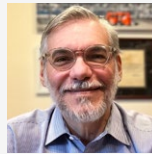
Erika Regina de Lima
Member



Ricardo Voltolini
Member



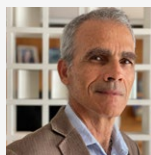
Charles Lenzi
Member



Francisco Morandi
Member and President of the Board of Directors



Sérgio Luiz da Silva
Member



Eduardo Klingelhofer de Sá
Member



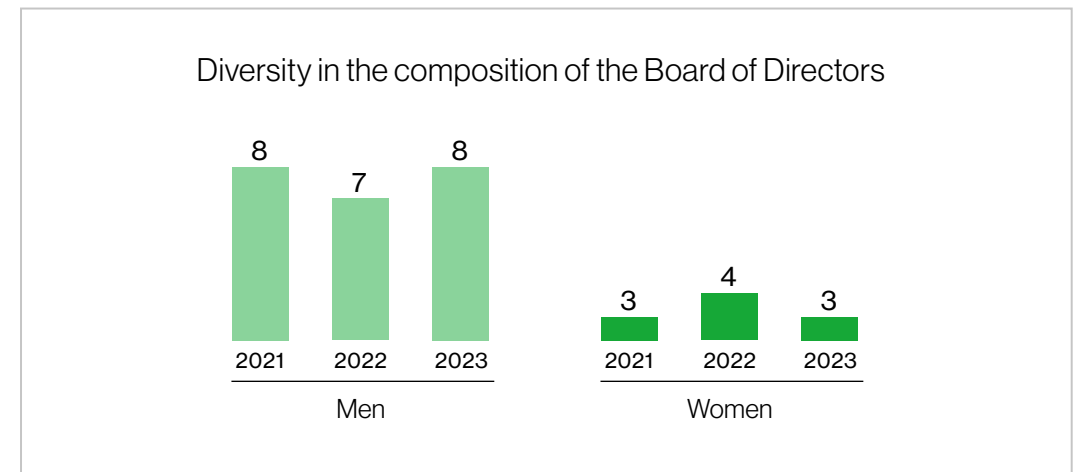
Mauro Gentile Rodrigues da Cunha
Member

Composition as of 12/31/2023

Senior management and governance bodies diversity

We are aware that our governance model has created real and positive impacts on increasing senior management diversity and promoting the independence of Boards and Committees.

Safeguarding good governance practices and fostering diversity, neither the CEO nor any other member of the executive board sits on the Board of Directors. Currently, three women hold positions on the Board.



[Click here](#) and check the composition of governance bodies.

Compensation Policy

GRI 2-19, 2-20

One of the Management Nomination and Compensation Policy's main targets is to apply ethical and technical criteria and principles for valuing and managing the different functional structures. Moreover, the Policy seeks to ensure the maintenance of internal and external balance standards, compatible with each position's responsibilities, and competitive when compared to the job market, regulating criteria and establishing administrative controls capable of responding to our various needs.

The Management Nomination and Compensation Policy also provides for financial, safety, social, environmental and governance goals, in line with the company's interests in the short, medium and long term, as well as those of its shareholders and other stakeholders.

In order to set the Board of Directors' and Statutory Executive Board's compensation, the company uses salary surveys prepared by specialized consultancy firms, which take into account positions with similar duties and responsibilities in companies from the same sector or which have good human resources

and/or corporate governance practices. The results are evaluated by the Compensation and Personnel Committee and forwarded to the Board of Directors for a final decision.

Statutory and Non-statutory Executive Board

Statutory Executive Board and Non-Statutory Executive Board members receive fixed monthly payments, based on the level and complexity of the position held as well as market average. Members are eligible for short-term bonus. Statutory officers are entitled to a portion of variable compensation eligible for the long-term incentive plan (ILP).

In the case of termination without cause, statutory executive officers will be entitled to severance payment equivalent to six times their monthly salary, minus withholding taxes and the social security contribution. For six months, officers will continue with their medical healthcare plan, which extends to their legal dependents.

Private Pension Plan

We offer both statutory and non-statutory officers the Metlife Private Pension Plan. For eligible executives, we make a deposit equivalent to a salary every December, which can be proportional to the months worked during the year. All other employees have Itaú and Vivest pension plans. The employee chooses the ideal plan and the company deposits the same amount paid by the employee.

Variable compensation

In 2023, 40% of the CEO's compensation was linked to ESG criteria. This figure is divided into the following performance criteria: 5% Diversity; 5% Organizational climate; 30% Growth in renewables generation.

Performance assessment

GRI 2-18, 2-19

We use the following performance indicators for our management bodies:

- For the payment of salary/salaries and direct and indirect benefits, we use market practices in the executive's place of work as indicators.
- For the payment of variable compensation (bonus), we respect as main performance indicators safety; financial results; and strategic results items, considering the achievement/exceeding of goals, with different weights between these topics.

The Board of Directors chairman is responsible for conducting the individual evaluation of each member, as well as coordinating a collective self-assessment of the Board's overall performance. This process uses both subjective and objective methodologies. It is important to note, however, that this is not an independent assessment and, in accordance with Novo Mercado Regulations, must be carried out at least once during the management's tenure. Lastly, the evaluation process will be disclosed in the company's Reference Form.

The assessment may lead to improvements in different aspects of the Board of Directors' operation, including attendance and performance quality, as well as regarding the annual work plan.

Related-party transactions

The **Related-Party Transaction Policy**, regulates all transactions between AES Brasil's bodies or individuals and its stakeholders. The Policy sets out guidelines for the evaluation and approval of Executive Board's initiatives and, depending on the case, the Board of Directors', thus guaranteeing independent agreements, based on market conditions. The procedures laid out in the Policy are monitored by the Statutory Audit Committee, which can also suggest improvements for monitoring potential conflicts of interest of executives, directors and shareholders.

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

Minority interest

Our Bylaws protect minority shareholders' interest. In the event of sale of control, whether through a single operation or successive operations, the acquirer must carry out a Public Tender Offer (OPA), aimed at the company's shares held by the other shareholders, in order to ensure them equal treatment with that given to the selling controlling shareholder.

Ethics and compliance

GRI 3-3 Material topic - Integrity | GRI 2-15, 2-24, 2-25, 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 Ethics and Compliance Program is audited every year by an independent company hired by the AES Corporation, and is anchored on the main anti-corruption laws applicable, e.g., 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.

AES Brasil was recognized with the Pro-Ethics Seal (Selo Pró-Ética) 2022-2023, an initiative by the Office of the Comptroller General (CGU) to encourage the

adoption of policies and actions that reduce the risks of corruption and fraud in companies. Our commitment to business ethics is directly linked to the transparency that underpins AES Brasil's management.

We are signatories to the Business Pact for Integrity and Against Corruption, an initiative of the UN Global Compact Brazil Network, which promotes transparency to encourage and train companies in pursuing integrity mechanisms.

In November 2023, we formally joined the Collective Action for Integrity in the Electricity Sector, a collaborative cooperation among different stakeholders to increase the impact and credibility of individual actions and promote synergies between companies in the sector.

Corporate policies that express our culture on the subject:

- Value Guide: Code of Ethics 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.



Click here and learn more about our [Corporate Policies](#)



Click here and learn more about our [Code of Conduct for Suppliers](#)



Click here and learn more about our [Compliance Policy](#)

AES Values Guide

AES Brasil 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 document 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 AES Brasil, as well as those of its direct or indirect subsidiaries headquartered in Brazil. It must also be observed by temporary workers, outsourced service providers, consultants, agents, representatives and all those who carry out work for AES Brasil.

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

In 2022, all our employees received training on the Values Guide, and the next training session is scheduled for 2024, which further contributes to disseminating AES's ethics culture throughout our value chain.

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 latent risk and in view of the identified need. The processes are structured based on three pillars, mainly focused on identifying, monitoring and preventing risks:

I. Contractual Compliance

The Contractual 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.

All high-risk contracts have a compliance clause (20% of annual demands refer to high-risk contracts).

II. Training and Communication

In order to disseminate our message of ethics and integrity, as well as increase awareness about policies and proceedings, we have invested in training for both internal and external stakeholders and communication on our internal networks and social media, e.g., "Minuto Compliance", a newsletter released on our internal channels, about compliance policies and their application in day-to-day work.

We have a training agenda for all employees and suppliers. Training sessions on ethics, integrity and good practices are also given to all suppliers of contracts classified as high risk.

In 2023, we provided training on Harassment, AES Helpline Reporting Channel, Gifts and Entertainment, Government Relations, Contractual Compliance, among others, and held the Ethics Champions, where compliance champions from each department discuss practical, up-to-date cases on integrity matters with their respective teams.

III. AES Helpline

GRI 2-26, 205-3

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 misconduct, including, but not limited to, corruption, money laundering, terrorism financing, fraud or breach of the Values Guide.

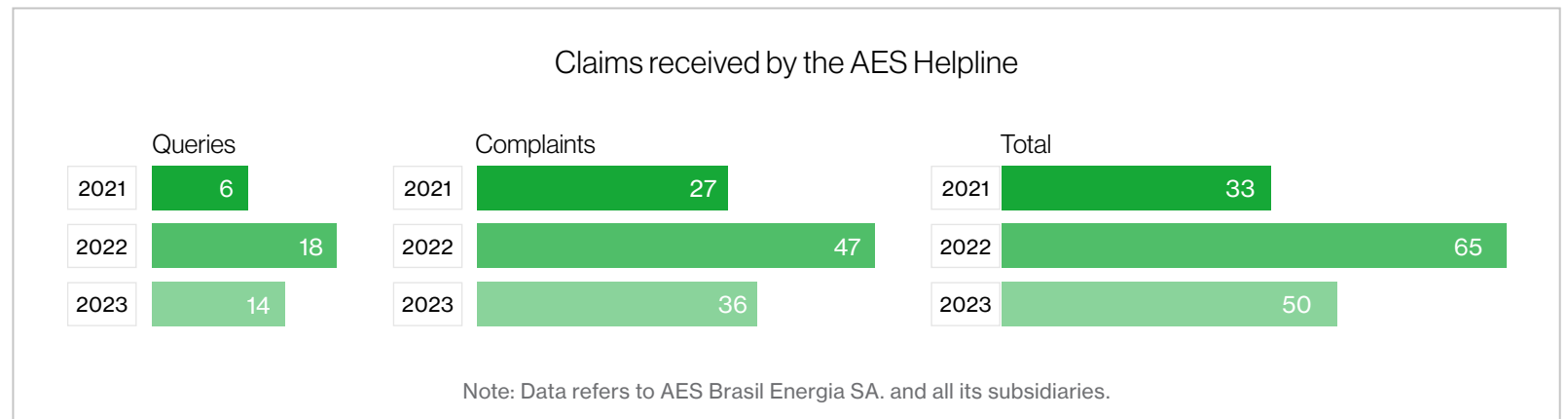
The initial screening of complaints is carried out by an expert company that refers the reported demand to the compliance team for the initial analysis. Depending on the course of investigations, a specific Ethics Committee may be created to make a collegiate decision on matters of greater relevance 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.

All reports and queries received are investigated. In 2023, we received 42 reports through the AES Helpline, up 35% over 2022. Another important aspect is that no complaint we received was a confirmed case 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.

The AES Helpline is available on the website (www.aeshelpline.com) or by phone (0800-891-4167), 24/7, and is open to all stakeholders (employees, customers and business partners).



Strengthening reputation

Potentially, the development of the Ethics and Compliance Program strengthens our reputation before various stakeholder groups with whom we engage.

Systematic and solid integrity practices not only benefit us, but also have a positive impact on the communities surrounding our plants, shareholders, customers, suppliers and partners.

Our Conflict of Interest Policy provides guidance to employees on how to identify and conduct such situations in their daily activities and also outlines complementary instructions to support the principles laid down in the Code of Conduct. We invest in training on the subject, which includes instructions on how to forward any complaints. If the situation requires so, an Ethics Committee is formed by the executive officers to make a decision and/or mitigate the conflict. Employees can also seek information on our policies

in our monthly newsletters (“Minuto Compliance”).

Values Day and Compliance Week

In 2023, we hosted AES Values Day (or *Dia dos Valores AES*, in Brazilian Portuguese) and our second Compliance Week, an event that recorded approximately 917 employee participations in debates about ethics, values and culture of integrity.

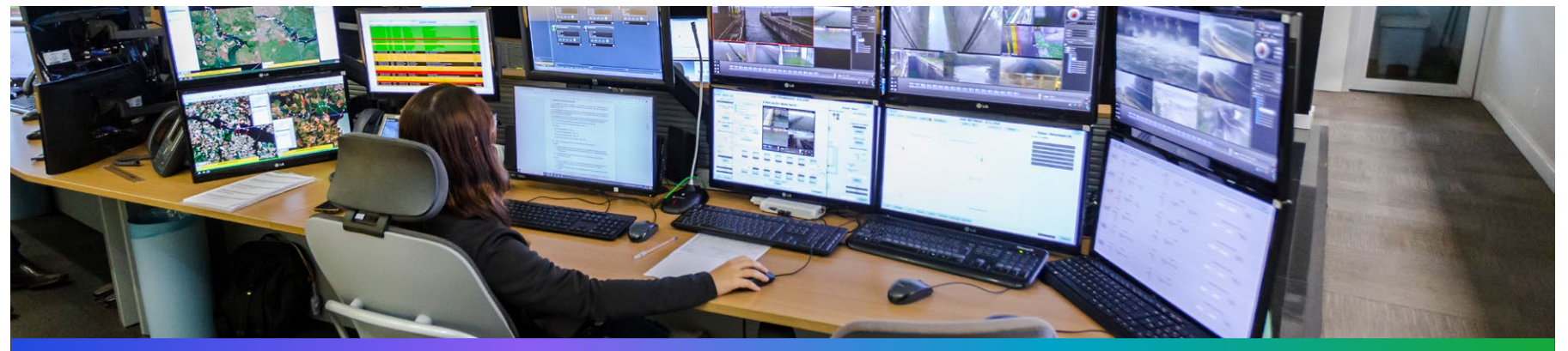
Privacy and Data protection

We fully comply with legal rules governing, directly and indirectly, personal data protection and privacy, such as the General Data Protection Act (LGPD, in Brazilian Portuguese) and the Brazilian Civil Rights Framework for the Internet (Law No. 12,965, of April 23, 2014).

In the unlikely event that we need to share personal data with third parties, there are contractual mechanisms in place to ensure a greater degree

of security, and various protective measures are adopted in compliance with legal and regulatory standards, without prejudice to making the necessary efforts to avoid causing damage to others.

Furthermore, when receiving personal data, the parties involved are aware that this information will be controlled and stored transparently, being available and freely accessible to the respective holders, when requested and authorized.



Risk Management

GRI 2-12, 2-25, 201-2 | SASB IF-EU-550a.1

Our corporate 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 our most important monitoring tool for priority risks. This document presents cards by risk type, and, based on them, we manage action plans and track Key Risk Indicators (KRIs). We use these cards to assess the impact and likelihood for each risk, in a learning process that has led us to implement a more detailed monitoring process of some of the most dynamic risks, such as market, credit and leverage risks, as well as those risks related to the implementation and development of monthly projects.

Our Risk Management Policy allows us to effectively monitor and mitigate such risks, providing and indicating the guidelines, responsibilities, mechanisms, and internal proceedings for managing risk factors inherent in our business. In our construction works, for example, teams directly connected with construction and engineering

activities meet every week to assess a large number of risk variables across all the steps of project and execution processes. The aim is to anticipate issues and determine solutions thereto. We also have specific risk policies, such as the Market Risk Management Policy, which covers the company's entire business process and created the Market Risk Committee, and the Credit Risk Management Policy, which defines credit concentration limits, risk premiums and minimum requirements for contractual guarantees.

Market and credit risks

Among our new projects, it is worth mentioning the consolidation of the Energy Trading and Risk Management System (ETRMS) to manage market and credit risks. The Allegro ETRM system is used to enable the structured registration of energy purchase and sale contracts, company assets, counterparty credit ratings and contractual guarantees.

Its consolidation has created a single database for planning and risk analysis, consolidating metrics and risk controls that used to be managed separately

The classification rule evaluates the impact associated with six risk dimensions:

- Social and environmental risk
- Financial risk
- Operational risk
- Legal risk
- Regulatory risk
- Reputational and safety risk

by the departments involved in separate databases. The change took place throughout the year and, as of January 2024, the ETRM system has become the official benchmark for managing market and credit risks, enhancing information transparency and reliability, as well as independence in the management of risk processes associated with our energy portfolio in the short, medium and long term.

Enterprise Risk Management

The corporate risk management system annually renews the criteria (and thresholds) for managing and prioritizing identified risks.

Each one of these dimensions involves specific criteria for rating the impacts in different risk levels, on a scale from 1 to 5. Based on the ranking of the impacts associated with the six risk dimensions and the analysis of the likelihood of risks, the final classification of risks is made, defining their allocation in the heatmap. The risks classified below the risk threshold are managed by routine department processes and monitored via a heatmap. Those above the threshold (level 4 or higher) need additional controls, such as mandatory action plans.

For each mapped risk, we have “risk owners”, who are selected among the

professionals directly involved in the theme, in addition to including at least one officer in charge. All mapped risks have specific cards, which document the risk description and causes, presenting analyses for the six risk dimensions, in addition to detailing action plants and priority risk indicators.

