

ESG Report 2021





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Our three pillars

Throughout this report we use icons to denote our pillars, that are related to **environmental**, **social** and **governance** matters (ESG).



Our Essence GRI 102-16



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Raison D'être

Energy to renew
the future.



Positioning

We nurture enduring
relationships and operate
responsibly to make our
clients more competitive
and to generate economic
growth and quality-of-
life for society through
sustainable renewable-
energy solutions.



Recognition pillars

Sustainable energy for
the future, long-term
relationships, experts in
energy and reliability.

Our brand

One year ago we launched the new-look Elera Renováveis brand, bolstering our commitment to sustainable investments based on our customary safety and solidity. The brand's attributes encompass:

- 1 Elera Renováveis
- 2 Environmental
- 3 Social
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The energy to always look forwards

- Long-term vision
- Longevity
- Alert to innovation and transformations



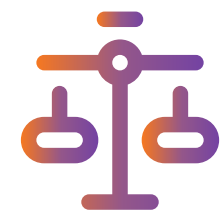
Energy to work together

- Team spirit
- Entrepreneurial mindset
- Passion for and commitment to work
- Enduring relationships
- Client view
- Diversity



Energy to improve

- Powered by resilience
- Powered by excellence
- Direct and objective
- Results oriented
- Resolute and resilient



Energy for operating responsibly

- Commitment
- Respect
- Simplicity
- Open communication
- Safety



Our values

- Sustainability
- Solidity
- Excellence
- Integrity

Message from management GRI 102-14

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2021 was an important year for Elera. Despite the pandemic, which is still causing worldwide disruption, we managed to move forward our strategy of growing and diversifying our portfolio and preparing for a new age of more sustainable growth.

The year was replete with challenges and milestones for all. We achieved an outstanding financial and operational result; increasing the availability rate of our power plants and enjoying success in multiple commercial transactions. We also diversified our portfolio of products to better serve our clients; we delivered the Alex Photovoltaic Solar Complex in Ceará state, with a capacity of 360 MWp; we continued to play a crucial role in the regulatory front; and made substantial progress in our ESG agenda, with multiple initiatives benefiting society.

There was meaningful progress from a regulatory perspective, with the final resolution of the controversy surrounding the Generation Scaling Factor (GSF), which addresses the exposure cost of hydropower plants in water scarcity scenarios, a situation which was impairing the sector's performance. The solution reached positively impacted our earnings figures for the year. We reported an excellent financial result, with our Funds from Operations (FFO) nearly 10% higher than planned.

From an operational perspective, our performance was optimal, with the availability rate of our plants rising and important value initiatives emerging.

The Future

Our long-term vision is to lead our sector and environmental, social and governance management (ESG), and to pursue new growth opportunities in the sector, always eyeing renewable energy assets, fostering development in our geographies and maximizing local economic growth.

Driven by the sustainable development of our operations, we continue investing in the production of 100% clean energy while seeking to minimize the impact of our operations, so as to benefit society and the environment. This is illustrated by the constructions of the Janaúba Photovoltaic Complex in Minas Gerais state and the Oeste Seridó Wind Complex in Rio Grande do Norte state, which upon completion will increase our overall installed capacity by some 1.45 GW.

We are continuously pushing ourselves in the pursuit of operational excellence - a vital part of our mission to generate energy to renew the future. In coming years we will retain our mission of being an agent for transformation

in Brazil's energy matrix, with a positive impact on society and looking for provide solutions to reduce carbon emissions, adopt governance excellence processes, carry out more volunteering and diversity initiatives and ramp up projects supporting communities.

We thank every single one of our employees, who are our essential assets, and our clients and partners, who help us grow more sustainably. This report presents the leading initiatives that make Elera one of the largest companies in Brazil's renewable energy sector. Each area's endeavors have enabled us to continue looking to the future with optimism and growth opportunities for all.

Enjoy the report!

Fernando Mano
CEO



2021 at a glance

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Investment in environmental protection

R\$ 12.1 million invested in environmental protection in 2021

Emissions avoided from the new assets

Around **1.8 million metric tons** of CO_{2e} to be avoided by the new asset Alex Photovoltaic Solar Complex, which went live in 2021¹

Biodiversity Management Plan

Prepared to implement a better structured management, with diagnoses and inventory of biodiversity conservation initiatives

Socio-environmental call for proposals

Conducted for more than 10 years
Record **578 participants**
One project chosen per region
Up to **R\$ 100 thousand** invested per project

New assets generating clean energy

Could potentially supply 7.3 million people², the equivalent of the cities of Rio de Janeiro and Niterói combined³

- **Alex:** 1 million people
- **Janaúba:** 4.1 million people
- **Seridó:** 2 million people
- **Foz do Estrela:** 235 thousand people

Social investment

R\$ 3.8 million invested in social investments in 2021

Diversity

45% of those participating in our internship program in 2021 are women

Positive socio-economic impact

New clean energy generation assets with the potential to generate jobs, income and development for the region:

- **Janaúba:** around 1.65 thousand direct jobs and 10 thousand indirect jobs created by the end of 2021
- **Alex:** Around 4 thousand direct and indirect jobs created during the works, with 70% of labor being local.
- Implementation of a photovoltaic system which will supply 100% of the monthly electricity requirement of Hospital Filantrópico Celestina Colares (CE), with projected savings of **R\$ 180 thousand/year**

Environment

Improvements to scope-3 control

In a groundbreaking initiative, Elera prepared its first GHG inventory for a plant under construction, the Alex Photovoltaic Solar Complex

Materiality

Compilation of the materiality matrix, in order to identify the most important topics to the company's internal and external stakeholders regarding each environmental, social and governance pillar (ESG)

Climate risks

Mapping potential climate risks that could affect all of our assets in operation and under construction.
Compiling the risk map
Preparing an action plan to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Social

covid-19 response

A series of initiatives were taken, such as mass testing every 10 days in Foz do Estrela and every 15 days in Passo do Meio and Alex
acquiring equipment and materials such as oxygen masks, nasal cannulas and oxygen analyzers
implementing a Medical Emergency Response Plan (MERP) and other plans

Governance and performance

Financial results

R\$ 1,2 bilhão of EBITDA

Fund for the transition

Brookfield Asset Management launched an initial offering of **USD 7 billion** for Brookfield Global Transition Fund (BGTF) – the largest fund focused on the global transition to a net zero economy

1. Calculation Source: Fundo Clima tool
 2. Average residential consumption in Brazil = 165.1 kWh/month – Source: 2021 Annual Electricity Statistics Series – EPE – and average number of inhabitants per residence = 2.9 – Source: IBGE, Pnad 2019.
 3. Population of Rio de Janeiro = 6.748 million; and Niterói, 516 thousand (IBGE, 2020).

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Elera Renováveis

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

We are one of the largest renewable energy utilities in Brazil, where we have been operating for 21 years. Our head office is based in Rio de Janeiro.

We hold diverse assets, with 79 renewable assets and an installed capacity of approximately 2.06 GW, formed of hydropower and biomass plants and wind and solar complexes. Coupled with our transparency, these figures testify that we are a stable and efficient business partner.

We are ready for a new era of more sustainable growth. Our capacity is expected to rise to 3.45 GW in Brazil following the construction of 30 new assets – some in progress (see more on p. 12). This growth will further endear us with our clients and enable us to meet their requirements faster;

Our strategy prioritizes the production of clean energy, and we strive to minimize the social and environmental impacts of our operations, in order to create value for all our stakeholders and to benefit society and the environment.

Global footprint

Elera Renováveis is owned by the group Brookfield Asset Management – operating in more than 30 countries for over 120 years, with some USD 650 billion of assets under management worldwide and more than 100 thousand operational staff. GRI 102-5

Brookfield Asset Management is one of the leading firms in the segment worldwide, renowned for its high-quality long-lived assets, such as commercial real estate, infrastructure, private equity and renewable-energy generation.

Brookfield Renewable

ESG management strongly underpins the way Brookfield Renewable conducts its business as the listed owner and operator of one of the largest renewable energy platforms on earth. Present in North America, South America, Europe, Oceania and Asia, Brookfield Renewable has a Steering Committee dedicated to this topic tasked with overseeing best ESG practices throughout its various global business tiers; and believes that good practices and a sound ESG performance are good for both the environment and its employees, stakeholders and investors, by creating value, mitigating risks and creating growth opportunities.

Controlled by Brookfield Asset Management, it has an installed capacity of approximately 21,000 MW and some 62,000 MW in its development pipeline, spread across multiple regions and technologies, more than 6 thousand assets and over 2.8 thousand employees located on five continents.

21,000 MW installed capacity

Global presence
Operations in 15 countries

Boasting a diverse portfolio, we are one of the largest companies in Brazil’s renewable energy sector and one of the largest on the planet

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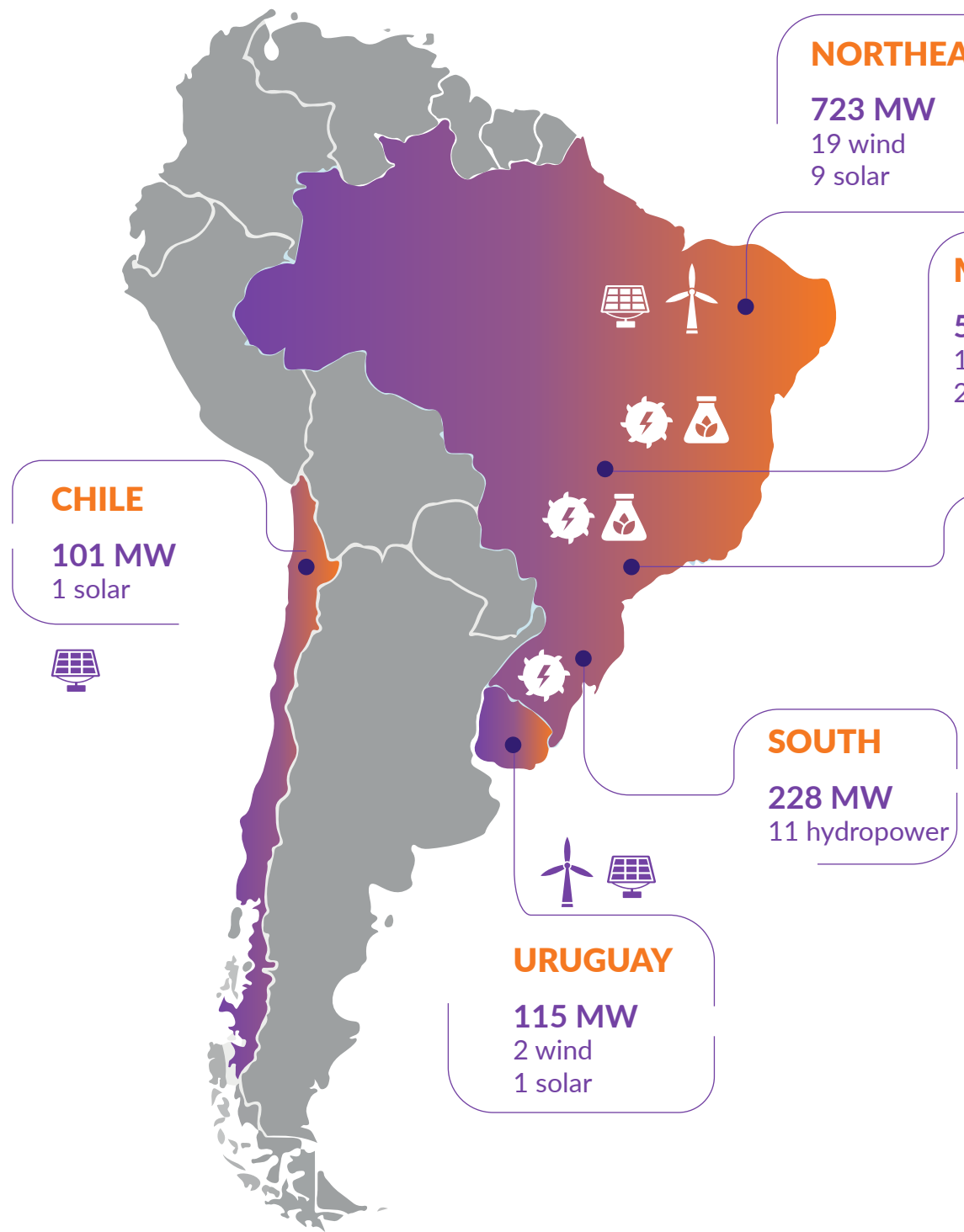
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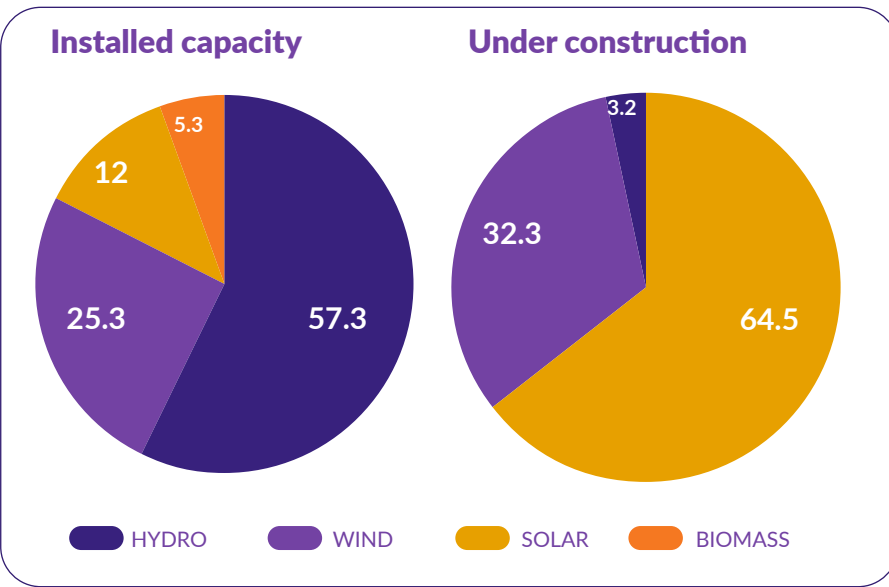