This process has been implemented for a few years, and it was consolidated in 2023, with the completion of a risk monitoring criteria update and approval cycle, in addition to the creation of an internal website dedicated to the ERM process, in which all the “risk owners” have access to their risk, support documents, and the evolution history in a simple and quick way. The process consolidation also included training the teams on risk classification, action plan development and monitoring.

Social and Environmental Risks

Considering any possible social impacts arising from a project’s construction and operation, we have created a specific card for managing this matter. The card monitors risks associated with the impacts the company may have on the communities that live near our projects, monitoring possible associated causes and consequences and defining specific action plans.

We also have a specific risk card for structural dam failure, which is classified in the maximum risk level in all six dimensions evaluated. Although the risk classification is high, the failure risk is considered an extreme and rare event, especially given the constant monitoring, prevention plans, controls in place and the team’s level of technical expertise, as described in item Dam Safety.

Reputational and safety risk

The corruption risk card has been classified as having maximum reputational impact. Therefore, in order to maintain the likelihood of risk at low levels, we have defined an action plan that involves training all our employees, including new hires, a specific anti-corruption policy and the permanent attention of the AES Helpline channel. This risk also has KPIs related to the number of employees who received training and the frequency and scope of training.

Climatic Risks

Climate change impacts on energy generation are of utmost relevance for our business model, since the renewable generation industry fully depends on rainfall patterns, winds, and sunshine levels. Therefore, a specific card for

this topic manages this risk ([read more in Climate Change](#)).

Portfolio Exposure Risks

We mitigate market risks through studies to estimate energy generation and future prices, based on possible hydrological scenarios. Short-term studies analyze the flow rate and rainfall patterns in the past few months and years, as well as climate forecasts for the coming months, in order to assess our portfolio's exposure risks and define the best related commercial strategy, which may involve defining hedge plans or energy sales strategies.

The budget planning for the next five-year period is designed based on climate forecasts and trends presented by AES Corporation's Weather Risk Committee, which also indicates actions for mitigating possible impacts on hydropower, wind and solar generation. The Multiple Views of Future study

evaluates the balance between supply and demand in the long-term in different scenarios regarding environment (which impact natural resources, such as rainfall), economy (which impact load levels), and regulatory (which impact energy policy).

Cybersecurity

Cybersecurity risk is monitored in a specific risk card, which monitors the risks of systems being hacked and equipment obsolescence that could result in software being out of date, communication failures with our plants and with the system operator (ONS). Action plans are periodically monitored and risk indicators are defined.

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. The Optimum Portfolio (Portfólio Ótimo) study, for example, takes into account the features of each technology, such as generation profile and volatility, in order to determine the source mix that would lead to the lowest market risk.

In 2023, we also included a pipeline risk card in our heatmap, in order to monitor the feasibility of future projects over time. This risk is associated with pipeline availability according to our growth strategy, as well as market dynamics or possible changes in regulatory measures. We measure planning and risk associated therewith in this card.

We also have a Market Risk Committee, which discusses, on a monthly basis, several risks, including market exposure, credit exposure, financial and well as risk related to changes in commercial margin, among other topics.

Management and commitments

GRI 2-13, 2-16

The Board of Directors is responsible for evaluating, monitoring, and setting out strategies for managing risks and impacts. Every time the Heatmap is updated, it is presented to the Statutory Audit Committee. 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, in addition to suggesting improvements.

Every critical concern that reaches us is to be monitored by executive leaders and governance bodies.

Environmental

Our operations have a preventive approach to environmental matters, based on the pillars of our Environmental Management System (EMS), which is widely disseminated to our different stakeholders. Moreover, creating a positive social and environmental impact is one of the commitments laid down in our [Sustainability Policy](#), which sets out the guidelines for achieving this goal and ensuring adequate environmental analysis in all processes.

We also rely on the [Biodiversity and Land Use Policy](#), which sets forth our environmental responsibility principles regarding the conservation, protection and preservation of biodiversity, landscapes, species and land use in the regions where we operate. In 2023, we invested BRL 26 million in environmental programs.

In 2023, we completed the Environmental Management System (ISO 14001) recertification for our hydropower plants, solar farms as well as the Alto Sertão II and Ventus wind power complexes. In our evaluation, the three-year period of operation under our responsibility is enough to implement the integrated management system and standardize activities according to the established procedures. In 2024, we will also be seeking certification for the Salinas and Mandacaru wind power complexes.

Climate Change

GRI 201-2, 3-3 Material topic - Mitigation and adaptation to climate change | SASB IF-EU-110a.3

Fighting climate change is an extremely urgent and relevant topic that drives us to engage and participate in the main forums that discuss this matter and disseminate up-to-date information. Therefore, we participate on the Weather Risk Committee, global climate risk committee organized by AES Corporation with the participation of all group companies, which meets quarterly to discuss how the weather has affected operations, what the performance has been in terms of resources and the consequences for the period's results.

The committee has a database that shows how certain climatic events have affected other economy sectors, thus enabling the mapping of different types of exposure and consolidating a greater number of assumptions associated with resources that can impact generation, prices and market conditions.



Every year, we report our performance on Climate Change and Water Security to the Carbon Disclosure Project (CDP).

Weather conditions

After almost three years of low temperatures caused by the La Niña climate pattern, in 2023, El Niño showed its strength over the continent's weather, as well as the fragility of the Brazilian electrical system, which is based on expanding generation in the North region to meet increased demand from the Southeast and South regions. Weather conditions imposed by El Niño have subverted this logic, putting power supply at risk. On the one hand, much higher than normal temperatures led to heavy storms in the South and Southeast; on the other, very little rain in the North.

According to experts, extreme weather conditions caused by a phenomenon such as El Niño are likely to become more frequent and pose challenges to Brazil's energy matrix structure, which is currently expanding based on unconventional renewable sources (other than hydropower).

Risks and opportunities

GRI 201-2

Through a risk card about climate change impacts on energy generation, we monitor several variables that affect our plants' operation and maintenance, indicating the tolerance limits for each aspect observed. For example, in the case of a wind gust, whenever the pre-defined maximum percentage is reached, it triggers an action already planned for this scenario. The aim is to anticipate risks and possibilities that require some kind of investment, change in attitude or adjustment to the maintenance plan, even though it is not possible yet to account for the direct financial implications.

We have also assessed some possible positive impacts, especially those related to the reduction of pollutant gases in the atmosphere from the increase in renewable energy generation and the discovery of clean energy alternatives. By developing innovative Research and

Development initiatives and expanding the renewable energy business, we have a positive impact on initiatives to fight climate change.

Through the risk card, we monitor risk scenarios in which our assets' generation can vary greatly from what is expected, whether as a direct result of climate change or not. It is a fact that increased frequency and intensity of extreme events, such as cyclones and floods, have the potential to compromise our units' productivity to a large extent. In response to water events affecting hydropower generation, we have strengthened our resilience by diversifying our geographical presence and generation sources.

The risk of lower river inflows increasing energy costs and impacting maintaining prices agreed in contracts is also managed through the daily

The number of companies seeking already certified energy or renewable energy certificates and carbon credits, focused on meeting their sustainability goals, has increased.

monitoring of the system's evolution and more agile decision-making to optimize our assets' contracting level and anticipate energy purchases.

On the other hand, in the event of rainfall exceeding historical levels, we mapped the risk of damage to the integrity of the dams and consequences for neighboring towns and communities due to the opening of floodgates. This risk

has a minimum likelihood of occurrence because the dams are consolidated structures, designed, built and maintained according to the strictest technical engineering standards and undergo rigorous and robust management, which involves the Dam Safety Plan (PSB, in Brazilian Portuguese) and the Emergency Operation System (SOSEm, in Brazilian Portuguese), details of which can be found in the Dam Safety section. (page 55).

Greenhouse Gas 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

For thirteen years, we have been preparing our annual greenhouse gas (GHG) emissions inventory for scopes 1, 2 and 3, based on the Brazilian GHG Protocol Program guidelines and the operational control approach. In 2023, for the seventh consecutive time, our AES Brasil inventory was awarded the Gold Seal for the 2022 cycle, which attests to audit by an independent third party. We also report our emissions performance to the Carbon Disclosure Project (CDP), by responding to the Climate Change questionnaire.

Geared towards monitoring our performance as well as ensuring transparency and proper management, every quarter, we prepare a preview of our emissions inventory, which allows us to quickly identify any significant changes. These quarterly previews are published in our ESG Indicators

Spreadsheet and ESG Performance Report, both available on our [website](#).

The GHG emissions topic is managed by our senior management, under the direct responsibility of the Chief Operating Officer (COO), who is a member of the Sustainability Committee, an advisory body to the Board of Directors.

We have express commitments related to this topic, which are included in our Sustainability Policy, and targets established in our 2023 ESG Commitments, which are:

- By 2030, reduce scope 1 and 2 greenhouse gas emissions by 18% tCO₂e per MWh generated, compared to 2020;
- Maintain neutralization and positive greenhouse gas emissions annually;

For the 7th consecutive year, we received the **GHG Protocol Gold Seal for the 2022 cycle**

■ By 2025, offset historical carbon emissions since the beginning of AES Brasil’s operations, a goal that was achieved in advance in 2022.

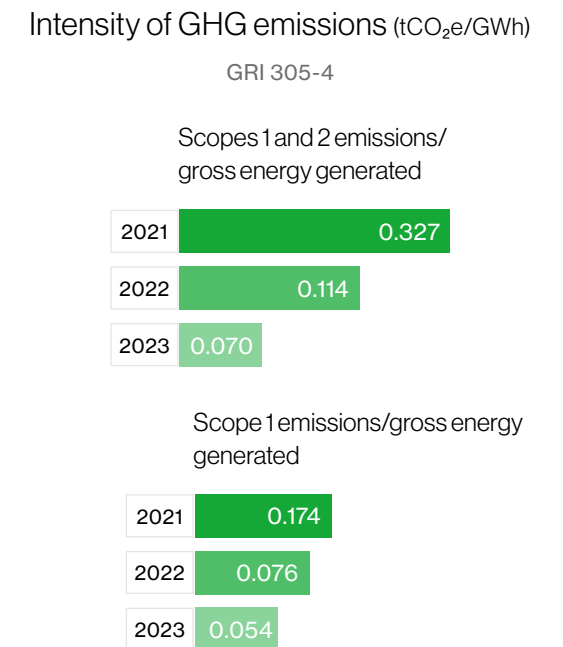
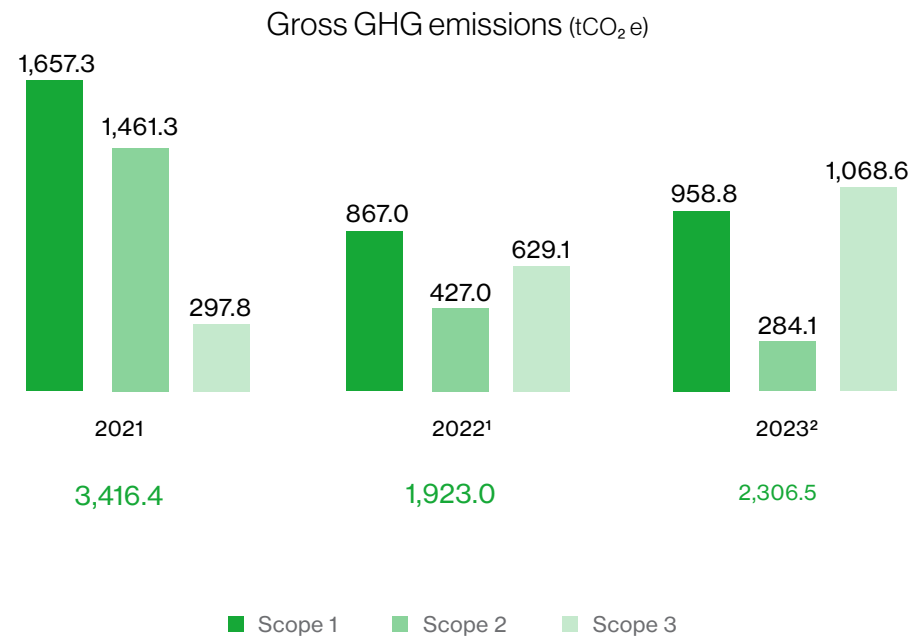
We have already become a carbon neutral company, anticipating the achievement of this goal of offsetting all our historical Scope 1, 2 and 3 emissions. We maintain this neutralization every year by purchasing carbon credits.

We invest in process improvements to reduce our emissions and as a result of diligence and management, we resolved the SF6 leak at the Ventus Wind Power Complex. We developed a maintenance plan, including repairs and replacements, for the equipment that was in constant need of recharging. In 2024, we will be focusing on analyzing other reduction opportunities.

Our scope 1 emissions totaled 953.8 tCO₂e (41% of the total), from mobile and stationary combustion, fugitive emissions and changes in land use. Scope 2 emissions amounted to 284.1 tCO₂e (12% of the total), and it is important to note that we have acquired Renewable Energy Certificates (I-REC) to attest to the purchase of renewable energy. Scope 3 accounted for 1,068.6 tCO₂e (46% of the total), which are the

indirect emissions that occur along our value chain. Under scope 3, AES Brasil considers emissions from air travel, employee commute, goods and services

purchased, capital goods, waste generated in the operation and activities related to fuel and energy consumption not included in scopes 1 and 2.



¹ The 2022 GHG emissions inventory was presented again based on the 2022 Emissions Inventory available at the [Public Emissions Registry](#) | GRI 2-4. Scope 1 includes CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃ gases. Scope 3 includes CO₂, CH₄, N₂O gases. For scope 2, MWh is directly translated into CO₂ 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). In 2022, 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.

² Amounts are preliminary and subject to change after external assurance by an independent third party. Calculations of greenhouse gas emissions follow the GHG Protocol methodology and were calculated using version 1 of the PBGHG tool launched in March 2024. The increase in GHG emissions in scope 3 is due to the update in the PBGHG tool launched in 2024, which now takes into account the remote work of employees, which did not exist previously.

Gross scope 1 emissions per gas (tCO₂e)¹

	2023 ²	2022	2021
CO ₂	361.1	312.2	191.1
CH ₄	3.5	3.2	2.7
N ₂ O	6.1	5.3	3.2
HFCs	465.6	170.2	308.8
PFCs	0.0	0.0	0.0
SF ₆	117.5	376.0	1,151.5
NF ₆	0.0	0.0	0.0
Total	953.8	867.0	1,657.3

¹ There were no PFCs and NFs gas emissions in the three-year period. None of the company's GHG emissions are subject to legislation that sets emission limits or reporting obligations. In 2022, 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.

² The change in CO₂ emissions recorded between 2023 and 2022 result from increased fuel consumption by the vehicle fleet and HFCs from air conditioning recharges for preventive and corrective maintenance.

Biogenic CO₂ emissions (tCO₂e)

	2023	2022	2021
Scope 1	384.1	338.1	215.1
Scope 3	375.8	41.2	33.9

Fuels consumption (GJ)

	2023 ¹	2022	2021
Renewable			
Hydrous ethanol	5,025.2	4,624.0	2,663.7
Anhydrous ethanol	193.0	218.3	179.5
Biodiesel	470.9	352.8	308.6
Subtotal	5,689.2	5,195.0	3,151.8
Non-renewable			
Diesel	4,238.3	3,174.9	3,003.8
Gasoline	521.8	590.1	958.7
Subtotal	4,760.1	3,765.0	3,962.5
Total renewable and non-renewable fuel	10,449.3	8,960.0	7,114.3
Percentage of renewable fuel	54.0%	58.0%	44.3%

¹ 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 2023, electricity sold amounted to 15,496,408.0 GJ. The 2023 energy conversion was calculated according to the Average Equivalence Coefficients for Liquid Fuels from the National Energy Balance 2022 (2021 reference year).

Electricity consumption and energy intensity

	2023	2022	2021 ¹
Self-generated electricity (MWh)	37,931	41,692	55,579
Electricity from the SIN (MWh)	11,545	10,188	11,556
Total	49,476	51,880	67,135
Energy intensity (MWh consumed/GWh of gross generated energy ²)	2.8	4.6	7.0

¹ 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.

² Energy intensity only considers internal electricity consumption in relation to the gross energy generated.



Click here to access our greenhouse gas inventories in the Brazilian GHG Protocol Program's Public Emissions Registry.

Biodiversity

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

We believe in our potential to leave a positive legacy for the environment and, consequently, for society, which is why we protect and preserve biodiversity and land use.

In our structure, the topic is managed by the Chief Operations Officer, who



The development of new technologies, such as the cloning of native plant species, is one of the contributions that we offer the environment.

is a member of the Sustainability Committee, an advisory body to the Board of Directors.

We contribute to society and the environment in many ways. Among the commitments we have taken on, we monitor the borders of our reservoirs, which enables us to manage land occupation in these Permanent Preservation Areas so they can be duly regularized and safe.

In order to work jointly with other local players, we are part of the Environmental Protection Area Management Councils (APAs, in Brazilian Portuguese) of Corumbataí, in Botucatu, and Tejupá and Tanquã, in São Paulo. We are also present in the *Caminhos da Semente* (Seed Path) group, an initiative that promotes the dissemination of a seeding

methodology and is coordinated by Agoicone in partnership with the Socio-environmental Institute (ISA, in Brazilian Portuguese) and the Brazilian Agricultural Research Corporation (Embrapa).

2030 ESG Commitments:
increase reforestation by at least **20%** more than our commitment to recover occupied land.

Environmental and Biodiversity indicators

	2023	2022	2021
Total hectares of Atlantic Forest and Brazilian Savanna (Cerrado) restored	243.4	253.9	251.5
Total tree seedlings produced	1,001,619	1,054,108	1,000,000
Total endangered species conserved through projects	3	3	2
Investment in environmental programs (thousands of BRL)	26,030.6	18,247.7	16,412.9

Preservation of flora

GRI 304-3

As a principle, we seek to restore biomes, which means bringing ecosystems as close as possible to their natural state. The Flora Management and Conservation Program conducts reforestation initiatives that are materialized both in our own projects and in projects with partners.

Mãos na Mata Program

Recognized as one of Brazil's largest native tree reforestation programs, *Mãos na Mata* aims to revitalize forests in the Atlantic Forest and Brazilian Savanna (Cerrado) areas of São Paulo state, two of the most biodiverse ecosystems, which are under constant threat.

Since the beginning of the concession of hydropower plants, we have worked



Clique aqui e assista a um vídeo do Programa Mãos na Mata

towards restoring 6,408 hectares of Atlantic Forest and Brazilian Savanna by 2029. By 2023, we had recovered 5,180 hectares; we plan to recover the remaining 1,226 hectares in the coming years. Our 2030 ESG Commitments 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 20 hectares we have already done in 2022 and 2023.

Seedling nursery

To monitor and follow up on reforested areas, we use satellite images and drones to track the growth in canopy cover, measuring its evolution every year.

Seedling nursery

The Promissão HPP has an area specially dedicated to the production of native seedlings. The work begins with the identification of species and cataloging of the seed sources that will be used in the seed collection activity. After collecting and processing (cleaning and drying) the seeds, some species are stored in a cold room and others go straight to the sowing stage. During this phase, we monitor germination and growth, control pests and diseases, irrigate and use controlled-release fertilizers for growth and development until the acclimation phase in full sun, where the seedlings achieve the hardiness to withstand the characteristics of the field.

263

kilos of seeds collected

207

seed sources

1 million

seedlings produced

99

species grown

In 2023, we published the second volume of the Seeds and Seedling guide featuring detailed characteristics of more than 200 Atlantic Forest and Brazilian Savanna native species. The goal of this publication is to provide information on the native trees we help preserve through initiatives focused on protection, conservation and recovery of biodiversity in the reservoirs of hydropower plants and their surrounding areas, helping to balance fauna and flora. Our initiatives are part of a program aimed at the ecological restoration of river basins affected by reservoirs of hydropower plants managed by AES Brasil.

Rede de Sementes Florestas do Tietê (Tietê Forest Seed Network) Project

We have a partnership with the Federal University of São Carlos (UFSCar), whereby PhD students can work in the field, conducting scientific experiments, monitoring planting and assessing the best practices to promote ecological restoration.

We have transformed the area surrounding the Promissão HPP into an environmental action complex. Since early 2022, we have created a seed network, training members of two settlements in seed collection and seed source cataloging techniques.

The initiative has trained more than 30 people. As a next step, this group will join Redário, which brings together native seed networks and collectors to work on ecological restoration and sell native seeds, generating income for its members.

Florestas do Tietê (Tietê Forest) Project

The success of Mãos na Mata has attracted companies and organizations that seek our help to enable forestry promotion initiatives; they receive seedlings produced in our nursery and our technical support and expertise.

One example is the *Florestas do Tietê Project*, created in partnership with Belgian organization We Forest, which has developed a new methodology for planting in strips on the ground. In 2023, we extended the study, published a scientific paper and supported the implementation of this methodology on a larger scale. This front reforests around 70 hectares every year.

Wildlife conservation

GRI 304-4

Fauna is an invaluable asset for biodiversity. In order to protect the species that live near our energy generation projects, we develop several initiatives for different types of animal life.

Since 2015, the Terrestrial Fauna Monitoring and Conservation Program has identified the structure of the fauna community in our areas and defined conservation strategies to ensure that our operations have a balanced relationship with the environment. Together with the environmental agency, we have defined which species will be covered by the initiatives, based on those that are listed by the International Union for Conservation of Nature (IUCN). In 2023, we protected the following animal species:

- *Lontra longicaudis* (otter) – near threatened;
- *Ortalis remota* (Pinto's chachalaca) – critically endangered;
- *Crax fasciolata* (mutum-de-penacho) – vulnerável.

We have identified data on the way of life, habitat, general diet, reproduction and diseases of these animals and helped the environmental agency to develop environmental education projects.

In 2023, we published a Birds and Mammals Guide that presents more than 300 animal species recorded during our monitoring actions near the Alto Sertão II Wind Power Complex, in Bahia state. The aim is to increase scientific knowledge about these species and to use this information in environmental education activities for the population.

Fishery Management Program

In order to protect river life and conserve species, we raise fingerlings of native fish, which entails a strict technical process to preserve the natural (genetic) characteristics of the species; their release may be monitored by the community, in another environmental education action that motivates people.

In the Fishery Management Program, we invest in the preservation of aquatic fauna with the reproduction of fish species in our fish farm at the Promissão HPP. The initiative promotes the restocking of fish in reservoirs of the plants on the Grande, Tietê, Pardo and Mogi Guaçu rivers, with the release of 2.5 million fingerlings of different species.

Environmental Education

We develop several environmental education initiatives focused on enhancing the communities' knowledge on this topic. They include lectures in schools, teacher training and visits to our units. One of the highlights is the Geração+ Project, which takes environmental education to public schools in the municipalities near our hydropower plants ([read more in Communities](#)).

In 2022, we inaugurated an Ecological Trail at the Tucano Wind Power Complex (BA) to receive visitors, especially students from schools in the region, and teach them about wind generation, the structures that comprise the generation park, as well as the region's flora and fauna. Approximately 200 people have visited the complex over the past two years. This initiative is expected to be implemented in the Alto Sertão II Wind Power Complex region in 2024.



Click here to see a video on the [Fishery Management Program](#).



Impact management

GRI 304-2

The operation of our units does not negatively affect the flora. However, some impacts have occurred during the construction of the projects, such as removal of vegetation in some locations, which has been fully managed and approved by the appropriate environmental agencies during the licensing processes. As regards impact mitigation, at the wind farms, impacts are mitigated through the recovery of degraded areas while at hydropower plants, through reforestation and, at solar farms by signing Environmental Recovery Commitment Terms.

In the region where our wind assets are located, we assess and monitor possible incidents involving avifauna (birds and bats). Our wind farms under construction and in operation are outside the migratory routes of birds, but we still monitor birds and bats that may circulate in the vicinity of the wind turbines in order to assess whether there are any impacts and whether we need to take preventive and corrective actions.

We did not record any invasive species, pests or pathogens at our facilities. However, there can be some negative impacts on the ichthyofauna at the hydropower plants, in reservoirs that do not have fish ladders or during machine stops, which can trap the animals. In all these cases, we act to mitigate their effects through environmental initiatives under the Fauna Monitoring Program.

Dialog and responsibility are the basis for managing the shared use of reservoirs with communities and other business segments, such as tourism. In this context, our practices for the conservation of resident and migratory avifauna and aquatic biodiversity go hand in hand with initiatives to improve and maintain good water quality, the safety of the surroundings and the integrity of our dams.

Water

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

We understand that water is essential for the life of every living being and, therefore, it must be used in a conscious and responsible way, both for human consumption and in the company's operations.

At AES Brasil, water management encompasses two dimensions: water for own consumption for administrative and cleaning activities and water for hydropower generation. The Chief Operations Officer, who is a member of the Sustainability Committee, an advisory body to the Board of Directors, is the executive responsible for water management.

Water consumption

Water consumption in our activities is relatively low and used for human consumption and various services, such as gardening and cleaning the offices and plants. Every year, we ran an internal awareness-raising campaign about the correct use of water. Since 2021, we have been using robots to periodically clean the solar panels at the Guaimbê and Ouroeste solar power complexes, which helps reducing water consumption and ensuring the panels' efficiency. The increase in water consumption recorded in 2023, compared to the previous two years, is mainly due to the addition of new businesses in the company's portfolio, the replacement of water meters to improve water withdrawal measurement and some occasional leaks, which have already been dealt with.

Water consumption (m³)

	2023	2022	2021
Surface freshwater withdrawal	2,340	1,313	2,987
Groundwater withdrawal	54,809	38,638	32,024
Third-party supply (public or private)	1,826	2,711	1,488
Total withdrawn	58,975	42,662	36,499
Water discharge (m ³)	47,180	34,130	29,199
Water consumption (m ³)	11,795	8,532	7,230
Water intensity (m ³ /GWh generated)	3.3	3.8	3.8



River water quality

SASB IF-EU-140a.3

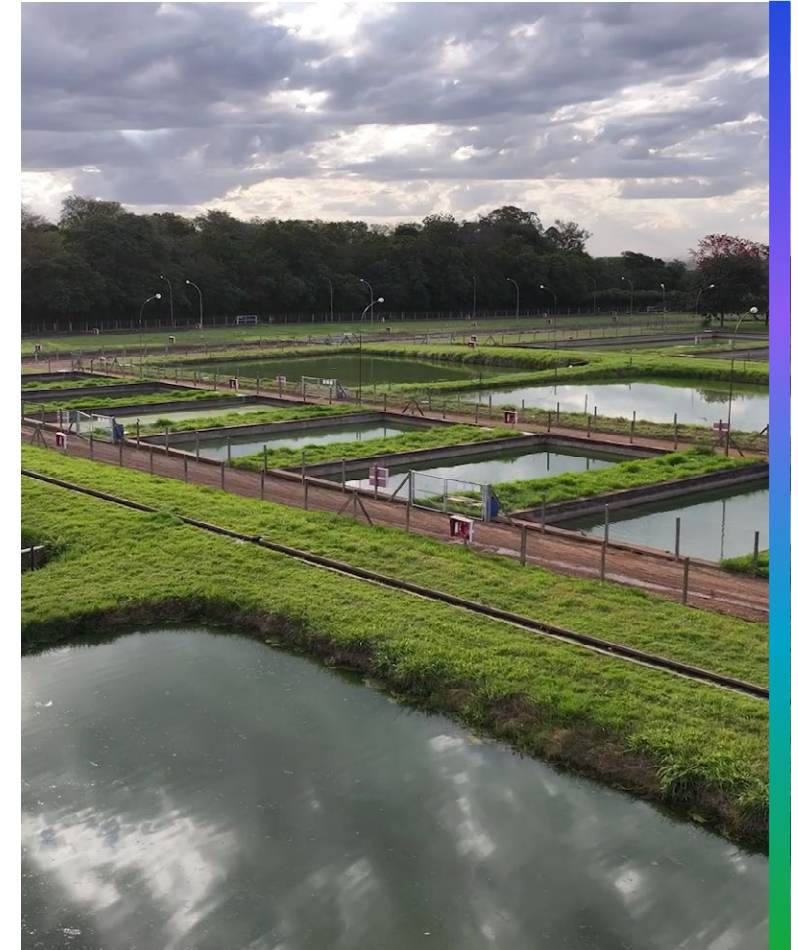
The operation of hydropower plants does not impact the availability and quality of river water, which is dammed to drive the generating units, i.e., the entire volume that passes through the turbines is returned to the system in the same quality as that recorded at the intake.

In order to guarantee this, we run the **Water Quality Monitoring Program** which monitors the condition and transformations that occur in the aquatic environment as a result of the plant's operation and the dynamics of our reservoirs. We take quarterly samples of water and sediment for laboratory analysis of parameters such as temperature, transparency, oxygen and nutrients, among others. Results are sent to the environmental agencies, which help them defining actions and strategies for public management, based on the quality standards established by Conama Resolutions 396/2008 and 357/2005.

Another important initiative is the **Macrophyte Management and Monitoring Program**, which aims to

avoid operational risks arising from the uncontrolled presence of these aquatic plants in the hydropower reservoirs. The program uses an automated system that periodically monitors the movement of emerged macrophytes using satellite images, allowing us to identify patterns and parameters to predict their movement. This triggers the management process, which involves analyzing the quality of water and effluents and, if necessary, removing plants from the dam spillways and sending reports to the environmental agencies for appropriate action to manage water quality.

Given this topic's importance, we are also part of the Macrophytes Working Group, which brings together representatives of São Paulo state's agencies, fishermen and professional navigation (large barges) users and civil society organizations in Barra Bonita, which jointly evaluate and discuss solutions.



Water availability

We understand that hydrological conditions, caused by weather events, can have an impact on our operations due to the unavailability of water in the reservoirs in volume enough to maintain production. We use hydrological projections to manage our portfolio, which provide us with subsidies to predict possible drought situations, even if these events are mitigated by the ERM (Energy Reallocation Mechanism), a financial structure for sharing hydrological risks of hydropower plants connected to the National Interconnected System (SIN), and by the centralized operation of optimal use of basins managed by the National Electric System Operator (ONS).

Due to changes in hydrological conditions, every year we reevaluate if our assets are located in areas of possible water stress, based on the World Resources Institute's (WRI) Aqueduct Risk Atlas platform. In 2023, the Água Vermelha HPP was in a region considered to be of high-water stress, according to the platform's parameters consulted in January 2024. As for the other operations, which do not use water as an input for power generation (solar and wind farms), the framework considered the Ouroeste Solar Complex as well as the Alto Sertão II, Ventus, Salinas,



Caetés, Cassino and Cajuína wind complexes to be regions of high-water stress in the period. The region of the Ventos do Ararape Wind Power Complex was classified as extremely-high water stress risk. These operations recorded water consumption of 1,043.83 m³/year, used for human consumption, cleaning and gardening, equivalent to 9% of total water consumption at our other assets.

We participate in the UN-led Pact for Water Resilience, which includes commitments to recognize the urgency and relevance of concrete actions, and we also report our performance related to Water Security to the Carbon Disclosure Program.

Waste

Our Selective Waste Collection Program aims to reduce waste sent to landfills and, consequently, increase that sent to recycling centers. Waste volumes generated and their disposal are monitored and controlled by the Environmental Management System.

We run several awareness-raising campaigns targeted at employees and outsourced service providers.

Currently, we have partnered with local cooperatives that recycle non-hazardous waste, such as paper, plastic, wood and metals.

Waste and effluent management encompasses recycling, reuse and reverse logistics actions for waste generated at all our units. Hazardous waste is sent to previously approved companies, complying with the Brazilian 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.

Waste is monitored by the National Solid Waste Management Information System (SINIR in Brazilian Portuguese), a federal waste management system, and by similar systems from state agencies, such as Sigor in São Paulo. We enter information on waste volumes as

Waste directed to disposal (in tons)

	2023 ¹	2022	2021
Non-hazardous			
Recycling	30.7	15.6	30.9
Landfill	24.5	12.8	7.8
Subtotal	55.2	28.4	38.5
Hazardous			
Recycling	14.1	8.1	12.8
Co-processing (and other forms of burning with energy recovery)	42.9	29.3	22.8
Other forms of waste recovery	44.7	16.9	0.8
Incineration	0.0	0.0	0.0
Landfill	12.6	16.0	10.2
Other forms of final disposal	35.5	20.4	44.0
Subtotal	149.9	90.7	90.5
Consolidated total (non-hazardous + hazardous)	205.1	119.1	129.0

¹ The increase in waste disposal in 2023 is due to 5S activities to dispose of waste accumulated at the parks due to maintenance.

well as on the company responsible for waste collection, transportation and final disposal and issue the Waste Transportation Manifest (MTR, in Brazilian Portuguese).

Effluents

In accordance with our effluent monitoring and measurement plan, we analyze water and oil separation process at the outlet of drainage wells on a regular basis in order to ensure compliance with legal parameters.

At the hydropower plants, we have domestic (sanitary) effluent treatment plants. Pursuant to the legislation, this system is periodically analyzed to ensure compliance with all parameters.

At the headquarters of the Power Generation Operation Center in Bauru (SP), a system treats sanitary effluents, returning them to the toilets in a closed cycle.

Social

GRI 2-23

We have a daily commitment to well-being, quality of life and the development of our human capital, the company's most valuable asset. We work together towards a safe, reliable, stimulating and healthy environment that respects human rights, diversity, integrity and ethics in the relationships involving employees, outsourced service providers and other stakeholders.

We have established an organization climate that values people, their health and safety, and their desire for

professional development. We consider our relationships with all our stakeholders to be free of harassment or discrimination on the basis of race, ethnicity, disability, gender, language, nationality or any other reason, such as religion, age, sexual orientation, political opinion or socioeconomic status. Our Sustainability and Diversity Policies establish guidelines related to Human Rights in all their breadth.