79 renewable assets in operation

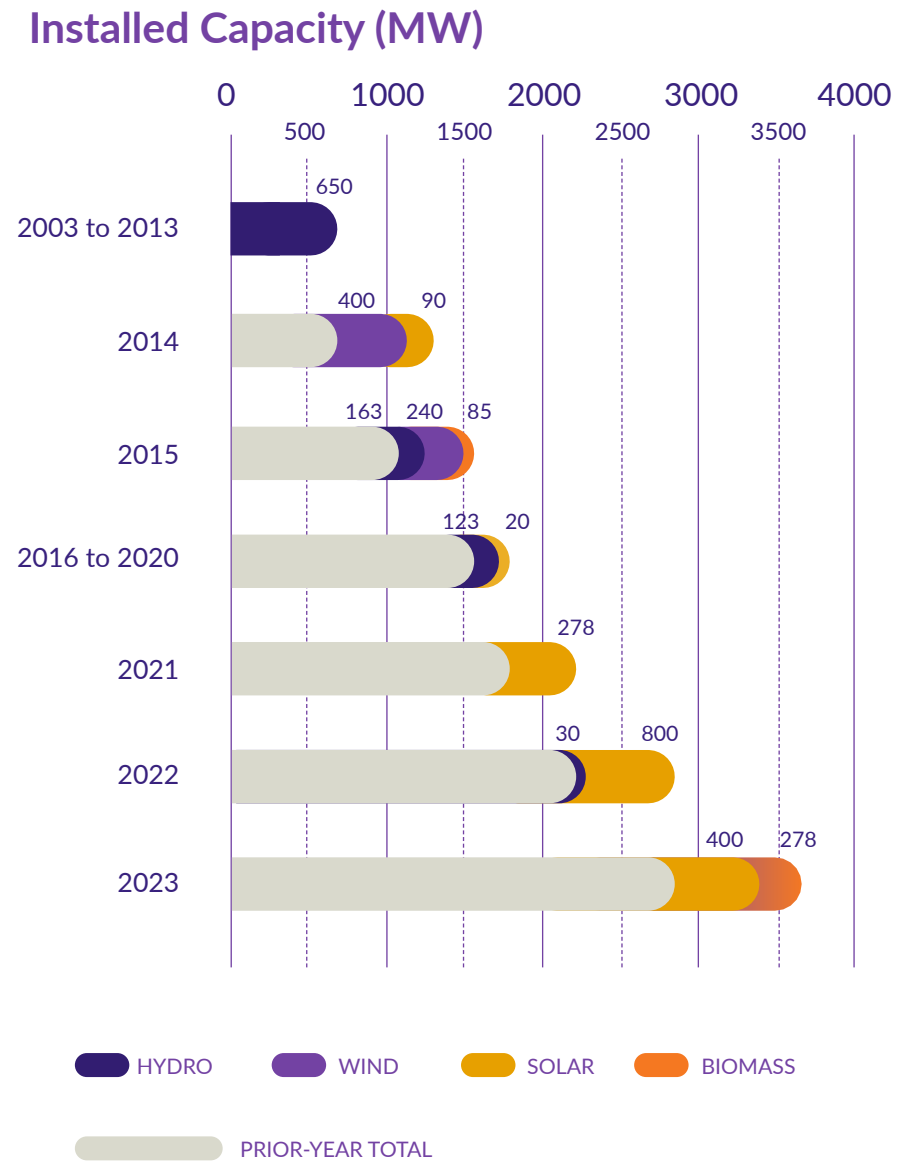
- 43 HYDROPOWER
- 11 SOLAR
- 21 WIND
- 4 BIOMASS

2.06 GW installed capacity

1.4 GW + under construction



Our continuous growth in installed capacity and type of energy produced





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Our fronts of action



Natural Capital

biodiversity, energy efficiency, emissions, water resources and waste



Human Capital

employees



Social and Relationship Capital

communities, suppliers and clients



Intellectual Capital

technology and innovation



Manufactured capital

assets (hydropower plants, wind and photovoltaic complexes and cogeneration and biomass plants)



Financial Capital

revenue, EBITDA and net income

Material topics – ESG



Environmental

- Climate action
- Protecting and conserving ecosystems
- Water resource and waste management



Social

- Enhancing community relations
- Creating jobs and income for local communities (including indigenous and traditional peoples)
- Ensure employee well-being and safety



Governance

- Anti-corruption and commitment to business ethics
- Transparent risk management

How we create value

- R\$ **12.1 million** invested in the environment
- **570 + employees**
- We strive for **zero high-risk** incidents
- Target of hiring at least **60% of labor locally** to work on the civil construction of each venture
- Elera's clients have access to the **best renewable energy** solutions
- **2.5 thousand** suppliers
- R\$ **3.8 million** invested in the relationship with our communities
- R\$ **5.5 billion** spent on purchases



Financials

- R\$ **2.4 billion** in revenue
- R\$ **611.3 million** in net income
- R\$ **1.2 billion** in EBITDA

Installed capacity, broken down by primary energy source and by regulatory regime (MW)

GRI EU1, SASB IF-EU-000.D

| Generation capabilities | 2019 | 2020 | 2021 |
|-------------------------|-----------------|-----------------|-----------------|
| Hydropower | 946.22 | 946.22 | 946.22 |
| Solar | 20.00 | 20.00 | 399.42 |
| Wind | 444.40 | 444.40 | 539.80 |
| Biomass | 175.00 | 175.00 | 175.00 |
| Total | 1,585.62 | 1,585.62 | 2,060.44 |

Net energy output broken down by primary energy source and by regulatory regime (GWh)

GRI EU2, SASB IF-EU-000.D

| Generation output | 2019 | 2020 | 2021 |
|-------------------|-----------------|-----------------|-----------------|
| Hydropower | 4,030.05 | 3,892.44 | 3,871.09 |
| Solar | 36.43 | 40.56 | 538.37 |
| Wind | 1,746.05 | 1,719.85 | 2,087.66 |
| Biomass | 160.04 | 190.41 | 157.39 |
| Total | 5,972.57 | 5,843.26 | 6,654.51 |

54%
of energy in regulated
markets

Total electricity output

| | 2019 | | 2020 | | 2021 | |
|--|----------|-----|----------|-----|----------|-----|
| | MWh | % | MWh | % | MWh | % |
| Total electricity output | 5,972.57 | | 5,843.26 | | 6,654.51 | - |
| Electricity output by energy source | | | | | | |
| Hydropower | 4,030.05 | 67% | 3,892.44 | 67% | 3,871.09 | 58% |
| Wind | 1,746.05 | 29% | 1,719.85 | 29% | 2,087.66 | 31% |
| Solar | 36.43 | 1% | 40.56 | 1% | 538.37 | 8% |
| Biomass | 160.04 | 3% | 190.41 | 3% | 157.39 | 2% |
| Energy in regulated markets (%) | | 48% | | 49% | | 54% |

2,060.44 MW
our energy
generation capacity



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Operating result

Alex Photovoltaic Solar Complex

Delivered one month ahead of schedule, in August we inaugurated the first solar complex built by Elera in Brazil, the Alex Complex located between the municipalities of Limoeiro do Norte and Tabuleiro do Norte, in Ceará state. The 360 MWp photovoltaic cluster has nine electric generation centers, around 811 thousand solar panels and the capacity to serve approximately 1 million people.

Occupying an area of approximately 933.57 hectares (the equivalent of 1,300 soccer pitches ¹), Alex's operation should avoid the emission of 1.8 million metric tons of CO₂ into the atmosphere. The facility created nearly 4 thousand direct and indirect jobs, and roughly 70% of labor was sourced locally. Because of the water crisis that befell the country, we managed to complete the venture in just 18 months and feed 241 GWh of clean energy into the system between August and December 2021, thereby contributing to Brazil's energy matrix.



LEARN MORE

To find out more about the Alex Solar Complex please [watch the video.](#)

1. A soccer pitch is equal to 0.71 hectares.

In addition to the environmental gain through Alex, we are also committed to other socio-environmental initiatives. We installed a photovoltaic system which will meet the entire monthly electricity requirement of Hospital Filantrópico Celestina Colares, in Tabuleiro do Norte, with projected savings of R\$ 180 thousand/year for the hospital.

R\$ 950 million
in investments

360 MWp
of generation capacity



Alex Photovoltaic Solar Complex

Alex in figures



Works profile

Project delivery:

August 2021 – one month ahead of schedule

Works time: 18 months

Area: 933.57 hectares – the equivalent of 1,300 soccer pitches



Socio-environmental benefits

- Potential to supply approximately 1 million people¹ with clean energy
- nearly 4 thousand direct and indirect jobs created during the works, with roughly 70% of labor sourced locally
- The generation of clean energy will avoid the emission of 1.8 million metric tons of CO₂



Initiatives

Implementing a photovoltaic system which will provide the entire monthly electricity requirement of Hospital Filantrópico Celestina Colares, in Tabuleiro do Norte(CE), with projected savings of R\$ 180 thousand/year for the hospital

1. Average residential consumption in Brazil = 165.1 kWh/month – Source: 2021 Annual Electricity Statistics Series – EPE; and average number of inhabitants per residence = 2.9 – Source: IBGE, Pnad 2019.