Employee recognition
program structured based
on the feedback from the
FIA Survey

Our workforce

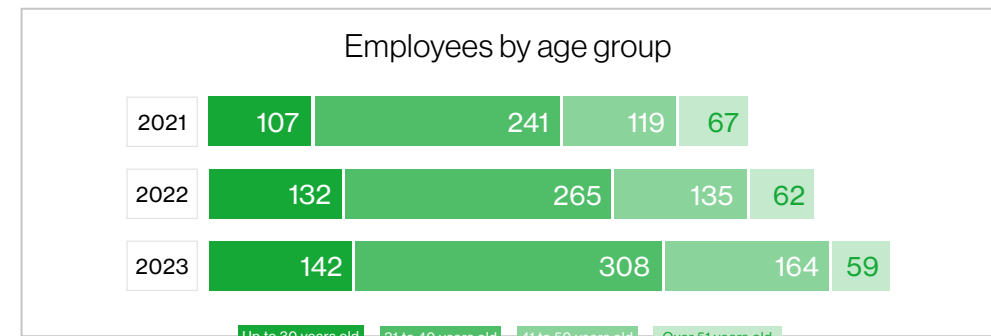
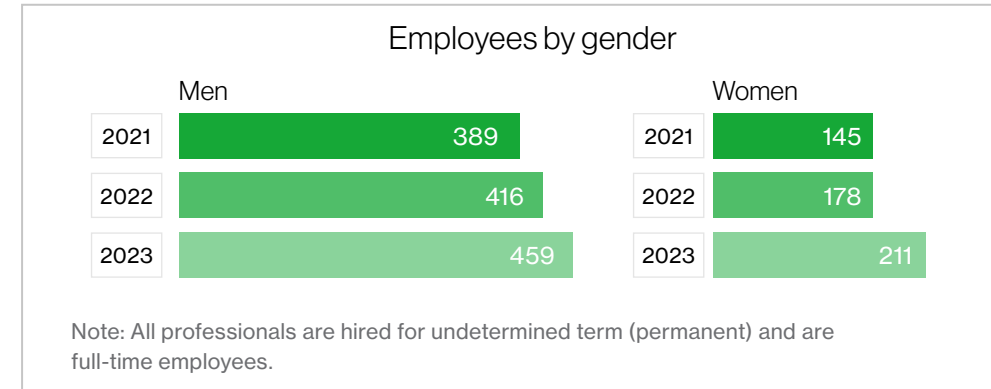
GRI 2-7, 2-20

In 2023 our workforce was of 670 permanent employees, which represented a 13% increase from 2022.

Within this scenario, female representation increased in 2023. We formed the first group of women specialized in the operation and maintenance of wind power plants in Rio Grande do Norte, in partnership with the state’s National Industrial Learning Service (Senai, in Brazilian Portuguese).

The course trained 73 local women and was a milestone for the sector and for women’s participation in the state’s job market. They had a total of 460 hours of training, including live online classes and one face-to-face meeting. The specialists can participate in our selection process to join the Cajuína Wind Power Complex’s team. This will be the second park fully operated by women, expanding women’s professional development opportunities in this segment.

At AES Brasil, we have the Energia que Inspira (Energy that Inspires) program, which covers and sets out all the guidelines and many types of recognition, ranging from “welcome to new employees” to “birthdays of the month”, including maternity/paternity, recognition of employees who have been promoted and incentive of retirement.



Employees by region

	2023	2022	2021
Southeast	543	516	477
Northeast	2	0	0
South	125	78	57

Note: All professionals are hired for undetermined term (permanent) and are full-time employees.

Over the months, we strengthened our culture, which welcomed employees from M&A assets. We have a benefits package that covers all employees and includes:

■ **Mandatory benefits**

Food vouchers; additional food vouchers; dental assistance; medical assistance; pension aid; daycare, nanny and disability aid; life insurance; aid for employees with disabilities; and charter bus, in addition to hazard pay, transfer pay and profit sharing.

■ **Voluntary benefits (not prescribed by law)**

Regardless of hierarchical level: Christmas voucher, collective bargaining agreement, advance on the 13th salary Christmas bonus in January, private pension and healthcare plan.

■ **Social assistance program**

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

■ **Spring Health**

Global Employee Assistance Program that offers customized mental health assistance for our

employees and their dependents, in an easy, direct, free-of-charge and confidential way.

■ **Virgin Pulse:**

The activity-based program empowers people to live healthier and feel their best. Through the program everyone has access to guidance, resources and support whenever they need it. Resources are free-of-charge, user-friendly and available to everyone working at AES, via the Virgin Pulse app or the website.

■ **Compensation package**

Salaries at the market median, leveraged by variable compensation.

■ **Climate survey**

Monitored by senior management.

■ **Scholarships**

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

■ **Flexible working hours**

The hybrid work model and at flexible hours is one of our voluntary benefits.

Human and labor rights

GRI 3-3 Material topic: Human and labor rights, 2-23

We systematically value human rights and occupational health and safety issues. Our policies, procedures and processes are strict when it comes to compliance with these topics.

In particular, the Sustainability Policy, approved by the Board of Directors, is based on the Universal Declaration of Human Rights (UN 1948), the Convention on the Rights of the Child (UN 1989) and the Guiding Principles on Business and Human Rights (UN 2011). In this policy, we address topics such as respect for labor rights; eradication of child and forced labor; fight against all forms of discrimination; appreciation of diversity; and prevention of all forms of harassment.

In the Sustainability Policy, we express our commitment to safeguarding the basic rights of all the individuals with whom we have a relationship.

As a result, our culture reflects a fair and respectful environment. We admit, however, that our activities may have potential negative effects, such as an increase in occupational diseases, legal proceedings and loss of

talents. Because accidents directly affect the operation, an increase in the number of accidents, if any, is classified as an actual negative impact.

Collective bargaining agreements

GRI 2-30

The Collective Bargaining Agreement covers all employees. Every year, employees discuss our proposal with trade unions on the base date.

Organizational climate

This was the second consecutive year in which we were among the most awesome companies to work for in Brazil. We also topped the ranking of energy companies, which is proof of the good organizational climate we have been able to achieve; even at a time of major changes, we have been able to create opportunities without instabilities, and we have grown.

In 2023, the employee satisfaction level, measured by the Organizational Climate Survey, reached 94.4 points.

The result of the survey was widely disclosed soon after it was presented to senior management. The data were presented at team meetings and discussed internally to generate action plans to eliminate the identified weaknesses.

The survey also enabled us to understand what our employees think and need and what we can do to improve their skills and productivity.



Score 96.6 in the 2023 FIA Survey, being elected the **best company to work for** in the energy sector

As of 2023, Gerando Energia, an online meeting of all AES Brasil employees to discuss several important topics, has been held every two months, in addition to having special editions on topics such as Diversity, Equity, and Inclusion, whenever necessary. This initiative directly helps employees become aware of AES Brasil’s strategy, business, and results, bringing people closer to senior management and driving organizational climate indexes.



<p>Total turnover rate</p> <ul style="list-style-type: none"> ■ 2023 - 16.70% ■ 2022 - 14.44% ■ 2021 - 18.10% 	<p>Average length of employment</p> <ul style="list-style-type: none"> ■ 2023 - 8 years ■ 2022 - 8 years ■ 2021 - 9 years
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Diversity

GRI 3-3 Material topic – Diversity

The Internship Program relies on affirmative recruitment to increase the representation of Blacks, people with disabilities and of LGBTQIAP+ people in the Company.

We guarantee an inclusive, equitable, diverse, safe and respectful environment that is free of discrimination and offers opportunities for growth and career advancement to all. This is a guiding principle for our activities. We have over 4,000 people working in our activities, whether own employees and outsourced service providers, and they are all equally unique. The Diversity, Equity and Inclusion Policy guides our actions and provides the guidelines for our practices and attitudes that should be embodied in our actions and interactions with everyone.

In 2023, we reviewed our activities related to the topic through interviews with senior management; diagnosis of the company’s diversity, equity and inclusion scenario; review of goals, governance and pillars; workshops with

executive officers and the involved areas; and tactical ideation work with employees. The result was a new Strategic Plan for Diversity, Equity and Inclusion with a new governance structure.

The program governance comprises affinity groups and working groups focused on identifying needs and enabling specific initiatives – from the 33 actions that were generated by this work, 9 were prioritized for 2023, such as the creation of the nursing room in the Power Generation Operation Center (COGE, in Brazilian Portuguese), in Bauru (SP). The Personnel Committee supervises the topic, and the Executive Committee validates its actions and approves the necessary budget.

Diversity goals

30 %
of senior leadership positions occupied by women by 2025

30 %
of leadership positions occupied by members of underrepresented groups (ethnic-racial, gender identity, and sexual diversity) by 2030

Affinity groups

Women

Black people

LGBTQIAP+ Community

People with disabilities

AES Brasil Diversity, Equity and Inclusion Program

Create a culture that values and promotes diversity in all its spheres, ensuring an inclusive, equitable, safe, respectful work environment, free from discrimination and with opportunities for growth and development.

What we seek	Governance	Affinity Groups	Skills for developing inclusion
<ul style="list-style-type: none"> Promoting inclusive environments by influencing organizational climate, education and HR indicators Change by processes, practices and policies that sustain the program over the years Expanding opportunities for diverse talents by attracting, developing, retaining and recognizing these people Sharing value for society by impacting the AES value chain and other stakeholders 	<pre> graph TD A[DEI program] --> B[Executive Committee] B --> C[DEI sponsor] C --> D[DEI Management Committee] D --> E[Leader Affinity group] D --> F[Management Committee Working Groups] </pre>	<ul style="list-style-type: none"> Women Black people LGBTQIAP+ Community People with disabilities <p>Role and Responsibility</p> <p>Multidisciplinary group responsible for proposing solutions, monitoring and managing diversity agendas, bringing discussions and promoting internal actions.</p>	<p>Skills for developing inclusion</p> <ul style="list-style-type: none"> Respect Curiosity Ethics Commitment Empathy Communication <p>Key actions for success</p> <ul style="list-style-type: none"> Identify and continuously train promoters in DE&I topic Sustaining the accountability of the people responsible Linking inclusive skills to people management Involving leaders in actions for the company <p>Identify stakeholders and develop</p> <ul style="list-style-type: none"> Awareness Knowledge Reinforcement Desire Skill

We are promoting an important legacy in this regard: women trained to operate and maintain wind power plants through a specific training program. This leads to a transformation in the sector and the insertion of women in technical activities in electricity generation.

In order to raise awareness among our workers of discrimination and harassment, we provide mandatory training on topics related to Diversity and Inclusion, namely “Managing Prejudices” and “Global Prevention against Harassment and Discrimination”.

Along with corporate goals related to the organizational climate and health and safety, we consider diversity in the calculation of the variable compensation of our leaders and executives – our executive officers have 10% of their targets focused on empowerment and organizational climate. In 2024, we intend to progressively add one more gender parity metric to encourage the inclusion of more women in the Succession Plan ([read more in Training and Development](#)).

To accelerate this process, in 2023, the internship program included affirmative

recruitment. The program addressed diversity intersectionally and hired nine young people: three women and six men, of whom four are Black and five are LGBTQIAP+.

We are thus building a welcoming culture in the workplace and in all the employee selection and development processes.

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2023 Census

We annually perform a Diversity, Equity and Inclusion Census. The third edition should be completed in early 2024.

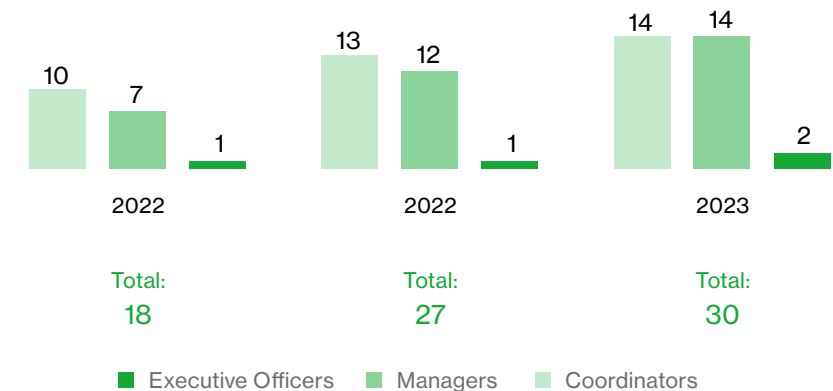
The Census tracks employees’ opinions and perceptions on DE&I, addressing points such as knowledge of the policy, perception of the culture and AES’s concern about the topic, in addition to tracking diversity indicators.

More women in senior management

Female representation in senior leadership positions increased by 4%: between 2022 and 2023, this number went from 25% to 29%. To comply with our 2030 ESG Commitment to increase to 30% the percentage of women in senior leadership positions by 2025, we have several initiatives, such as the inclusion of women in mentoring programs and in the succession line.

In line with this goal, our practices follow two initiatives of UN Women and the Global Compact of Brazil UN: the Women Empowerment Principles (WEPs) and the Movimento Elas Lideram 2030 (Women Lead Movement 2030).

Number of women in leadership positions



Training and development

GRI 404-1, 404-3

We invest in the development of our people, and we train them so they can continuously improve. That is why we have focused on a “70/20/10 approach” to learning and development, described as follows:



70% Experience and exposure

Accelerate development with on-the-job experience and exposure to help expand and enhance the employees' skills and abilities.



20% Learning through others

Through ongoing communication and feedback, make leaders understand their role and responsibilities and which skills they need in order to grow.



10% Formal learning opportunities

Tools and programs so employees can develop professional skills and leadership competencies, advancing their careers to the next level.

Trainees

The gateway to a successful career at AES Brasil is the Energy4Talent (E4T) Trainee Program, which was designed to prepare young talented professionals to become leaders in an innovative and fast-paced business environment.

E4T offers the opportunity to explore the roles and responsibilities of several functional areas (job rotation). We challenge these young professionals to engage in different highly complex projects and, together with administrative, operational and engineering teams, use appropriate methodologies and create applicable solutions.

With 13 years in Brazil, Energy4Talent is a mature and extremely competitive program – in 2023, the program selection process had almost two thousand applicants for four openings. It is a benchmark in AES's global structure, and units from other parts of the world try to hire some of our talents.

Training hours per employee on average

	2023	2022	2021
By gender			
Men	23.9	26.9	33.8
Women	9.6	11.0	6.9
By employee category			
Executive Officers	13.4	0.7	2.8
Managers	2.9	3.5	7.3
Coordinators	16.2	15.6	12.0
Administrative staff	7.1	8.0	11.8
Operational	34.0	40.2	44.7
Consolidated	19.6	22.1	26.5

Development and succession

Developing each one of our employees is our priority. Some of our talents may be nominated for the Succession Plan, which identifies and develops professionals to take on leadership positions at the company. In 2023, we promoted 17 professionals to leadership positions; these employees had been monitored and prepared for this moment.

The Performance Management Cycle assesses the individual performance of all our eligible employees. Those who have been working at the company for at least three months and employees on leave who have at least three consecutive working months during the year are eligible for this process. Dismissed employees, as well as Board members, interns, apprentices, and trade unionists are not eligible.

The cycle is composed of three stages: Target Agreements; Performance Assessment (based on AES Competencies); and 360-Degree Feedback.

Based on the strategic plan, the company sets its overall target for all managers. It is worth noting that the target is composed of three main dimensions: health and safety, financial indicators, and strategic indicators. It is in the strategy alignment stage that the company defines the Management Contracts and Individual and Corporate Targets.

At the end of the first half of the year, we have the 360-Degree Feedback: employees receive feedback from different hierarchical levels, i.e., from different people with whom they interact in the workplace (peers, subordinates, internal clients and leader). There is also a

Mid-Year review, when we review the targets defined at the beginning of the year.

The next step of the Performance Management Cycle is the Performance Assessment, which is based on competencies and achievement of the target agreements. In this stage, employees do their self-assessment and are assessed by their leader based on the actual annual results vis-à-vis the Individual Target Agreement.

After the assessments are completed in the system, the HR Office and the Business Partners meet with the leaders in a “calibration meeting”. During this meeting, they align the concepts used and make any necessary final adjustments before moving on to the last stage, Feedback.

In addition to the development fronts, we hold annual Talent Dialogs as part of our Talent Development strategy. These moments help us align the organization’s talents to its needs and business goals, focusing on the present and the future.

Valuing internal talents is one assumption that we use with professionals identified using the 9Box methodology, developing them on a trail that enables

them to exercise the competencies needed for the next challenges.

Based on the entire Performance Management process, an individual development plan is drawn up for each employee, including the technical training he/she should seek to enhance his/her professional development, training and/or course options, and how to improve behavioral competencies.

Percentage of employees receiving performance review

	2023	2022	2021
By Gender			
Men	95.0%	95.7%	94.9%
Women	93.4%	93.8%	93.1%
By employee category			
Executive Officers	100.0%	100.0%	100.0%
Managers	100.0%	97.5%	100.0%
Coordinators	96.2%	97.6%	100.0%
Administrative staff	92.9%	93.2%	90.9%
Operational	94.6%	95.8%	95.5%
Consolidated	94.5%	95.1%	94.4%

Career Month

In April, a cycle of eight live streaming events explored all career aspects. The initiative was created in response to one of the main gaps in the Climate Survey, which identified the issue as an opportunity for improvement.

Leader Convention

The Leader Convention engages coordinators and people in higher positions, focusing on their development and alignment with our strategy, ensuring excellent management of the activities and the organizational climate through a close-knit collaborative team that produces results.

2023 ESG Week

On August 7-11, the company held its first ESG Week, an internal event that promoted debate on topics such as the 2030 ESG Commitments, renewable energy against climate change, human rights, governance and value creation, among others. The live streams featured external guests and AES executives and employees as debaters and directly impacted 52% of our employees:

5 hours
of content

11
debaters

338
participants

160
people, on
average, per day

Health and safety

GRI 2-23, 403-1,403-4, 403-5, 403-7, 403-8, 403-9

In 2023, we reorganized our structure considering the challenges involved in managing Occupational Health and Safety (SST, in Brazilian Portuguese). Good occupational health and safety management, especially in construction projects, has been essential to guarantee the safety of more than two thousand people who worked simultaneously in the activities.

The reorganization of information management has also meant progress for the area. A number of changes have improved our performance monitoring and indicators, which can now be presented in graphs in a much more agile manner. The Operations and Construction leaders can see the information on the Power BI dashboard and use it as input for their weekly meetings.

Another important event in 2023 was the hiring of a consulting firm specialized in assessing the safety culture to diagnose and map the risk “Behavioral Activators”, which measure our level of maturity in operational safety, using the Hearts and Minds methodology.

The policy of stopping unsafe work is one of the positive points of the assessment of the safety culture based on the Hearts and Minds method

100% of employees and third parties are covered by our health and safety system

According to the methodology, we are in the “Calculator” level on a five-point scale: Pathological, Reactive, Calculator, Proactive and Generative.

We need to improve in responsibilities and consequences, as well as in training, all of which are included in our 2024 activity plan. The assessment also identified positive points, such as the well disseminated recognition policy for office employees and the advancement of an active care environment. In hydropower plants, it highlighted the culture of active care applied by employees and how receptive the teams were.

In order to strengthen the safety culture at the company in 2024, a Safety Culture project was developed based on the five dimensions of the culture assessment: Leadership, Knowledge Management, Psychological Safety, Policies and Communication, Managers and Suppliers, and Integration. For each dimension, a leader (Manager) has been put in charge of assessing our main gaps and implementing actions to enhance our safety culture.

Our Integrated Management System (SGI, in Brazilian Portuguese), implemented on the basis of the commitments set out in our Sustainability Policy, covers environment and

occupational health and safety. The SGI is annually audited internally and certified by a third party: ABS Quality Evaluations, whose certification is based on national and international standards. It is worth noting that our good practices enabled us to obtain important certifications (ISO 14001 and ISO 45001).

The SGI is in place in all operational units. The certification scope is applied to all hydropower plants and solar power plants and to the Alto Sertão II and Ventus wind power plants ([read more in Biodiversity, Environmental Certification](#)).

Management System Commitments



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



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



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



Adoption of measures focused on conservation and rational use of natural resources



Corrective actions to promote ongoing improvement

Occupational Health and Safety Management System

GRI 403-3, 403-6

The occupational medical exams set forth in the Occupational Health Medical Control Program (PSMSO, in Brazilian Portuguese) are done annually to monitor the employees' health conditions and prevent occupational health problems. We also offer "Health Promotion" exams, which go beyond the legal obligations, allowing employees to diagnose health problems early. We require contracted companies to comply with at least the occupational exams set forth in regulatory standard (NR) 7.

Specific medical exams for each function ensure the fitness for work of each employee. Mandatory training, such as for working at heights, using portable machinery, working in confined spaces, among others, is required as proof of ability.

Personal protective equipment, including fire protection, is mandatory for activities involving electricity.

There is a prior step-by-step planning of the activities,

with their respective risks and control measures, documented in a Work Instruction or a Work Procedure Manual (IT and MPT, respectively, in Brazilian Portuguese).

All activities are authorized upon verification of the entire set of protection measures and formal authorization in a document called Preliminary Risk Analysis (APR, in Brazilian Portuguese). In 2023, we began to implement, especially for the operation, a corporation system called Electronic Work Permits (ePAS, in Brazilian Portuguese), with a significant impact on the format and concept of our work. The system changes the format of the service authorization for an activity – this form used to be filled out manually, and it is now digital and can be accessed using a cell phone or tablet. To disseminate information on the tool's effective application in the operations and foster its usability as of 2024, we held four workshops during the year.

Hazard identification and risk analysis

GRI 403-2, 403-7

A process for mapping routine and non-routine activities is described in the procedure for Hazard Identification and Risk Analysis, which directly engages the involved units/departments, identifying the risks of the activity. For each hazard, we establish one or more control measures, following their hierarchy in terms of elimination, engineering, administrative and collective and individual protection.

By knowing the hazards in advance, we are able to discuss the risks with the executors and raise people's awareness of the issue. This process is very dynamic; it is updated annually or whenever there is any change arising from new safety measures, new technologies, elimination and identification of new hazards.

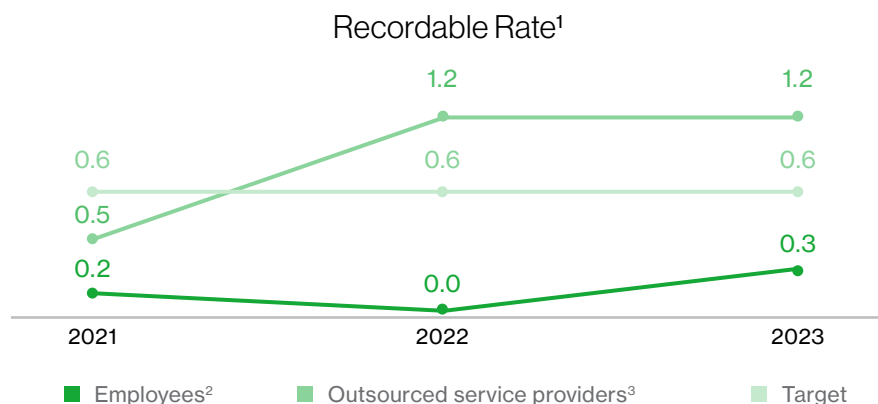
The Contractor Management procedure provides proof that these companies follow the minimum requirements established by the project's risk analysis and that they have good health, safety and environmental management. Reviewing a service's hazards and applying control measures must be carried out through work instructions (WI) and Preliminary Risk

Analysis (PRA). As a complement, we require outsourced service providers to take responsibility through specific contract clauses, which reinforces the importance of acting to mitigate possible risks and engage partners.

Investigation and audit

GRI 403-9

The necessary investigation of workplace accidents is conducted through the TapRoot tool (methodology adopted for the investigation of all significant accidents and incidents). We set up committees, composed of people from different areas, to conduct the investigation, which results in a report with action plans, assigning responsibilities and setting deadlines. The purpose of the investigation is to find the root cause to prevent the recurrence of similar events.



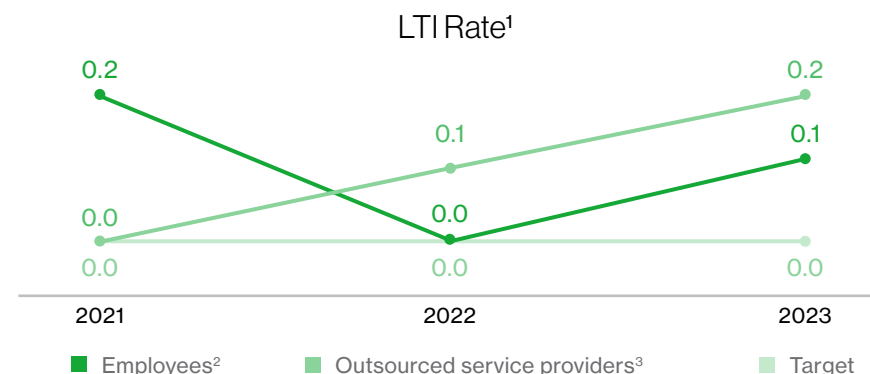
¹ It is calculated on the 200,000 man-hours worked factor and includes LTI accidents and typical accidents without lost time.

² Accidents involving own employees occurred at assets in operation and are related to routine activities such as general organization, cleaning and maintenance.

³ Accidents involving third parties occurred at assets under construction and in operation. The main accidents in construction were activities involving work at height, use of rotating equipment, routine activities and maintenance or cleaning and construction-related activities. In operation, the accident involved work activity at height.

Overall, safety improved in the construction sites of the new wind power plants in 2023. We recorded seven lost time injuries (LTI). There were four LTI accidents in construction – all involving contractors, three of which in the Cajuína Wind Power Complex and one in Tucano. As regards plants in operation, we recorded three accidents: one in the Ventus Wind Power Complex, one in the Ventos do Araripe Wind Power Complex and one in the Nova Avanhandava Hydropower Plant (São Paulo). This last accident was the only one that involved one of own employees. In the period, we had 34 Recordable accidents, those without lost-time, with outsourced service providers.

In line with our zero-fatality goal, since 2009, we have not recorded fatalities of employees or outsourced service providers.



¹ Lost Time Injury. It is calculated on the 200,000 man-hours worked factor and includes fatal accidents and typical accidents with lost time.

² The accident involving the company's own employee occurred during operations and is related to activity close to the pressurized safety valves or other energized devices and with possibility of energy release.

³ Accidents involving third parties that have occurred in construction are related to activities involving work at height, falling objects and the use of rotating equipment. In operations, accidents are related to heavy lifting and electrical discharges.

Safety culture

GRI 403-4, 403-5, EU18

Our Sustainability Policy sets out that employees participate in and be consulted about occupational health and safety issues. A management system procedure governs the communication, participation and consultation of employees on the topic. Thus, we communicate relevant information to all employees and outsourced service providers at our weekly safety meetings, on our corporate social network, by e-mail and through training sessions, which are held in line with the Regulatory Norms (NRs, in Brazilian Portuguese) and to reinforce operational procedures – such as prevention of falls, working in confined spaces, lifting loads and hot work.

Outsourced service providers undertake to attend weekly safety meetings, but manage their own regulatory training. We require outsourced service providers to submit proof of ability, according to the type of activity to be performed. In 2023, 2,238 (97.8%) outsourced service providers received training.

Our weekly meetings are called Safety Meetings, in which we discuss and present safety procedures to the teams. The Daily Safety Dialogs (DDSs) are daily talks on safety topics, held before the beginning of the employees' and outsourced service providers' activities on the work front. AES Brasil has the Internal Commission for the Prevention of Accidents (CIPA), formed by employees who meet monthly to discuss improvements, plan of action and review of the risk map. CIPA is responsible for conducting health and safety campaigns, organizing the Internal Week for

the Prevention of Accidents at Work (SIPAT), safety inspections, guidance and awareness of employees and search for improvements in structures and processes. In addition, the Commission has the decision-making power to address the points of the action plan. All improvement actions, communication and training are directed to 100% of employees and third parties.

We also offer all employees training on diversity (Managing Prejudices, Global Prevention against Harassment and Discrimination and Training on the Code of Conduct) and Health and Safety (Environment and Safety Culture).

The Internal Accident Prevention Week (Sipat, in Brazilian Portuguese) annually addresses several health-related topics. All workers are invited to participate, including outsourced service providers.

In addition to the company's recognition program, in the year, we created a way to recognize the construction project outsourced service providers for their safety performance. Every quarter, we identify those who had the most positive safety performance so they can be formally recognized. In a ceremony at the workplace, we announce their names and put their photos on the bulletin board.

Safety Beliefs

GRI 403-2

The right to refuse to perform activities in unsafe conditions is set forth in our work procedures. It is worth noting an item of AES' Safety Beliefs: "All AES employees and outsourced service providers have the right and the obligation to stop working whenever they identify a situation they believe may be unsafe".

The beliefs are widely disseminated in safety onboarding and Safety Moment meetings. Also, through an Event Notification program, anyone can report an unsafe situation anonymously. The Recognition and Consequence Program considers the act of stopping an activity if one considers it to be unsafe as a criterion for recognition.

The Incident Management procedure establishes an event reporting procedure in which any employee, outsourced service provider or visitor can report an unsafe condition verbally, by telephone, by email or via the Intelex system. The process may be completely anonymous.

Safety in construction activities

The organization and availability of up-to-date information contributed to the outstanding performance of the safety methods at construction sites.

In addition, in 2023, the safety area increased the number of safety

coordinators and hired a company to supervise Occupational Safety at our construction sites. This activity, especially in the Cajuína Wind Power Complex, was essential to ensure increased physical presence



of supervisors, evaluating the work fronts, given the magnitude of the project.

Relationship with stakeholders

GRI 2-29

We frequently engage with our several 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. Engagement is continuous and happens directly with the stakeholders or through representatives.

To ensure meaningful engagement with stakeholders, we rely on appropriate communication channels in which information is passed on clearly and in appropriate language, respecting current laws and licenses.

Expectations created by actions of the highest governance body are assessed, 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 in the relationship and creating shared value. Especially for employees and customers, we carry out regular satisfaction surveys.

Purposes of stakeholder engagement



Shareholders – Connecting with the market, providing information to investors, interacting with our shareholders and fulfilling the regulatory requirements of B3's Novo Mercado. We also participate in conferences and relationship meetings with banks.



Public authorities and regulatory agencies – Fostering dialog and business development in the areas where we operate in the municipal, state and federal levels.



Electricity sector associations – 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.



Press – Safeguarding our image and reputation, strengthening the AES Brasil brand and our positioning as an industry and good practices benchmark and fostering the dissemination of strategic information to our other stakeholders through the press. We hold interviews and relationship meetings and organize visits to our offices and projects.



Employees – Supporting the company's culture and strategy and providing a better working environment for employees.



Communities – Identifying and mitigating actual and potential impacts in the locations where we operate, as well as providing information to the population near the projects about safety, and ensuring the so-called "social license to operate" and fostering positive social impacts. In some regions, we hold periodic Project Follow-up Committee (CAE, in Brazilian Portuguese) meetings, in which we discuss the project and local actions with local communities and government representatives.



Suppliers – Ensuring transparency and compliance in the agreements, making AES Brasil a good business partner. Suppliers are approved via Equipio, a tool that checks if they are up to date with their legal obligations.



Civil society organizations – Positively impacting society, being a leading agent of energy transition, fostering economic growth guided by ESG standards.

Suppliers

Supply chain profile

GRI 2-6, 2-23, 2-24

In 2023, our supplier portfolio had 2,600 companies from all Brazilian states and operating in the most different business areas. We spent more than BRL 1.5 billion with suppliers, from active suppliers of electrical and mechanical maintenance services, civil works and overall conservation to property surveillance, health and safety, environment and specialized consultancy firms.

The Sustainability Policy and the Code of Conduct for Suppliers apply to our relations with suppliers, who receive information from both documents. In order to enter into partnerships with companies and outsourced service providers, we must meet the requirements and expectations set out in the code for suppliers and in the guidelines of the Values Guide – all outsourced service providers receive training on the Guide.

Relationship with suppliers

GRI 308-2

In 2023, we carried out several supplier management initiatives. We mapped the risks involved in the supply chain, offered training sessions and workshops and adapted our internal assessment processes in order to have an even more thorough analysis of the supply chain.

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.

In 2023, 100 suppliers were assessed through the Supplier Performance Index (SPI), which identifies companies with critical environmental impact risks. The 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 compulsory labor. A score below 70 (on a scale from 0 and 100) leads to the development of improvement action plans. When a supplier scores below 70 on waste, it is also subject to an annual waste management audit, especially for hazardous waste.



The Contractual Compliance Program ensures we have partners with good reputation in the market ([read more in Structure](#)). Through specific legal clauses, we demand the highest level of business integrity.

Conexão Fornecedor

In 2023, we structured the Supplier Connection (*Conexão Fornecedor*) Program, which seeks to strengthen these partnerships. Supplier Connection is grounded on the following pillars:

- Selection and approval policies and processes
- Continuous performance assessment and risk management
- Supplier and buyer development
- Recognition for the best results

Topics presented in the workshops

- Circular economy
- Health and Safety
- Ethics and compliance
- Human Rights
- Diversity, Equity and Inclusion
- Climate Change
- Innovation

2023 Best Supplier Award

The awards event was held online at year-end and recognized the best suppliers in three categories:

- Best in the SPI - General Services: Caetite Refrigeração, Digital Rural and Fibra Engenharia
- Best in the SPI - Generation Services: Controle Engenharia, Sinergia Prestadora de Serviços and RTB Soluções
- Best Innovation and Sustainability Case: TKS Engenharia e Serviços, Sampietro Engenharia e Construção and Proyfe-Brasil Projetos & Consultoria.

Relationship with communities

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

We engage with communities living near our operations in a respectful, dialogic, and understanding way. These are the guiding concepts of our actions in all regions where we operate.

We proactively manage our relationships with people who live near our developments, and, for this purpose, we practice active listening and work effectively to meet outstanding needs.

The Strategy and ESG Office, directly reporting to the CEO, is responsible for managing relationships with communities, governed

by the Sustainability Policy, and coordinating the Sustainability Committee. The Strategy and ESG Director is a sitting member of the Sustainability Committee.

We rely on a Social Management System (SGS, in Brazilian Portuguese) that is based on the International Finance Corporation (IFC) standards and determines processes and proceedings to effectively address social issues, taking into account the different stakeholders in the areas of influence.

It encompasses guidelines based on Territory Development; Social Projects; Social Management System Governance; Social Emergencies; Social Risks; Complaint Mechanisms; Social Communication; and Impact – Monitoring and Evaluation.