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Janaúba Works



R\$ 3.5 billion
of investments
approximately

1.2 GWp
of installed
capacity (forecast)

Janaúba Photovoltaic Solar Complex

With operational start-up scheduled for the second half of 2022, Janaúba (MG) is the largest solar complex under construction in Latin America, with a total installed capacity of 1.2 GWp. The joint output of phases 1 and 2 could supply power to a city of 4.1 million people, the equivalent of Manaus and Curitiba combined, or a country like Croatia.

The cluster will boast 20 solar parks in an area occupying 3,069 hectares, the equivalent of 4,300 soccer pitches. This area is receiving 1.5 million photovoltaic modules in phase one and a further 650 thousand panels in phase two.

1,650 direct jobs and 10 thousand indirect jobs had been created by the end of 2021, and the total investment projected for social and environmental initiatives is as much as R\$ 10 million.

Janaúba in figures



Works profile

- Scheduled delivery of phase 1: second half of 2022
- 3,069 hectares of area for phases 1 and 2 – the equivalent of 4,300 soccer pitches¹
- 2 million+ photovoltaic modules to be installed in phases 1 and 2



Socio-environmental benefits

- Potential to supply 4.1 million people² with clean energy
- Approximately 1,650 direct and 10 thousand indirect jobs created by the end of 2021
- R\$ 10 million to be invested in social and environmental initiatives
- Producing clean energy could avoid the emission^{3 4} of up to 4,321,960.80 tCO₂eq

2. Average residential consumption in Brazil = 165.1 kWh/month – Source: 2021 Annual Electricity Statistics Series – EPE and average number of inhabitants per residence = 2.9 – Source: IBGE, Pnad 2019.

3. Considering both phases of the project.

4. Calculation source: Fundo Clima tool.

1. A soccer pitch is equal to 0.71 hectares.



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Foz do Estrela SHP

The Foz do Estrela Small Hydro Plant (SHP) is an electric generation venture on the River Iratim, in the municipality of Coronel Domingos Soares (PR).

With investments of R\$ 300 million, the SHP will have an installed capacity of 29.5MW and two generator units. Operations are forecast to start in April 2022.

Foz do Estrela in figures



Socio-environmental benefits

- Around R\$ 709 thousand invested in social and environmental initiatives
- Potential to supply approximately 235 thousand people¹ with clean energy
- Approximately 400 direct and indirect jobs created²

1. Average residential consumption in Brazil = 165.1 kWh/month – Source: 2021 Annual Electricity Statistics Series – EPE and average number of inhabitants per residence = 2.9 – Source: IBGE, Pnad 2019.

2. Including data of the contracted EPC.

R\$ 300 million in investment

29.5 MW of installed capacity (forecast)

Oeste Seridó Wind Complex

The Oeste Seridó Wind Complex is a wind energy generation venture in the municipality of Parelhas (RN). It will help avoid the emission of more than 740 thousand metric tons of CO₂ emissions into the atmosphere.

Phase 1 works take place between 2022 and 2024, with investments of R\$ 1.5 billion. This was our first project that trained local manpower before construction of the project began, which will give preference to locally sourced manpower.

During the production of this report a Socio-economic Study was scheduled in the four municipalities straddled by the Oeste Seridó Wind Complex Parelhas (RN), Santana do Seridó (RN), São José do Sabugi (PB) and Santa Luzia (PB), to gather data about the social situation in the region and the population's expectations around the Oeste Seridó Wind Farm.

247.5 MW of installed capacity (forecast)

R\$ 1.5 billion in investment

Oeste Seridó in figures



Works profile

- 95 metallic structures distributed over 45 km of transmission lines
- 30.5 thousand m³ of concrete
- 2,243 metric tons of steel
- 754.36 hectares
- 55 wind turbines in 10 parks



Socio-environmental benefits

- Around R\$ 6 million to be invested in social and environmental initiatives
- Potential to supply approximately 2 million people¹ with clean energy
- Lessors receive 1.5% of the park's income (boosting the region's revenue)
- Technical training will be provided to the local community during the process, and we will give priority to local manpower
- The generation of clean energy could avoid the emission of up to 740 thousand metric tons of CO₂
- Restoration of local flora and fauna

1. Average residential consumption in Brazil = 165.1 kWh/month – Source: 2021 Annual Electricity Statistics Series – EPE and average number of inhabitants per residence = 2.9 – Source: IBGE, Pnad 2019.

2. Calculation source: Fundo Clima tool.

A strategy connected to sustainability

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Elera
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Elera aims to reduce the social and environmental impacts of its operations, directing its efforts to creating value for clients and the sustainable development of its geographies. Contributing positively and responsibly to society, we value commitment, respect, simplicity, candid dialog and safety, traits which add value to our business and consequently our stakeholders.

Our 2022-2026 strategic planning is intrinsically related to environmental, social and governance matters and is founded upon three pillars:

- **Growth** – founded on projects in progress (Foz do Estrela, Janaúba and Seridó) and prospecting, already in progress, new projects to be built or even acquired;
- **Operational excellence** – targets the ongoing improvement of processes, cutting operating and project costs and machinery efficiency;
- **Socio-environmental responsibility** – informed by responsible environmental and social practices in its operations as well as governance stewardship, entailing: combating climate change; protecting and conserving ecosystems; water

resource and waste management; enhancing community relations; creating jobs and income; guaranteeing employee well-being and safety; anti-corruption and commitment to business ethics; transparent risk management and data security and privacy.

Innovation

Elera is studying decarbonization strategies fueled by green hydrogen produced by water electrolysis using renewable energy. This new source of clean energy has the potential to reduce the carbon footprint of critical-activity emissions, such as cargo transportation and heavy industries.

This study is in line with our investments in research and development, a strategic front of the business for creating value and guaranteeing our longevity, promoting more efficient innovative solutions, setting us apart in the sector.

Our purpose is to create value for stakeholders and guarantee the business' future

In the electric sector, the investment in R&D is also a regulatory requirement introduced by Law 9.991 of July 24, 2000, in which electric sector companies should allocate a percentage of net operating revenue (ROL) to technological research and development projects, under the oversight of the Brazilian Power Sector Regulator, ANEEL. In 2021, we invested R\$ 2.279 million in R&D projects.



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R&D investment

Sustainable development GRI EU8

Elera is implementing various projects related to research and development, supplying electricity reliably and fostering sustainable development. Key initiatives include:



R\$ **2.2**
million
invested in research

● Cement - BRAÚNA (Project Code: PD-06305-0220/2020)

Globally, on average cement contains approximately 5% gypsum, 12% supplementary cementitious materials (blast-furnace slag, limestone and pozzolanas) and 83% clinker (MEHTA, 2010). Due to the increasing replacement of clinker with supplementary cementitious materials, its cement content is gradually diminishing, consequently driving down the cement industry's CO₂ emissions. The nanomaterials used as cementitious material can therefore help drive down these emissions. Due to the original nature of the technique for developing the method/substance, we intend to bring in members from academia to write and publish technical papers on the matter.