The year 2023 was the second one we offered training on SGS to all AES Brasil employees, reaching 362 own employees.

We have made important efforts in the development of communities in the areas of influence of our assets, aiming to further reinforce our positive presence in the region rather than merely mitigating any possible negative impacts arising from our operations or construction works.

We take a proactive approach towards communities. Before beginning construction works, we try to get to

know our neighbors to understand the local scenario and local resident's needs. We communicate with all agents, including community, government, and association representatives. We offer social projects that provide local development and build a close, long-term relationship.

Social Management System operation processes

Overview

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

Territory Development Management

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

Social Project Management

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

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.

SGS Governance

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

Impact Management

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

Social Communication Management

Defines procedures for the preparation of territorial communication plans.

Management of Complaint Mechanisms

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

Social Risk Management

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

Respect for Indigenous Peoples

At Mandacaru Wind Power Complex (CE), the Basic Environmental Plan for the Indigenous Component within the scope of the environmental licensing of the Transmission Line has yielded good results and demonstrated our respect for the cultural diversity of Native peoples and investment in sustainable cooperation. The transmission line borders the Indigenous lands Tremembé do Córrego João Pereira and Tremembé de Queimadas.

Among the outcomes of the initiative, it is worth noting the Cultural Appreciation Program, which made progress in 2023, with the construction of architectural projects for cultural centers and workshops on Tremembé people's history and knowledge; and the Ethnodevelopment Program, which continues to provide technical advisory for five villages, offering agroecology courses and workshops.

Active listening and dialog channel

GRI 2-25, 413-1, 413-2

We keep an open channel for dialog with communities and take into account all feedback we receive, in order to enhance responsible and preventive relationship management and guide our activities in the different regions.

Based on local data and from mapping of the communities, we prepare diagnostics that enable us to mitigate possible impacts caused by our projects, whether they come from construction or acquisition. Furthermore, our operations are subject to social and environmental impact assessment and monitoring.

Especially in the wind farms under construction, where social and environmental impacts are more frequent due to construction activities, we maintain an Ombudsman channel and a local social communication team, which carries out in-person assistance and home visits, as well as community meetings and training for employees and outsourced service providers directly involved in the activities.

In addition to the Ombudsman Office, the AES Helpline ([read more in AES Helpline](#)), channel is available for everyone.

Social Communication Program

During construction works, we stay in constant contact with the community. We have developed the Social Communication Program and hired a dedicated team for this purpose, which holds community meetings and provides home visiting in order to ensure people are well-informed on construction activities and every step of works, as well as receive reports and queries to be addressed by the ombudsman channel.

As part of this program, we carry out training activities for outsourced service providers who are involved in construction works of our developments, through the Daily Safety Talk (DDS), addressing topics such as human rights, health, safety, and ethics in order to ensure proper behavior and a good relationship with the community.

At the Alto Sertão II, Tucano, and Cajuína wind power complexes, we operate with a Project Follow-up Committee (CAE), with face-to-face, regular meetings with the participation of the ESG, Environment & Land, Institutional Relations, Operation, and/or Construction teams, designed to present to the different stakeholders (government, associations, and community leaders) the project and the initiatives conducted for the community. Meetings are held every six months at Alto Sertão II Wind Power Complex, every three months at Tucano, and every four months at Cajuína.

AES Brasil Gera+ Program

Our private social investment initiatives are concentrated in the AES Brasil Gera+ Program, which aims to improve lives and promote positive social impact. The program is guided by the Sustainability and Private Social Investment Policies and has four pillars of operation, as follows:



Social Projects in 2023

32
municipalities
benefited

Around
4,200
people
benefited

BRL 2.1 million
invested

75%
with own funds

25%
with incentive funds



Geared towards defining which programs will be carried out, as well as which communities will be prioritized, we prepare a local diagnosis, listening to community leaders and representatives, so that we can meet their needs and expectations in a completely customized way.

In 2023, we paid special attention to the **Water Security** and **Productive Inclusion** pillars, as the Company has increased its operation in Brazil's Northeast region over the past few years. We carried out initiatives



focused on agricultural production improvements in the regions of the Cajuína, Tucano, Ventus, Salinas, Mandacaru, and Alto Sertão II Wind Power Complexes and of hydroelectric power plants, reaching 16 cities across four Brazilian states (Rio Grande do Norte, Bahia, Ceará, and São Paulo). These initiatives transform lives through income generation, women's empowerment, and the structuring and strengthening of family agriculture and livestock. In 2023, we worked on the vegetable farming and poultry, sheep, and goat breeding production chains, as well as woodworking design and dressmaking projects.

In the region of the Tucano Wind Power Complex (BA), we built a 30,000-liter water reservoir with irrigation systems for agricultural production and offered educational workshops and rural technical assistance for production improvement.

We developed another project for productive inclusion and income generation in Palmeiral, a district of the municipality of Botelhos (MG), a region of area of influence of the Água Vermelha Hydroelectric Power Plant. We worked along with the coffee production chain, in partnership with the Association of Small-Scale Family Farmers of Palmeiral (Assofé, in Brazilian Portuguese) in

training workshops, rural technical assistance, business plan development, and local connection with the community and government. As a result, coffee quality has improved.

We also highlight a project carried out in the interior of São Paulo, in the cities of Anhembi, São Manuel, and São Pedro, designed to work on structuring the tourism production chain with several microentrepreneurs in the region. This initiative, which included making a local diagnosis, holding workshops, preparing action plans, and holding meetings with business owners and local governments, led to the creation of a **tourist route** involving 28 companies. During the project's period, the number of customers in local vendors was up 45% and it is estimated that the project may have contributed BRL 1.1 million to the municipalities' economy.

Social Transformation in the Semi-Arid Region of Rio Grande do Norte State

In the regions where we are building the Cajuína Wind Power Complex, we have prioritized initiatives for access to water and agricultural production improvements, because this is a semi-arid region and these priority needs are latent in all communities.

We delivered 24 cisterns and 3 artesian wells, installed with solar water pumping systems, which was of paramount importance to provide 66 families with access to this basic right that is essential to human life. Focused on production improvement, we carried out educational workshops exclusively for women, which addressed topics such as associativism, goat and sheep breeding, horticulture, and marketing, offered rural technical assistance, and implemented demonstration farms, where people can implement rural production activities.

In 2023, we had the first outcome of these efforts, as women sold their products in local fairs.

Geração+ Project

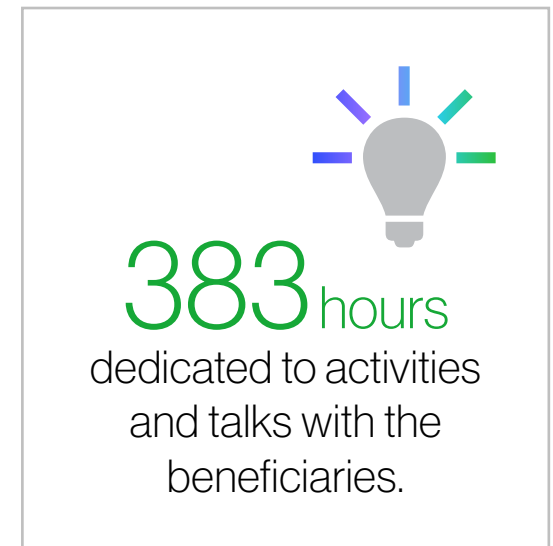
The Geração+ project is a flagship of the Education pillar. It is focused on training teachers and students from 2nd to 5th grades of elementary school at public schools and has covered topics including “Fauna and Flora”, “Electricity”, “Solid

Waste Management”, and “Leisure and Safety”. Since its creation in 2018, 62 schools in 25 municipalities have already participated in the project, benefiting 18,200 students and 1,100 teachers.

Volunteer Program

We encourage our employees to engage in activities together with our social projects. In 2023, we carried out several initiatives within the scope

of the Geração+ Project, focused on environmental education; the *Leitura no Campo* project, with reading mediation for children; and production inclusion initiatives. In addition, we mobilized employees and their family members to engage in the *Litro de Luz* NGO (“Liter of Light”), a project to craft lanterns with recyclable materials and solar panels, which were donated to a community surrounding the Tucano Wind Power Complex.



Social projects in the year

Pillar	Project	Project description	Area of Influence	Number of beneficiaries	Origin of funds
Productive Inclusion	Impulso Empreendedor Project	Structuring a Tourism productive chain among the participating municipalities, offering technical training to boost local income generation.	Anhembi, São Manuel and São Pedro (SP)	60 people	Own funds
Productive Inclusion and Entrepreneurship	Productive Inclusion - Botelhos	Technical support with training workshops and business plan management for members of Assofé - Association of Small-Scale Coffee Farmers of Palmeiral to improve local production and generate income	District of Palmeiral – Botelhos (SP)	24 association members	Own funds
Productive Inclusion and Entrepreneurship	Productive Inclusion - Alto Sertão II	Strengthening of family agriculture, offering training and rural technical assistance, for improving production and income generation.	Guanambi and Pindaí (BA)	44 people	Own funds
Productive Inclusion and Entrepreneurship	Productive Inclusion - Mandaru	Strengthening of family agriculture and income generation, offering technical training focused on the women in the community.	Trairi (CE)	10 people	Own funds
Productive Inclusion and Entrepreneurship	Productive Inclusion - Mandaru	Strengthening local income generation by offering technical training focused on dressmaking to women in the community.	Trairi (CE)	11 people	Own funds
Productive Inclusion and Entrepreneurship	Productive Inclusion - Cajuína	Strengthening of family agriculture focused on women, offering training and rural technical assistance for subsistence production and trade of surplus.	Lajes, Fernando Pedroza, Assú, Angicos, Pedro Avelino and Cerro Corá (RN)	127 people	Own funds
Productive Inclusion and Entrepreneurship	Productive Inclusion - Salinas	Strengthening tourism and entrepreneurship focused on gastronomy, offering technical training for women to promote income generation.	Areia Branca (RN)	25 people	Own funds
Productive Inclusion and Entrepreneurship	Productive Inclusion - Ventus	Strengthening tourism focused on community associations, offering technical training to improve service and generate local income	Galinhos (RN)	30 people	Own funds

Pillar	Project	Project description	Area of Influence	Number of beneficiaries	Origin of funds
Productive Inclusion and Entrepreneurship	Microcredit Project	Granting of microcredit to women participating in the Cajuina productive inclusion project, aimed at strengthening family farming and generating income.	Lajes, Fernando Pedroza, Assú, Angicos, Pedro Avelino and Cerro Corá (RN)	To be defined ¹	Own funds
Productive Inclusion and Water Security	Productive Inclusion	Strengthening family agriculture with the implementation of a 30,000-liter water reservoir, irrigation systems, training and rural technical assistance, with production for subsistence and sale of surplus.	Tucano (BA)	20 people	Own funds
Water Security	Water Security - Cajuina	Project for access to water by setting up cisterns and wells, promoting workshops on water use in the semi-arid region	Lajes and Fernando Pedroza (RN)	205 people	Own funds
Education	Circuito da Cultura - SDG	Fostering culture and sustainability through educational initiatives with interactive activities focusing on the SDGs on a traveling bus.	To be defined ¹	To be defined ¹	Incentive funds from the Culture Incentive Law
Education	Sementinhas no Esporte IV	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.	Tucano (BA)	160 children	Incentive funds from Federal Sports Incentive Law.
Protection of Rights	Strengthening of Municipal Councils	Strengthening the Councils for the Rights of Children and Adolescents and the Council for the Elderly, promoting online courses for technical qualification.	Bauru, Botucatu, Caconde, Jaú, Lins, Ouroeste, Piracicaba, São João da Boa Vista and São Manuel (SP); Guanambi (BA), Poços de Caldas (MG), Guamaré, Pedro Avelino and Areia Branca (RN); Araripina (PE); Simões (PI)	62 people	Own funds
Protection of Rights	Local Support	Financial support to Baobá Institute, which offers technology courses for young people in social vulnerability situation.	Amparo (SP)	31 people	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 middle school, focused on: electricity, leisure and safety, waste management, fauna and flora	Barra Bonita, Santa Maria da Serra, São Manuel and São Pedro (SP)	2852 children 214 teachers 12 participating school	Own funds
Education and Entrepreneurship	Woodwork Lab Project	Setting up a woodwork workshop, offering training to young people and adults, promoting skills development and income generation	Igaporã (BA)	40 people	Incentive funds from the Culture Incentive Law
Education	Sementinhas no Esporte II Project	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.	Tucano (BA)	136 children 12 teachers 4 participating school	Recurso Incentivado via Lei de Incentivo ao Esporte.
Education	Lighting	Mobile lighting project, with the installation of lamps, benefiting families that do not have adequate lighting.	Tucano (BA)	76 people	Own funds
Education	Leitura no Campo Project	Implementation of a reading space in a public school, with the donation of a collection of 1,200 books and adaptation of the space with new furniture	Biringa (BA)	253 children 9 teachers 1 school	Incentive funds from the Culture Incentive Law

¹Projects received funding in December 2023 and will be implemented in 2024, when the municipalities and number of beneficiaries will be defined.

ATTACHMENTS



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 2-7 | Employees

The increase in the number of employees, from 594 in 2022, to 670 in 2023, arises from new renewable energy projects acquired by the company over the last year.

Number of employees by gender and by region¹

Region	2023			2022			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Northeast	89	36	125	59	19	78	46	11	57
Southeast	369	174	543	357	159	516	343	134	477
South	1	1	2	0	0	0	0	0	0
Total	459	211	670	416	178	594	389	145	534

Note 1: All professionals are hired for undetermined term (permanent) and are full-time employees, except for the 18 apprentices (5 men and 13 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 Brazil.

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

Net energy generation in 2023 by regulatory regime (GWh)¹

	2023		2022	
	GWh	%	GWh	%
Free market	4,430.7	25.0%	2,882.5	25.6%
Regulated market	13,081.1	75.0%	8,367.2	74.4%

Note 1: In 2022, 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.

Net energy generation – GWh

	2023	2022	2021
Hydropower	12,104.8	8,367.2	6,674.1
Wind1	4,853.7	2,292.5	2,148.0
Solar	553.4	590.0	574.3
Total	17,511.8	11,249.7	9,396.4

Note 1: In 2022, 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.

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

Occupational safety indicators for employees and outsourced service providers

	2023	2022	2021
Total man-hours worked	8,100,231	5,563,978	3,748,898
Number of recordable incidents ¹	42	25	7
Fatalities	0	0	0
Number of near-miss incidents ¹	117	154	27
Total recordable incident rate (TRIR)	1.0	0.9	0.4
Fatality rate	0	0	0
Near-miss frequency rate	2.9	5.5	1.4

Note: Occupational safety management has been strengthened through the proactive report of incidents, proper investigation of their causes and action plans. On the other hand, the number of reactive reports increased in 2023, particularly due to the dynamics and intensification of construction activities on the Cajuina project (substantial increase in hours worked), where we had greater exposure to risk throughout the year.

GRI 403-9 | Work-related injuries

Health and safety indicators for own employees by region¹

	2023			2022			2021		
	Northeast	Southeast	Total	Northeast	Southeast	Total	Northeast	Southeast	Total
Number of injuries	0	1	1	0	0	0	1	2	3
Number of injuries with leave of more than 15 days	0	0	0	0	0	0	0	1	1
Lost/debited days	0	14	14	0	0	0	7	3,698	3,705
Man-hours worked	257,445	1,194,063	1,451,508	156,693	1,111,948	1,268,641	68,276	1,051,930	1,120,206
Fatalities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Frequency rate of injuries with and without lost-time	0.0	0.8	0.7	0.0	0.0	0.0	14.7	1.9	2.7
High-consequence work-related injury rate ²	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9
Fatality rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severity rate	0.0	11.8	9.7	0.0	0.0	0.0	102.5	3515.4	3307.4

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

Note 2: It considers injuries with leave of more than 15 days.

Health and safety indicators for outsourced service providers by region¹

	2023			2022 ²			2021		
	Northeast	Southeast	Total	Northeast	Southeast	Total	Northeast	Southeast	Total
Number of accidents ¹	33	7	40	27	4	31	5	2	7
Number of injuries with leave of more than 15 days	2	0	2	1	0	1	0	0	0
Lost/debited days	113	0	113	80	0	80	0	0	0
Man-hours worked	5,689,374	959,351	6,648,724	3,421,840	873,497	4,295,337	1,832,293	796,397	2,628,690
Fatalities	0	0	0	0	0	0	0	0	0
Frequency rate of injuries with and without lost-time	5.8	7.3	6.0	7.9	4.6	7.2	2.7	2.5	2.7
High-consequence work-related injury rate ²	0.0	0.0	0.0	0.3	0.0	0.2	0.0	0.0	0.0
Fatality rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Severity rate	19.9	0.0	17.0	23.4	0.0	18.6	0.0	0.0	0.0

Note 1: Rates calculated according to NBR 14,280 on the factor of 1,000,000 man-hours worked.