Elera Operations

| By field of research | 2019 | | 2020 | | 2021 | |
|--|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|
| | Amount (R\$ thousand) | % | Amount (R\$ thousand) | % | Amount (R\$ thousand) | % |
| Alternative energy sources (FA) | 451 | 12% | 372 | 17% | 484 | 21% |
| Management of basins and reservoirs (GB) | 1,288 | 33% | 842 | 38% | 525 | 23% |
| Environment (MA) | 1,461 | 38% | 222 | 10% | 642 | 28% |
| Power system planning (PL) | 318 | 8% | 420 | 19% | 544 | 24% |
| Other | 341 | 9% | 341 | 16% | 0.00 | - |
| Total | 3,858 | 100% | 2,197 | 100% | 2,279 | 100% |



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● **CyanUrea – ITIQUIRA and BRAUNA**
(Project Code: PD-06305-0219/2020)

Maintaining the quality of water in powerplant reservoirs is a daunting challenge, requiring studies and methodologies conducive with Brazil's socioeconomic reality. The results to be obtained in the project will enable the association of an important use of *E. crassipes* biomass, which currently represents a serious challenge for the sector, with the control of cyanobacteria blooming and improved water quality. The results will be disclosed with clarifications about the environmental service provided by macrophytes, and the advantages and disadvantages of phytoremediation; biotechnological potential of the natural products of macrophytes; production of technical-scientific articles and their presentation and publication at related events; involvement of researchers from the Federal University of Rio de Janeiro (UFRJ), training human resources through masters dissertations and doctorate theses, associated with manpower training initiatives for using macrophytes in a socioeconomic and environmentally sustainable way.

● **Fast Charging – Candeias – Cooperada ITIQUIRA**
(Project Code: PD-06961-0010/2019)

Hybrid recharging system (photovoltaic solar, grid and secondary accumulator) to power electric vehicles and bicycles in V2G applications. Scientific contributions and training is a part of the project, including four masters dissertations, four publications of papers, two registrations of software and two V2G charger patents. The project is expected to reduce costs on transporting patients from small municipalities to state capitals. It can also improve the standard of living for the population through the shared use of electric bicycles. The objective is to compare the technology developed in the project with commercial technologies, implementing six electric charging stations in six municipalities. Each EV is expected to bring a saving of R\$ 5.02 thousand per year and each solar generator, which will also be connected to the grid while an EV is not been charged, will save 38.9 MWh/year or R\$ 12,061.72/year.



Elera Operations

● **Electric sector – TANGARÁ AND PANTANAL**
(Project Code: PD-00678-0120/2020)

The project will put forward a methodology to identify locations for implementing Pumped-storage Hydroelectricity (UHR), not limited to certain topologies and operational cycles, which assesses the economic benefits under an integrated planning model, thereby contributing to the SIN's operation. As this approach is based on the realistic simulation of the system's operation, it has the advantage of enabling planners to decide which projects make more sense in terms of the point of connection to the electricity grid, capacity (MW)

and energy storage (MWh). We implement projects related to research and development, the provision of reliable electricity and the promotion of sustainable development and energy storage (MWh), by extending the engineering module of the HERA model, enabling it to project and budget UHR in selected locations, including costs related to civil works, equipment and socio-environmental impacts. It would therefore be possible to plan a minimum cost and expand the electric sector seamlessly, embracing investment and operation to meet a demand with sufficient reserves to guarantee the supply's liability.

The projects entail research, electricity sales to consumers and sustainable development

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- Waste



Looking after the environment

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Elera Renováveis

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Environmental

Basing its methodologies on internationally recognized standards in order to manage and prevent environmental risks, Elera has an Environmental Management System (SGA), in accordance with Brazilian Standard (NBR) ISO 14001. Created more than 15 years ago, it was jointly developed by Brazil, the USA and Canada, with recognized strategic and operational results, being applied to all areas the company operates in.

Each venture has an internal survey of a specific impact and progress has been made on monitoring external risks. According to a directive issued by the board of Brookfield Renewable Partners (BEP), in 2021 a management practice was established for catastrophic risks involving material impacts on human lives, the environment and biodiversity or the company's reputation, determining that all plants run this survey.

3

Social

We have a management governance implemented and provide online training to all employees and suppliers. Safety and compliance training follows the same guidance. In line with the vision of managing and diminishing environmental risks deriving from its operations, Elera has developed a proprietary license and requirements management system, thereby demonstrating our commitment to complying with legal and operational requirements regarding the environment.

Elera also has a Measurement Monitoring Matrix, which defines the points and parameters to be tracked by the company, as well as legal standards and goals and targets. [GRI 102-11](#)

4

Governance

Elera strives to impact indigenous peoples as little as possible and to continually apply mitigation measures, based on Convention 169 of the International Labor Organization (ILO) and other domestic legislation, guaranteeing traditional communities the right to consultation and to decide the issues that directly affect them.

[GRI 103-2, 103-3 | 411](#)

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R\$ **12.1**
million
invested in environmental
protection in 2021



We implement initiatives that guarantee the rational use of natural resources

Total environmental protection expenditures and investments - 2021

| Production/operation-related investments | (R\$ thousands) |
|--|-----------------|
| Adjusting facilities | 201 |
| Waste management | 356 |
| Environmental audits | 0 |
| Environmental education | 140 |
| Enhancing environmental quality/depollution | 277 |
| Urban tree canopy | 0 |
| Forest restoration and replacement | 2,950 |
| Environmental services procured | 4,600 |
| Funds allocated to social initiatives/donations | 20 |
| Total environmental protection expenditure | 2,960 |
| Environmental management and prevention costs | 631 |
| Sanctions for non-compliance with environmental laws and regulations | 0 |
| Subtotal | 12,135 |
| Investment in external programs and/or projects | |
| Research and Development (R&D) | 53 |
| Total | 12,188 |

Biodiversity

GRI 103-2, 103-3 | 304

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The Biodiversity Management Plan (BMP) was prepared by Elera in 2021 to implement a more structured management of the topic, with diagnoses and inventory of biodiversity conservation initiatives, evidencing the presence of the company's assets in Brazilian biomes.

The survey found that 88% of the assets have environmental requirements related to biodiversity. Jointly, the assets in operation are recovering or have recovered approximately 1,874 ha of degraded areas. Approximately 70% of the entire extension of the areas undergoing recovery are associated with SHPs, with solar complexes accounting for 8% of this total. We identified endangered fauna and flora in around 60% of our assets. The main environmental programs carried out by Elera include fauna and flora monitoring. These programs jointly contribute to the assessment, monitoring and concrete initiatives for protecting and conserving protected or endangered species, a situation that exists in approximately 60% of our assets in operation.

88%
of the assets have
environmental
requirements related to
biodiversity

The BMP analysis shows that 45 assets are developing a biodiversity project with 30 of them classified as initiatives in company land, 10 as strategic direct action and five as ecosystem and endangered species studies.

Our operating units are normally located within environmental protection areas, amounting to 169.27 km². Most service areas are proprietary, except for the Aratinga and Alex Photovoltaic Power Plants in Ceará and the Wind Complex Renascença and Oeste Seridó, in Rio Grande do Norte, and Alto Sertão, in Bahia, which are in a leased area. The values for biodiversity are found in freshwater and land ecosystems in the National Nature Conservation Units System; Sites of the Brazilian Alliance for Zero Extinction; Priority Areas for Conservation, Sustainable Use and Sharing of Biodiversity Benefits. **GRI 304-1**



Foz do Estrela – Harpia harpyja – Francisco Hamada

Our initiatives

We implemented biodiversity conservation initiatives through 210 environmental programs - most of which are mandatory - fauna and flora monitoring, fish protection and recovering degraded areas. In 2021 our initiatives included: a study based on the LIFE Methodology on the Renascença Wind Complex Environmental Education Programs, and a Project Implementing Water and Sewage Systems in Aldeia Feliz (RJ).

The voluntary initiatives included:

- **Aquatic Biota Meta-analysis Project in the Rio Verde Basin** – implemented in the cities of Água Clara and Ribas do Rio Pardo (MS), this aims to assess the effects of induced breeding and introduced fish fry and defined procedures for protecting the species. The pre-established term is four years and receives investment of some R\$ 2.7 million.
- **Harpy Eagle Conservation Project** – taking place in the municipality of Coronel Domingos Soares (PA), in the region where the Foz do Estrela SHP is being built, in partnership with the Institution LACTEC, the project involves research, active searches and awareness raising, with a view to conserving the species. In 2021 it completed one year of activities and received investment of some R\$ 60 thousand





Foz do Estrela – Harpy Eagle – Rainiellen de Sá Carpanedo

70%

of general LIFE
Methodology indicators
performed

As a result of the project, which considers the significant positive performance of the indicators Biodiversity Pressure Index (IPB), Minimal Biodiversity Performance (DMB) and Positive Biodiversity Performance (DPB), the company was recommended to make a number of management tweaks to turn the Renascença Wind Complex into a biodiversity model for the group's other units.

The unit performed more than 70% of the general LIFE Methodology indicators, qualifying us for certification in the topic, providing it supports and/or develops new conservation initiatives to achieve the DMB score and performs all core indicators applicable to the company. This was an important step for Elera's ongoing revolution. Actions are being addressed based on this study to provide us with an even more structured Biodiversity Management Program that enables adequate monitoring of results and effective mitigation of any potential adverse impacts identified, taking action before they materialize.

Biodiversity Management

In 2020 Elera developed a pilot project to manage biodiversity, which was based on the LIFE Methodology. Organizations use it to measure their performance, create action strategies and establish overall biodiversity conservation goals.

The methodology was applied to the Renascença Wind Complex in order to measure how efficiently the company is managing the topic. During the project we assessed compliance with environmental management indicators in the LIFE Key tool, which has access to analyses on multiple environmental issues, such as waste, greenhouse gases, water use, energy management, land use and occupation and other factors.

Endangered species GRI 304-4



Our survey relied on the information provided by the International Union for Conservation of Nature (IUCN) and environmental studies and monitoring of our operating units, for a radius of 3 km around our assets.

In 2021, we logged:

- 11** endangered species
- 5** critically endangered species
- 38** near threatened
- 34** vulnerable
- 1,288** least concern



Energy efficiency GRI 103-2, 103-3 | 302

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Elera's Environmental Management System sets out guidelines that inform our employees and service providers on the efficient use of energy resources.

Our 75 assets are located in four regions of Brazil, alongside our assets in Uruguay and Chile. Plants are accessed over land, by fuel powered vehicles. Our employees are therefore instructed to use biofuels such as ethanol wherever possible to power vehicles, which help substantially reduce GHG emissions.

In certain locations biofuels are harder to come by, which hinders our strategy of reducing consumption and emissions. We therefore use newer, regularly serviced vehicles to help improve fuel consumption performance.

Non-renewable fuel consumption rose by 35% in 2021 and renewable fuel consumption by 7%. Thanks to the easing of the covid-19 pandemic over the course of the year, we were able to resume our operational visits, resulting in more kilometers traveled and therefore higher fuel consumption.

We provide guidance to our employees and service providers on the efficient use of energy resources

Total energy consumed (GJ) GRI 302-1

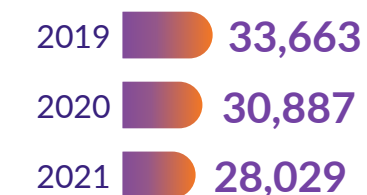
Nonrenewable fuels



Renewable fuels



Electricity consumed



Electricity sold



Energy intensity GRI 302-3

| | 2019 | 2020 | 2021 |
|--------------------------|---------------|---------------|---------------|
| Within the organization | 0.0017 | 0.0016 | 0.0013 |
| Outside the organization | N/A | N/A | N/A |
| Total | 0.0017 | 0.0016 | 0.0013 |

N/A = not applicable.

Fuel consumption, by source (GJ) GRI 302-1

| | 2019 | 2020 | 2021 |
|-----------------------------|------------------|------------------|-------------------|
| Non-renewable | | | |
| Diesel | 8,860,289 | 9,528,094 | 12,946,214 |
| Gasoline | 2,510 | 2,530 | 2,667 |
| Total | 8,862,799 | 9,530,624 | 12,948,881 |
| Renewable sources | | | |
| Ethanol | 270 | 156 | 168 |
| Biomass ¹ | - | - | - |
| Total | 270 | 156 | 168 |
| Electricity consumed | | | |
| Electricity | 33,663 | 30,887 | 28,029 |
| Electricity sold | | | |
| Electricity | 22,222,800 | 21,178,764 | 23,153,526 |

1. Biomass consumption information is measured in metric tons, which is why it was not included in the indicator's table. As it is a conglomerate of materials and each material has a given calorific value, there is no standard coefficient for conversion available for presenting data in GJ, as requested by the indicator. Biomass consumption was: 2019 - 1,037,782.23 t; 2020 - 746,197.00 t; and 2021 - 676,951.00 t.



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Emissions

GRI 103-2, 103-3 | 305

Alto Sertão

Since 2018 we have been managing greenhouse gas (GHG) emissions by compiling a GHG emissions inventory, based on the Brazilian GHG Protocol Program methodology. This inventory encompasses 100% of our operations and consists of scope 1, 2 and 3 emissions (the latter for air travel).

By using a specific cloud-based platform to compile corporate GHG inventories, we automated our inventory preparation process in 2020, ensuring better governance when collecting data and availability of our technical team to carry out analyses, also managing the topic more efficiently.

With climate change and sustainability issues always on the company's agenda, the process of compiling the GHG emissions inventory in a specialized platform becomes even more important for mitigating these emissions, as it offers greater internal visibility and above all maturity in managing expertise in transforming information and data into relevant actions.

One of them resulted in the implementation of the new SF₆ Gas Management Manual, a reference for purchasing, maintaining and using the gas, which primarily aims to lay down guidelines for safe practices when using, recovering and disposing of SF₆. The new procedure rolled out in 2021 made it possible to identify a reduction in the company's overall scope 1 emissions.

Scope 3 emissions more than halved from 2019 to 2020, due to the lower number of flights owing to the covid-19 pandemic. Only urgent and extremely important travel was authorized by the company in 2021. **GRI 305-3**

Emissions intensity include scopes 1, 2 and 3. The reductions in scope 2 (energy consumption) and scope 3 (air travel) emissions can be seen by comparing the 2019 and 2020 results (explained by the pandemic). The reduction in scope 1 emissions (direct), in turn, are explained by emissions mitigation measures, such as those involving SF₆. Scope 2 emissions rose sharply between 2020 and 2021 (lower output by power plants and consequently higher consumption). **GRI 305-4**



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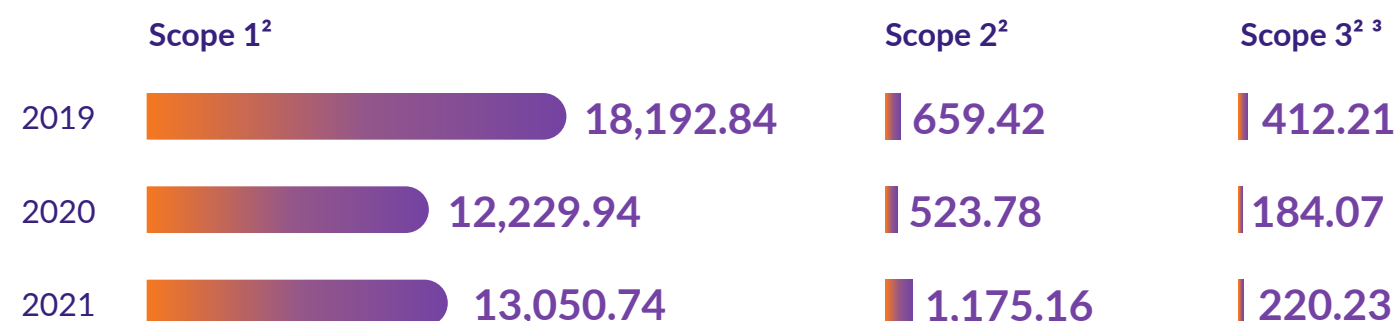
Climate risks in ventures

Global climate change is materializing faster than expected, with temperature rises of 1.1 degrees in the last decade, which was the warmest on record. The main impacts, from extreme heatwaves and prolonged droughts to major flooding, pose serious risks in Brazil due to the lack of infrastructure and poor response capacity of certain economic sectors. In 2021, the droughts triggered Brazil's worst water crisis since 1930. Reservoirs in the South-east/Mid-West and South subsystems are at their lowest ever levels, of below 30% and 50% respectively.