Note 2: 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

	2023		2022		2021	
	Total	%	Total	%	Total	%
Number of members by gender						
Men	8	72.7%	7	63.6%	8	72.7%
Women	3	27.3%	4	36.4%	3	27.3%
Number of members by age group						
Up to 30 years old	0	0.0%	0	0.0%	0	0.0%
31 to 40 years old	0	0.0%	0	0.0%	2	18.2%
41 to 50 years old	3	27.3%	3	27.3%	1	9.1%
Over 51 years old	8	72.7%	8	72.7%	8	72.7%

Number of women in leadership positions

	2023		2022		2021	
	Total	%	Total	%	Total	%
Executive Officers	2	6.7%	2	7.4%	1	5.6%
Managers	14	46.7%	12	44.4%	7	38.9%
Coordinators	14	46.7%	13	48.1%	10	55.6%
Total	30	100.0%	27	100.0%	18	100.0%

Number of employees per employee category and gender

	2023				2022				2021			
	Men		Women		Men		Women		Men		Women	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Executive Officers	13	86.7%	2	13.3%	14	87.5%	2	12.5%	11	91.7%	1	8.3%
Managers	27	65.9%	14	34.1%	28	70.0%	12	30.0%	25	78.1%	7	21.9%
Coordinators	38	73.1%	14	26.9%	29	69.0%	13	31.0%	25	71.4%	10	28.6%
Administrative staff	117	44.0%	149	56.0%	104	44.1%	132	55.9%	94	45.0%	115	55.0%
Operational	264	89.2%	32	10.8%	241	92.7%	19	7.3%	234	95.1%	12	4.9%
Total	459	68.5%	211	31.5%	416	70.0%	178	30.0%	389	72.8%	145	27.2%

Number of people with disabilities per employee category

	2023		2022		2021	
	Total	%	Total	%	Total	%
	Executive Officers	0	0.0%	0	0.0%	0
Managers	0	0.0%	0	0.0%	0	0.0%
Coordinators	1	1.9%	0	0.0%	0	0.0%
Administrative staff	6	2.3%	5	2.1%	6	2.9%
Operational	3	1.0%	5	1.9%	4	1.6%
Total	10	1.5%	10	1.7%	10	1.8%

Number of employees per employee category and age group

	2023								2022								2021							
	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	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Executive Officers	0	0.0%	2	13.3%	11	73.3%	2	13.3%	0	0.0%	3	18.8%	11	68.8%	2	12.5%	0	0.0%	3	25.0%	8	66.7%	1	8.3%
Managers	1	2.4%	23	56.1%	14	34.1%	3	7.3%	3	7.5%	20	50.0%	10	25.0%	7	17.5%	4	12.5%	14	43.8%	7	21.9%	7	21.9%
Coordinators	2	3.8%	29	55.8%	16	30.8%	5	9.6%	2	4.8%	21	50.0%	12	28.6%	7	16.7%	0	0.0%	15	42.9%	15	42.9%	5	14.3%
Administrative staff	88	33.1%	128	48.1%	40	15.0%	10	3.8%	84	35.6%	107	45.3%	36	15.3%	9	3.8%	73	34.9%	97	46.4%	29	13.9%	10	4.8%
Operational	51	17.2%	126	42.6%	83	28.0%	36	12.2%	43	16.5%	114	43.8%	66	25.4%	37	14.2%	30	12.2%	112	45.5%	60	24.4%	44	17.9%
Total	142	21.2%	308	46.0%	164	24.5%	56	8.4%	132	22.2%	265	44.6%	135	22.7%	62	10.4%	107	20.0%	241	45.1%	119	22,3%	67	12,5%

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

Duration of outages per power plant (hours)

	2023		2022		2021	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
Hydroelectric Power Plants						
Água Vermelha	1,721.8	609.5	769	1,418.6	1,682.5	297.6
Bariri	1,481.1	549.2	576.2	646.1	3,649.8	100.4
Barra Bonita	4,914.2	1,788.9	7,440.2	707	2,513.5	106.7
Caconde	14.0	298.7	1,172.6	194.4	207.6	0.0
Euclides da Cunha	389.5	502.6	521	14.9	631.3	278.4
Ibitinga	323.0	142.6	591.8	1891	17.4	82.7
Limoeiro	524.5	718.9	211.7	143.8	636.2	58.8
Nova Avanhandava	1,541.8	114.5	277.2	744	267.9	85.1
Promissão	147.7	5,078.5	889	46.1	1,909.7	44.4
SHPP Mogi Guaçu	221.4	1,882.8	6.5	1,983.8	22.9	237.2
SHPP São Joaquim	9.6	1,052.4	290.6	184.3	81.8	797.4
SHPP São José	270.7	852.0	677	1,181	2,878.2	1,143.7
Subtotal - Hydropower	11,559.2	13,590.6	13,423	9,155	14,498.9	3,232.4
Wind						
Alto Sertão II Wind Power Complex						
Da Prata	1,170.8	5,119.8	911.5	2,678.5	855.7	1,764.5
Dos Araçás	2,274.5	8,872.3	957.8	4152.2	874.8	6,988.0

Duration of outages per power plant (hours)

	2023		2022		2021	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
Alto Sertão II Wind Power Complex						
V Nordeste	1,482.5	8,060.9	966.7	1,760.8	1,017.5	1,950.5
Tanque	2,341.2	9,191.3	2,955	6,441.8	4,562.2	7,017.2
Morrão	1,425.2	8,691.1	1,008.3	3,525.8	3,301.5	16,296.3
Seraíma	1,891.0	9,800.8	4,863.8	5,164	2,437.2	10,340
Maron	3,782.7	5,694.1	1,443.8	2,324	1,194.5	1,093.0
Pilões	1,468.3	5,663.9	3,187.3	6,078.3	1,086.5	1,612.8
Ametista	679.2	4,276.9	1,019.7	3,493.5	2,237.5	2,243.5
Dourados	538.5	2,922.6	1,012.8	1,495.5	2,621.5	1,272.8
Caetité	3,715.3	13,164.2	1,110.2	2,188.8	5,127.3	2,724.2
S. do Espinhaço	723.0	7,650.2	686.8	1,356.7	2,430.0	1,843.7
Espigão	2,271.4	7,625.0	307.7	2,024.2	1,467.2	1,026.2
Borgo	1,229.3	5,723.9	727	3,130.7	964.3	1,375.7
Pelourinho	817.2	6,825.4	486.7	2,963.8	1,143.3	1,341.3
Subtotal	25,810.0	109,282.4	2.1645, 1	4.8778, 7	31321	58,889.7
Ventus Wind Power Complex						
Miassaba 3	6,083.1	29,871.6	47,094.9	20,098.9	12,943.3	23,107
Rei dos Ventos 1	6,850.6	46,376.6	32.492, 3	28540.6	8,964.0	14,920.9
Rei dos Ventos 3	6,464.0	43,221.4	12,084.7	36,572.7	5,435.3	43,553.3
Subtotal	19,397.6	119,469.6	91,671.8	85,212.1	27,342.5	81,581.3

Duration of outages per power plant (hours)

	2023		2022		2021	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
Mandacaru Wind Power Complex						
Embuaca	2,327.6	5,657.3	4,100.4	37,808.5	0	9,222.2
Icarai de Amontada	1,328.9	2,731.1	1,080.8	19,733.6	0	10,542.2
Santo Antônio de Pádua	6,205.4	7,457.1	6,515.3	4,903.5	0	11,497.7
São Cristóvão	17,082.4	17,296.3	15,745.7	8,951.4	0	15,123.1
São Jorge	16,067.0	14,012.6	9,189.8	14,642.8	0	23,384.9
Subtotal	43,011.2	47,154.4	36,631.9	86,039.9	0	69,770.2
Salinas Wind Power Complex						
Bela Vista	1,561.1	5,841.6	1,735.4	5,723.7	0	6,934.7
Mar e Terra	1,078.4	6,988.0	1,077.5	2,610.2	0	2,053.4
Subtotal	2,639.5	12,829.7	2,812.9	8,333.9	0	8,988.0
Caetés Wind Power Complex1						
Santa Brígida 1	210.5	7,705.4	4.7	50.3	NA	NA
Santa Brígida 2	2,911.5	13,633.7	2.3	150.5	NA	NA
Santa Brígida 3	723.9	9,547.4	4.7	28.5	NA	NA
Santa Brígida 4	3,113.0	8,346.8	1.3	59.3	NA	NA
Santa Brígida 5	915.8	9,010.3	0	51.2	NA	NA
Santa Brígida 6	2,357.0	12,683.2	0.9	71.9	NA	NA
Santa Brígida 7	2,973.6	18,848.4	0.7	101.8	NA	NA
Subtotal	13,205.2	79,755.2	14.6	513.5	NA	NA

Duration of outages per power plant (hours)

	2023		2022		2021	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
Ventos do Araripe Wind Power Complex¹						
Santa Joana II	7,100.5	10,678.9	3.6	112.0	NA	NA
Santa Joana VI	2,113.3	6,311.8	2.2	105.5	NA	NA
Santa Joana VIII	10,629.8	17,535.2	11.4	9.3	NA	NA
Santa Joana XIV	7,100.5	10,678.9	0.1	238.2	NA	NA
Santo Onofre I	3,933.2	3,318.8	2.5	56.2	NA	NA
Santo Onofre II	4,943.5	3,256.8	11.5	110.5	NA	NA
Santo Onofre III	2,753.7	4,763.4	3.2	105.0	NA	NA
Subtotal	39,083.2	67,976.2	34.5	736.7	NA	NA
Cassino Wind Power Complex¹						
Vento	2,193.6	1,279.5	1.4	7.3	NA	NA
Wind	3,244.0	1,016.5	4.5	43.8	NA	NA
Brisa	3,217.0	1,059.6	1.4	8.7	NA	NA
Subtotal	8,654.9	3,355.6	7.3	59.8	NA	NA
Solar						
Ouroeste Solar Power Complex						
AGV	204.9	432.4	295.2	288.8	NA	1156.3
Boa Hora	129.3	74.6	764.1	2.8	NA	95.5
Subtotal	334.2	507.0	1059.3	291.6	NA	1251.80

Duration of outages per power plant (hours)

	2023		2022		2021	
	Scheduled	Unscheduled	Scheduled	Unscheduled	Scheduled	Unscheduled
Guaimbê Solar Power Complex						
Guaimbê Solar Power Complex	36.2	116.7	40.3	652.5	NA	351.3
Consolidated total of all asses	163,731.21	454,057.30	167,340.7	239,773.9	73,162.3	224,064.6

Note 1: For the Caetés, Ventos do Araripe and Cassino Wind Power Complexes, we consider only December 2022 data, month when these assets were added to the operational portfolio.

Average availability factor per power plant (%)

	2023	2022	2021
Hydroelectric Power Plants			
Água Vermelha	95.4	95.7	96.1
Bariri	89.1	95.3	85.5
Barra Bonita	78.9	76.7	92.2
Caconde	98.1	92.2	98.6
Euclides da Cunha	96.8	98.3	97.2
Ibitinga	98.2	90.5	99.5
Limoeiro	92.3	97.9	95.5
Nova Avanhandava	91.2	96.1	98.4
Promissão	76.4	96.4	92.0
SHPP Mogi Guaçu	87.9	78	98.4
SHPP São Joaquim	86.7	94.3	89.5
SHPP São José	92.5	89.1	75.7

Average availability factor per power plant (%)

2023

2022

2021

Alto Sertão II Wind Power Complex

	2023	2022	2021
Da Prata	94.8	96.9	97.7
Dos Araçás	93.6	96.9	95.3
V Nordeste	91.6	97.8	97.6
Tanque	92.0	94	92.7
Morrão	93.5	97.1	87.6
Seraíma	91.6	93.6	91.9
Maron	93.7	97.6	98.5
Pilões	95.4	94.1	98.3
Ametista	96.5	96.9	97.0
Dourados	97.4	98.3	97.4
Caetité	87.5	97.9	95.0
S. do Espinhaço	90.7	97.9	95.6
Espigão	73.8	95.6	95.3
Borgo	89.3	96.4	97.8
Pelourinho	92.8	97	97.8

Ventus Wind Power Complex

Miassaba 3	88.3	81.3	82.2
Rei dos Ventos 1	79.8	80.1	86.3
Rei dos Ventos 3	81.1	83.7	81.8

Average availability factor per power plant (%)

2023

2022

2021

Ventus Wind Power Complex

Miassaba 3	88.3	81.3	82.2
Rei dos Ventos 1	79.8	80.1	86.3
Rei dos Ventos 3	81.1	83.7	81.8

Mandacaru Wind Power Complex

Embuaca	92.3	63.1	81.7
Icaraí de Amontada	93.6	70.4	73.7
Santo Antônio de Pádua	75.6	81.5	59.3
São Cristóvão	66.9	78.5	74.1
São Jorge	67.6	77.5	57.3

Salinas Wind Power Complex

Bela Vista	90.6	93.1	87.8
Mar e Terra	93.0	96.3	94.3

Caetés Wind Power Complex*

Santa Brígida 1	87.5	92.6	NA
Santa Brígida 2	87.3	79.5	NA
Santa Brígida 3	92.2	95.5	NA
Santa Brígida 4	90.9	91.9	NA
Santa Brígida 5	92.3	93.1	NA

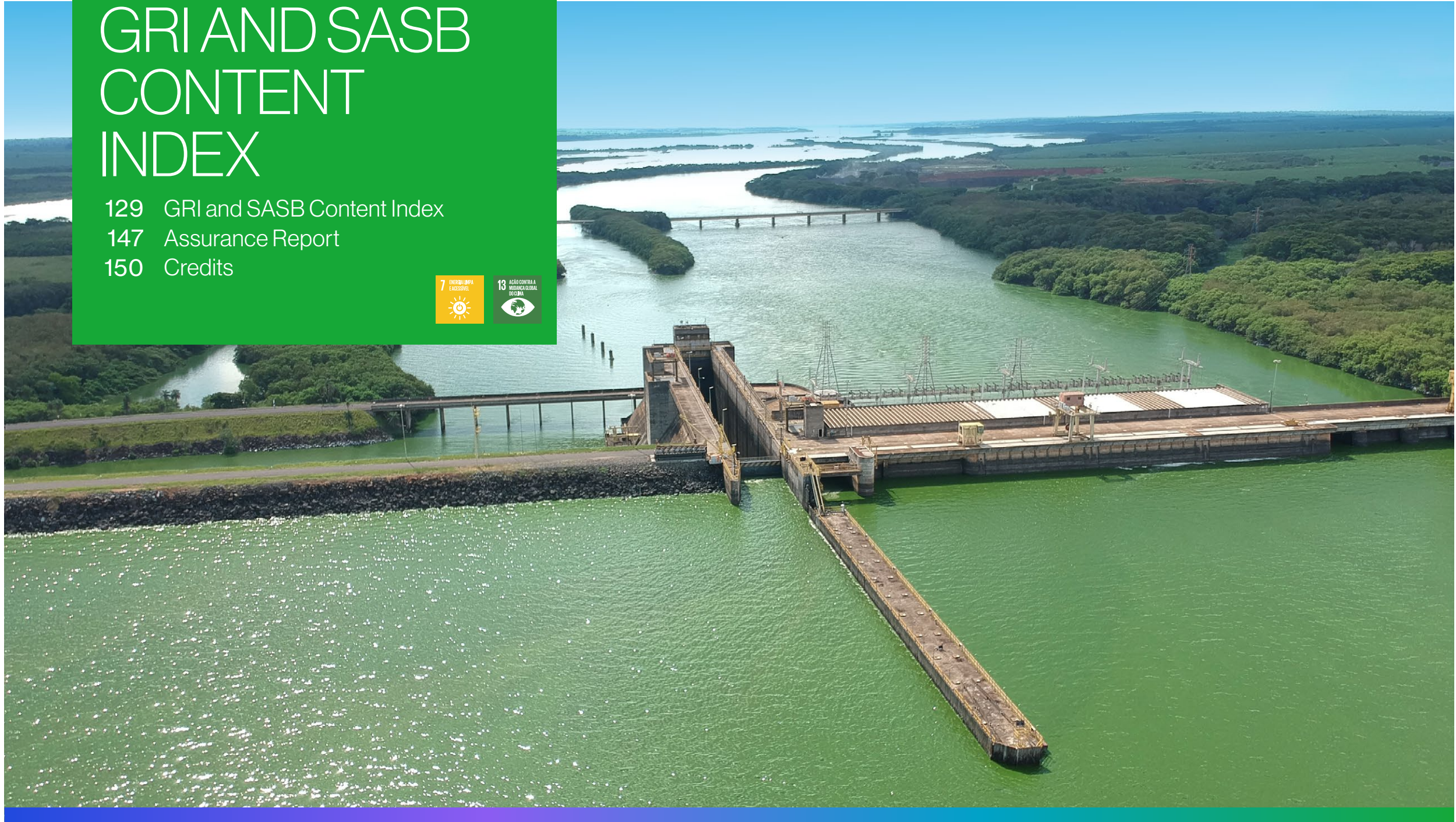
Average availability factor per power plant (%)