Renewable energy sources are vital to the national strategy of lowering the energy sector's greenhouse gas emissions. However, they are also exposed to climate change impacts.

Identifying and analyzing climate-change risks and opportunities are important to defining adaptation strategies aligned around business goals. We therefore compiled a survey to detect and classify physical climate risks for all our assets in operation and under construction, translating into an adaptation plan scheduled for 2022 (*see more in Risk management*).

Greenhouse gas (GHG) emissions¹ GRI 305-1, 305-2, 305-3 (tCO₂ equivalent)



1. We adopted the methodologies outlined by the Brazilian GHG Protocol Program. The calculation tool used was the Climas (cloud-based) platform of Way Carbon, implemented between December 2019 and January 2020, and used to gather data, calculations and critical analyses of the GHG emissions of Elera's assets in operation in 2020 and 2021. Source of emissions factors: IPCC 2019 - 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme; Emission Factors for Greenhouse Gas Inventories, by USEPA (2020) - <https://www.epa.gov/sites/production/files/2020-04/documents/ghg-emission-factors-hub.pdf>.

2. The calculation includes the gases CO₂, CH₄, N₂O, HFCs and SF₆.

3. Only includes the category "Business Travel".

Greenhouse gas (GHG) emissions¹ (tCO₂ equivalent) GRI 305-1, 305-2, 305-3, 305-4

| | 2019 | 2020 | 2021 |
|--|------------------|------------------|------------------|
| Direct emissions (scope 1)² | | | |
| Generation of electricity, heat or steam | 16,425.78 | 10,912.04 | 11,896.85 |
| Transportation of materials, products, waste, workers and passengers | 659.42 | 584.23 | 730.92 |
| Fugitive emissions ³ | 1,107.63 | 733.67 | 422.97 |
| Total gross CO₂ emissions | 18,192.84 | 12,229.94 | 13,050.74 |
| Indirect emissions (scope 2)² | | | |
| From acquired electricity | 659.42 | 523.78 | 1,175.16 |
| Other emissions (scope 3)² | | | |
| Business travel | 412.21 | 184.07 | 220.23 |
| GHG emissions intensity² | | | |
| Total GHG emissions | 19,264.47 | 12,937.79 | 14,446.13 |
| GHG emissions intensity | 3.12 | 2.20 | 2.47 |

1. We adopted the methodologies outlined by the Brazilian GHG Protocol Program. The calculation tool used was the Climas (cloud-based) platform of Way Carbon, implemented between December 2019 and January 2020, and used to gather data, calculations and critical analyses of the GHG emissions of Elera's assets in operation in 2020 and 2021. Source of emissions factors: IPCC 2019 - 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme; Emission Factors for Greenhouse Gas Inventories, by USEPA (2020) - <https://www.epa.gov/sites/production/files/2020-04/documents/ghg-emission-factors-hub.pdf>. 2. The calculation includes the gases CO₂, CH₄, N₂O, HFCs and SF₆. 3. Reflects the reduction in fugitive emissions, greater operational control over the use and management of SF₆ in plants from 2021, according to the new manual and procedure.

14,446.13
of tCO₂e were
total GHG
emissions in 2021



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Supplier engagement

In an unprecedented initiative in the sector, in 2021 Elera compiled the first GHG inventory for a plant under construction for the Alex Photovoltaic Solar Complex in Ceará state, between April 2020 and October 2021.

We engaged our partner contracted on the EPC basis to survey all data needed to carry out the calculations. We also had our inventory independently assured and obtained an independent declaration about the consistency and quality of the information, guaranteeing an accurate assessment of the emissions standard in our value chain. We could analyze the main GHG emissions regulated by the Kyoto Protocol by scope, in the categories technology and precursor.

The assurance occurred in scopes 1 and 3. There were no scope 2 emissions in the inventory, as the entire electricity consumption to build the power plant was managed and controlled by the company procured on the EPC basis, and were included in scope 3. 477.31 metric tons of CO₂ from scope 3 renewable sources were emitted, due to the burning of biofuels in equipment and vehicles during the construction.

The results show that the largest emissions come from changing the use and occupation of land in the Caatinga biome, an activity necessary to install the solar panels and trackers. While significant, this was a one-off activity, starting and ending in 2020, with compensatory actions monitored and approved by the state environmental authority. This source is considered to be one of Elera's direct emissions (scope 1). Fuel consumption, especially diesel, in equipment and machinery during the implementation of the panels appears as the main source of scope 3 indirect emissions in the inventory of the Alex Photovoltaic Solar Complex

These results were leveraged to present material information to inform management initiatives, emissions offsets and recommendations for reducing GHG emissions by the company's new ventures. This study is used to prepare the company's mitigation plan (currently under development) and which encompasses assets under construction and operation.

GHG calculations followed the guidelines of the Brazilian GHG protocol program for emissions from works activities. The next step for 2022 is formalizing a policy and establishing targets to reduce GHG emissions.



Biogenic emissions¹ of CO₂ (tCO₂ equivalent) GRI 305-1



1. The reduction in biogenic emissions between 2019 and 2021 was due to the biomass units (UTE Vista Alegre) not operating in 2020 and 2021.





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Significant emissions GRI 305-7

The air emissions monitored at the Santa Cândida I and II Vista Alegre I and II thermal plants did not include SO_x, COV, POP and HAP assessments. We only assessed the parameters required by the Operating License (Particulate Matter, Nitrogen Oxides, Oxygen, Carbon Dioxide and Nitrogen contents). The emissions limits monitored were assessed in accordance with Conama Resolution 382.

Only UTE Santa Cândida II was active during the reporting period. The other UTEs are in hibernation, because of the diminished sugarcane plantation area (UTE Santa Cândida I) or insufficient biomass supply (sugarcane bagasse) due to contractual terminations (UTE Vista Alegre I and II). The 2021 NO_x results are lower because the biomass produced from the sugarcane bagasse was different than previous years. In 2021 the drought and an aging crop impaired biomass quality (see table).



370.7
metric tons
of particulate material
in 2021

Significant air emissions¹ (t) GRI 305-7

| | 2019 | 2020 | 2021 |
|--|--------|--------|--------|
| NO _x | 811.44 | 565.21 | 219.73 |
| Particulate Matter (PM) | 328.20 | 399.00 | 370.75 |
| Other standard categories of air emissions identified in relevant regulations - Carbon Dioxide Content (%) | 15.4% | 13.2% | 12.7% |
| Other standard categories of air emissions identified in relevant regulations - Nitrogen Content (%) | 79.4% | 80.5% | 79.4% |
| Other standard categories of air emissions identified in relevant regulations - Oxygen Content (%) | 5.17% | 6.33% | 7.97% |

1. Sources of the emission factors used were: Particulate Matter: determined by weighing material caught in the filter, probe and cyclone. The samples were analyzed by the subcontracted laboratory TASQA Serviços Analíticos CRL 0165 A, ISO 17025:2005 accredited by Inmetro. Nitrogen Oxides: the colorimetry method was used for this determination, based on the UV spectrophotometer. The samples were analyzed by the subcontracted laboratory TASQA Serviços Analíticos CRL 0165 A, ISO 17025:2005 accredited by Inmetro. Emission gases: analyzed in collections made in tedlar bags. Oxygen, carbon dioxide and nitrogen content in the gases were obtained by volumetric dosing using the Orsat technique.