	2023	2022	2021
Santa Brígida 6	88.6	90.2	NA
Santa Brígida 7	83.2	86.2	NA
Ventos do Araripe Wind Power Complex¹			
Santa Joana II	75.3	84.5	NA
Santa Joana VI	86.0	85.5	NA
Santa Joana VIII	93.4	97.2	NA
Santa Joana XIV	76.5	68	NA
Santo Onofre I	94.3	92.1	NA
Santo Onofre II	93.5	83.6	NA
Santo Onofre III	93.5	85.5	NA
Cassino Wind Power Complex¹			
Vento	95.3	98.8	NA
Wind	91.6	93.5	NA
Brisa	93.7	98.6	NA
Ouroeste Solar Power Complex			
AGV	97.6	97.8	86.8
Boa Hora	99.2	97.1	98.9
Guaimbê Solar Power Complex			
Guaimbê Solar Power Complex	99.6	98.4	96

Note 1: 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

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GRI/SASB content index

Use statement AES Brasil reported in compliance with the GRI Standards for the period January 1, 2023 to December 31, 2023

GRI 1 usada GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) GRI G4: Electric Utilities Sector Disclosures 2013

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
General disclosures						
The organization and its reporting practices						
GRI 2: General disclosures 2021	2-1	Organizational details	12, 60			
	2-2	Entities included in the organization's sustainability reporting	10 All entities presented in the consolidated financial statements are included in the Integrated Sustainability Report. Information is available on the Investor Relations website and can be view on this page. Information on the approach to consolidating information is available on page 53 of the document.			
	2-3	Reporting period, frequency and contact point	10			

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
The organization and its reporting practices						
GRI 2: General disclosures 2021	2-4	Restatements of information	<ul style="list-style-type: none"> Data on Greenhouse gas emissions for 2022 has been restated, taking into account the 2022 Greenhouse Gas Emissions Inventory, available on the Public Emissions Registry (page 78) Data on gross wind power generation for 2022 has been restated and now includes the start of operations of the Tucano Wind Complex (pages 44 and 47) Data on the proportion of total annual compensation for 2022 has been restated to follow the same calculation premise, which includes statutory officers in the calculation with other employees (page 133) 			
	2-5	External assurance	10, 116			
Activities and workers						
GRI 2: General disclosures 2021	2-6	Activities, value chain and other business relationships	12, 30, 105			
	2-7	Employees	90, 116			

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
GRI 2: General disclosures 2021	2-8	Workers who are not employees	In 2023, the number of workers who are not direct employees totaled 3,486, who are generally outsourced service providers. In 2023, the number of outsourced service providers increased by 103.5% due to the expansion of the construction works of Cajuína, in addition the operational startup of the new assets Caetes, Cassino and Ventos do Araripe. 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.			
Governance						
GRI 2: General disclosures 2021	2-9	Governance structure and composition	61, 62 The composition of the Board of Directors and Committees is available on the website. As regards stakeholder representation on governance bodies, minority shareholders are represented in the Board of Directors (2 members) and Fiscal Council (4 members).	2-9-c-vi	Not applicable	There is no participation of under-represented social groups in the governance bodies of AES Brasil.
	2-10	Nomination and selection of the highest governance body	61, 62			
	2-11	Chair of the highest governance body	61, 62			

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
GRI 2: General disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	62, 72 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.			
	2-13	Delegation of responsibility for managing impacts	74 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.			
	2-14	Role of the highest governance body in sustainability reporting	10, 17, 60, 61			
Governance						
GRI 2: General disclosures 2021	2-15	Conflicts of interest	68			
	2-16	Communication of critical concerns	74	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 2023.

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
Governance						
GRI 2: General disclosures 2021	2-17	Collective knowledge of the highest governance body	61, 62, 65			
	2-18	Evaluation of the performance of the highest governance body	67			
	2-19	Remuneration policies	66, 67			
	2-20	Process to determine remuneration	64, 66, 90 In 2023, the Annual Shareholders' Meeting was held on April 27. Compensation was approved by 368,565,577 votes in favor 43,312,228 against and 10,058 abstentions.			
	2-21	Annual total compensation ratio	64, 66, 90 In 2023, the annual total compensation of the company's highest-paid individual was equivalent to 17.75 times the average of all other employees and 16.04 times in 2022. The ratio of percentage increase in the total compensation of the company's highest-paid individual was 4.08 times the average percentage increase of other employees in 2023 and 0.79 times in 2022. GRI 2-4. Information used in this calculation was obtained from the payroll system, which gathers information from all employees and statutory executive board. To calculate the average percentage increase in the total annual remuneration of all employees, increases related to merits and promotions were taken into account.			
Strategy, policies and practices						
GRI 2: General disclosures 2021	2-22	Statement on sustainable development strategy	4			
	2-23	Policy commitments	60, 89, 91, 98, 105			
	2-24	Embedding policy commitments	60, 68, 105			
	2-25	Processes to remediate negative impacts	68, 72, 108			

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
GRI 2: General disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	70			
	2-27	Compliance with laws and regulations	In 2023, we had no cases of non-compliance with laws and regulations. Legal proceedings with a probability of loss classified as probable and possible with values exceeding BRL 5 MM are available in the Financial Statements on pages 96 to 106.			
	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.			
Stakeholder engagement						
GRI 2: General disclosures 2021	2-29	Approach to stakeholder engagement	104			
	2-30	Collective bargaining agreements	92			

GRI/SASB Standard	Disclosure	Page Answer	Omissions		
			Requirements omitted	Reason	Answer
Material topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	17		
	3-2	List of material topics	17		
Climate change mitigation and adaptation					
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 15		
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	72, 75, 76 The possible meteorological changes that impact the hydrological regime, wind regime and solar exposure indices due to prolonged climatic imbalances, may affect the operation and availability of generation assets. In order to fulfill the contracts signed for energy supply, we buy energy from the market. In 2023 the Cost with Energy was BRL 1,084.1 million. It is important to highlight that this data includes factors related to the availability of our assets impacts due to climate issues and also other business factors.	201-2-a-v	Information not available The measures taken by AES Brasil to manage the risks and opportunities arising from climate change, such as the performance in the Weather Risk Committee, have an intangible value. So that it is not currently possible to calculate the cost of these measures, considering that the analyzes are made by the AES team itself, without external consulting.
Integrity					
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 68		
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	68 By 2023, 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/SASB Standard	Disclosure	Page Answer	Omissions		
			Requirements omitted	Reason	Answer
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken 68, 70			
Energy transition					
GRI 3: Material Topics 2021	3-3	Management of material topics 17, 28, 33			
GRI 302: Energy 2016	302-1	Energy consumption within the organization 77			
	302-3	Energy intensity 77			
GRI G4: Disclosures for the electric utility sector 2013	EU1	Installed capacity, broken down by primary energy source and by regulatory regime 44			
	EU2	Net energy output broken down by primary energy source and by regulatory regime 44, 116			
	G4-DMA (antigo EU6)	Management approach to ensure short and long-term electricity and reliability 49			
	EU8	Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development 37, 39			
	EU30	Average plant availability factor by energy source and by regulatory regime 120			

GRI/SASB Standard	Disclosure	Page Answer	Omissions		
			Requirements omitted	Reason	Answer
Biodiversity					
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 80		
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	84		
Biodiversity					
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	80, 81 Protected habitats areas were not verified by third parties, they are verified by companies hired by AES Brasil.		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	82		
Emissions					
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 77		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	77		
	305-2	Energy indirect (Scope 2) GHG emissions	77		
	305-3	Other indirect (Scope 3) GHG emissions	77		
	305-4	GHG emissions intensity	77, 78		

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
Emissions						
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	77			
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	77			
	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.	75			
SASB Electric Utilities & Power Generators 2018: Air quality	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		Complete standard	Not applicable	We do not monitor these types of air emissions in our operations.
Human and Labor Rights						
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 91			
	403-1	Occupational health and safety management system	98			

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
Human and Labor Rights						
GRI 403: Occupational health and safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	100, 102			
	403-3	Occupational health and safety management system	100			
GRI 403: Occupational health and safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	102			
	403-5	Worker training on occupational health and safety	92, 102			
	403-6	Promotion of worker health	100			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	98, 100			
	403-8	Workers covered by an occupational health and safety management system	98			
	403-9	Work-related injuries	101, 117			
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	96			
	404-3	Percentage of employees receiving regular performance and career development reviews	96			

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
Human and Labor Rights						
GRI G4: Disclosures for the electric utility sector 2013	EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	102			
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)	117			
Diversity						
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 93			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	118			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	106, 108 In 2023, we did not record any discrimination incident considered well-founded.			
Community Diversity						
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 106			
GRI 413: Local communities 2016	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 33% of AES Brasil's operations.			
	413-2	Operations with significant actual and potential negative impacts on local communities	106, 108			

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
Community Diversity						
GRI G4: Disclosures for the electric utility sector 2013	EU21	Contingency planning measures, disaster/emergency management plans and training programs, and recovery/restoration plans	53			
	EU25	Number of injuries and fatalities to the public involving company 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 2023.			
Corporate governance						
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 60			
Customer relationship						
GRI 3: Material Topics 2021	3-3	Management of material topics	17, 54			
Extra disclosures - indicators not included in the materiality report, but reported in order to maintain the historical series and comparability						
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	55			
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	In 2023, no new suppliers were screened using environmental criteria.			
	308-2	Negative environmental impacts in the supply chain and actions taken	105 In 2023, suppliers were not identified as causing real and potential negative environmental impacts.			

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
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				
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	85			
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	In 2023, we did not record any incident of noncompliance with licenses or permits related to water withdrawal, consumption and discharge.			
SASB Electric Utilities & Power Generators 2018: Coal ash management	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	85, 86			
SASB Electric Utilities & Power Generators 2018: Coal ash management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled		Complete standard	Not applicable	AES Brasil 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	AES Brasil does not operate coal generation.

GRI/SASB Standard	Disclosure	Page Answer	Omissions		
			Requirements omitted	Reason	Answer
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	AES Brasil 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	AES Brasil does not operate in the distribution sector.o
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Complete standard	Not applicable	AES Brasil 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	AES Brasil 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.

GRI/SASB Standard	Disclosure	Page Answer	Omissions		
			Requirements omitted	Reason	Answer
SASB Electric Utilities & Power Generators 2018: End-Use efficiency & demand	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market			
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 to Brazilian electric utilities sector.
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	Complete standard	Not applicable	AES Brasil does not operate nuclear generation.
SASB Utilidades Elétricas & Geradores de Energia 2018: Resiliência do Grid	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations			
	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	72 In 2023, we had no incidents of non-compliance with physical and/or cybersecurity standards or regulations.	Complete standard	Not applicable

GRI/SASB Standard	Disclosure	Page Answer	Omissions			
			Requirements omitted	Reason	Answer	
SASB Electric Utilities & Power Generators 2018:Activity metrics	IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers served	In 2023, we served 28 customers in the captive market, 88 in the free market and 63 retail consumers.	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	In 2023, the energy sold by AES Brasil totaled 15,496.4 GWh. Of which 5,335.7 GWh to customers in the captive market, 9,804.1GWh to customers in the free market and 356.6 GWh to retail consumers.	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 standards	Not applicable	AES Brasil 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	44			
	IF-EU-000.E	Total wholesale electricity purchased	In 2023, the energy purchased by AES Brasil totaled 9,833,047.3 GWh.			

Task Force on Climate Related Financial Disclosures Recommended Disclosures (TCFD)

Theme	Recommendations	Page or external reference
 <p>GOVERNANCE</p>	<p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>Risk management (page 72)</p> <p>Carbon Disclosure Project (CDP)</p>
 <p>STRATEGY</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.</p> <p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios.</p>	<p>Climate change (page 75)</p> <p>Carbon Disclosure Project (CDP)</p> <p>Portfolio management (page 49)</p>
 <p>RISK MANAGEMENT</p>	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organization's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Risk management (page 72)</p> <p>Climate change (page 75)</p> <p>Carbon Disclosure Project (CDP)</p>
 <p>METRICS AND TARGETS</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>Climate change (page 75)</p> <p>Carbon Disclosure Project (CDP)</p> <p>Emissions (page 77)</p> <p>ESG 2030 Commitments (page 25)</p>



ASSURANCE REPORT

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Independent auditors' limited assurance report on the non-financial information included in the 2023 Integrated Sustainability Report

To the Board of Directors and Shareholders
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 2023 Integrated Sustainability Report of AES Brasil for the year ended December 31, 2023.

Our limited assurance does not extend to prior period information or to any other information disclosed together with the Integrated Sustainability Report, including any images, audio files or merged videos.

Responsibilities of AES Brasil's Management

The management of AES Brasil is responsible for:

- Select and set proper criteria for preparing the information included in the Integrated Sustainability Report;
- Prepare information in accordance with the Company's criteria and guidelines Global Reporting Initiative (GRI – Standards), with the Sustainability Accounting Standard – Electric Utilities & Power Generators do Sustainability Accounting Standards Board (SASB) and CPC 09 Guideline – Integrated Reporting related to the Basic Conceptual Framework of the Integrated Reporting, prepared by the International Integrated Reporting Council (IIRC);
- Design, implement and maintain internal control over

the information that is relevant for the preparation of the information included in the Integrated Sustainability Report that is free from material misstatement, whether due to fraud or error.

Responsibility of independent auditors

Our responsibility is to express a conclusion on the non-financial information included in the 2023 Integrated Sustainability Report, based on the limited assurance engagements 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 ISAE 3000 – International Standard on Audits and Reviews Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require that the auditor comply with ethical, independence and other responsibilities related to them, including the application of the Brazilian Standard on Quality Control (NBC PA 01), and therefore the maintenance of a comprehensive quality control system, including



documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Additionally, those standards require that the work be planned and carried out to obtain limited assurance that the non-financial information included in the 2023 Integrated Sustainability Report taken as a whole is free from 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 selected procedures are based on our understanding of the issues related to the compilation, materiality and presentation of the information included in the 2023 Integrated Sustainability Report, of other circumstances of the engagement and of our consideration about the areas and processes associated with the material information disclosed in the 2023 Integrated Sustainability Report, in which material misstatements could exist. The procedures consisted of, among others:

- a. Planning the engagement, considering the materiality of the issues involved in AES Brasil's activities, the relevance of the disclosed information, the amount of quantitative and qualitative information, the operating systems and internal controls that supported the preparation of the information included in the 2023 Integrated Sustainability Report.
- b. Understanding the calculation method and procedures followed for compiling indicators by inquiring the managers in charge of gathering information;
- c. Applying analytical procedures to quantitative information and inquiring about qualitative information and its correlation with the indicators disclosed in the information included in the 2023 Integrated Sustainability Report; And
- d. When non-financial data correlate with financial indicators, these indicators are cross-checked against financial statements and/or accounting records.
- e. Analyzing the procedures followed to prepare the Report and its structure and contents, in accordance with the Global Reporting Initiative (GRI – Standards) Content and Quality Standards, the Sustainability Accounting Standard – Electric Utilities & Power Generators of the Sustainability Accounting Standards Board (SASB) and CPC 09 – Integrated Reporting, related to the Basic Conceptual Framework of the Integrated Reporting, prepared by the International Integrated Reporting Council (IIRC);
- f. Understanding the calculation method and procedures followed to compile indicators by holding interviews with the managers in charge of gathering information;



- g. Analyzing the reasonableness of the reasons for omissions of performance indicators associated with issues and topics pointed out as material when analyzing the Company's materiality threshold.

The limited assurance engagements also covered compliance with the guidelines and criteria of the GRI – Standards framework applicable to the preparation of the information included in the 2023 Integrated Sustainability Report.

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

Scope and limitations

The procedures applied in a limited assurance engagement vary in terms of nature and timing and are smaller to the extent than in a reasonable assurance engagement. Therefore, the security level obtained from a limited assurance engagement is substantially lower than that obtained if a reasonable assurance engagement had been carried out. If we had carried out a reasonable assurance engagement, we could have

identified other issues and possible misstatements of the information included in the Report. Accordingly, we do not express an opinion on that 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 this data. Qualitative interpretations of materiality, relevance and accuracy of data are subject to individual assumptions and judgments. Moreover, we did not carry out any work on data informed for prior periods, or about future projections and goals.

The preparation and presentation of sustainability indicators followed GRI – Standards's criteria and therefore do not have the purpose of ensuring compliance with social, economic, environmental or engineering laws and regulations. However, those standards provide for the presentation and disclosure of possible violations to these regulations when significant sanctions or fines are imposed. Our assurance report should be read and understood accordingly, inherent to the selected criteria (GRI - Standards).

Conclusion

According to the procedures applied by KPMG and described on this report and the evidence we obtained, nothing came 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, 2023 of AES Brasil has not been prepared, in all material respects, in accordance with AES Initiative's Sustainability Reporting Standards (GRI – Standards), together with the Sustainability Accounting Standard – Electric Utilities & Power Generators from the Sustainability Accounting Standards Board (SASB) and Guidance CPC 09 – Integrated Reporting, which are related to the Basic Conceptual Framework for Integrated Reporting prepared by the International Integrated Reporting Council (IIRC).

São Paulo, March 18, 2024

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6

Flavio Gozzoli Gonçalves

Accountant CRC 1SP290557/O-2

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MSCI Disclosure Statement

In 2023, AES Brasil Energia S.A., for the third consecutive year, received a rating of AAA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. MSCI Research rates public and private companies worldwide on a scale from AAA (leader) to CCC (laggard), according to the exposure to ESG risks specific to each sector and the ability to manage these risks in relation to their peers. Read more on [MSCI ESG Ratings](#).