Water resources GRI 103-2, 103-3 | 303

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Elera Renováveis has 43 hydropower plants (4 UHEs and 39 SHPs) which use water to generate electricity. Certain assets (hydraulic, solar, wind and biomass) have groundwater wells for internal consumption. We also have 10 solar parks which use water to clean the panels. The company is not classified as a water consumer, as the hydraulic generation uses water from reservoirs and these volumes are captured downstream from powerhouses, with most of these assets operating in a run-of-the-river configuration (discharged over the spillway). **GRI 303-1**

For hydropower plants we have an Environmental Plan for the Conservation and Use of Reservoir Surroundings (Pacuera), prepared and registered at the state environmental authority. This study establishes the guidelines and propositions in order to regulate the conservation, recovery, use and occupation of the artificial reservoir's surroundings, in order to protect the environmental quality of the water body and its multiple use. Each plant therefore has guidelines for sharing water with stakeholders (taking water

from the reservoir, the presence of watering corridors, fish farming/fish tanks and tourism/leisure area). **GRI 303-1, SASB IF-EU-140a.3**

These actions are based on our Corporate HSSE Internal Policy which defines criteria for the efficient, responsible and sustainable use of natural resources, including the management and reduction of impacts on risks on the environment posed by our operations, with an overall focus on continuous improvement.

Water and effluent is monitored periodically in our assets in accordance with legal requirements (operating license) and we use a specific methodology for collecting and analyzing data. We implement environmental water quality monitoring programs, which are conducted on assets in order to comply with legal requirements. The procedures of the Environmental Management System (monitoring and measuring activities and legal matters) are also implemented. **GRI 303-1**

According to the areas shown in the Aqueduct platform, the only asset located in a water-stressed area is the Alex Photovoltaic Complex in Ceará state, where most of its consumption is related to the washing and cleaning of panels. The operating unit began operating in October 2021, consuming 0.5894 megaliters. All water consumed by the UTE (biomass) comprises the water treatment and supply system serving the sugar and alcohol plant of the company Raízen, and the raw water used in the gas scrubbing system is redistributed to the Water Treatment Plant (ETA). **GRI 303-1, 303-2, SASB IF-EU-140a.3**



Water, Seed of Life Project



Total water consumption from all areas (ml) GRI 303-5



Waste

GRI 103-2, 103-3 | 306

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Elera established solid waste management targets in 2021 and implemented the specific management system, which controls the waste inventory, the issuance of the Waste Transportation Manifest (MTR) and supplier management. Data is collected quarterly and entered into this system. All plants are registered in the National System of Information about Solid Waste Management (Sinir), which generates the Waste Movement Declaration (DMR). GRI 306-2, 306-3

Water and effluent is monitored periodically in our assets in accordance with legal requirements (operating license) and we use a specific methodology for collecting and analyzing data.

Wind complexes are serviced once every five years, with the next service scheduled for 2024. There were no changes in waste generation for the period 2019 to 2021 for the other assets. GRI 306-1

In respect of non-recyclable waste, the generation rose in 2021 due to the maintenance work carried out on the dikes of two hydropower plants (SHPs Passo do Meio and Ivan Botelho I) and the SHPs Pezzi and Serra dos Cavalinhos 1 underwent four-yearly maintenance. The volume of waste generated by cleaning septic tanks was the main factor behind the increase in 2021, related to the civil works carried out on the Ivan Botelho I SHP. GRI 306-3

The volume of hazardous waste rose in 2019 and 2021 due to the construction finishing of two hydropower plants (SHPs Verde 4 and Verde 4) and the oil change (49.3 metric tons) of the Alto Sertão I Wind Complex. In 2021, maintenance work was carried out on the dikes of two hydropower plants (SHPs Passo do Meio and Ivan Botelho I) and the SHPs Pezzi and Serra dos Cavalinhos 1 underwent four-yearly maintenance. The main type of waste generated in this period was sludge caused by cleaning septic tanks, which is used to treat effluent. GRI 306-3, 306-5

The increase in the final disposal volume of hazardous waste in 2021 was due to the fact that maintenance work was carried out on two SHPs in 2020, resulting in more campaigns collecting this type of waste. A company was hired to re-refine the contaminated oil, diminishing the final disposal of this waste in class I landfills. GRI 306-5

Total waste, by breakdown (t) GRI 306-3, 306-4, 306-5

| | 2019 | 2020 | 2021 |
|---|-----------------|-----------------|-----------------|
| Category | Quantity | Number | Number |
| Total waste generated | | | |
| Recyclable ¹ | 46.6374 | 50.7772 | 21.3065 |
| Non-recyclable ¹ | 121.9071 | 40.7669 | 214.3465 |
| Class I ² | 163.3689 | 45.7391 | 202.3224 |
| Total | 331.9134 | 137.2832 | 437.9754 |
| Total waste diverted from disposal | | | |
| Recyclable ¹ | 24.91 | 33.56 | 3.95 |
| Non-recyclable ¹ | 0.07 | 0.03 | 0.03 |
| Class I ² | 6.49 | 9.68 | 35.3700 |
| Total | 31.47 | 43.27 | 39.35 |
| Total waste DIRECTED to disposal | | | |
| Recyclable ¹ | 20.50 | 18.55 | 20.19 |
| Non-recyclable ¹ | 146.72 | 40.66 | 170.87 |
| Class I ² | 177.21 | 46.83 | 173.91 |
| Total | 344.43 | 106.04 | 364.97 |

Nb: recyclable waste means paper, plastic, glass, metal and cardboard; nonrecyclable waste originates from cleaning intakes and grease traps, organic and urban not compared and sludge from cleaning septic tanks.

1. Nonhazardous waste. 2. Hazardous waste.

We adopted a series of measures to diminish waste generation





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ESG Report 2021

We continually seek solutions that diminish waste generation, consequently adopting the following impact management measures in 2021:

- Using the mobile dehydration system in order to treat and filter the oil produced in hydro-power plant maintenance;
- Reverse logistics of herbicide packaging;
- Reverse logistics of lubricating oil. The waste is re-refined and the oil used is transformed into base stocks;
- Repairing 12 pitch drives (retrofitting a wind turbine in a wind park) and reuse in the original machinery. Each piece of equipment weighs 185 kg;
- Donation of 128 batteries (2,728 kg), which were in storage at UHE Mimoso (MS), for the reprocessing. **GRI 306-2**

Although Elera is not a major waste producer, in 2021 it initiated a pilot project to standardize data from all plants through a cloud-based platform, in which the waste is managed and monitored online with a high standard of governance, providing greater reliability for actions reducing and managing waste at the company. This is expected to be implemented on a company-wide basis in 2022.

The Passo do Meio SHP did not operate in 2021 because of maintenance works on the dike; 42 hydropower plants were therefore operational in 2021. Only UTE Santa Cândida II (biomass) was active during the reporting period. The other UTEs were in hibernation, because of the diminished sugarcane plantation area (UTE Santa Cândida I) or insufficient biomass supply (sugarcane bagasse) due to contractual terminations (UTE Vista Alegre I and II). Nine solar parks came into operation (Alex Energia) in 2021. Complexo Eólico Carapé (Uruguay) and Parque Solar Amanecer (Chile) underwent environmental management in January 2022. Their ESG indicators will therefore only be reported in the 2022 report.

Total waste diverted from disposal, by recovery operation at the organization (t) GRI 306-4

| | 2019 | | | 2020 | | | 2021 | | |
|---|-------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|
| | Within | Outside | Total | Within | Outside | Total | Within | Outside | Total |
| Nonhazardous waste | | | | | | | | | |
| Preparation for reuse | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.10 | 0.00 | 1.10 |
| Recycling | 0.00 | 24.91 | 24.91 | 0.00 | 34.69 | 34.69 | 2.00 | 1.65 | 3.65 |
| Other recovery operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 0.00 | 24.91 | 24.91 | 0.00 | 34.69 | 34.69 | 3.10 | 1.65 | 4.75 |
| Hazardous waste | | | | | | | | | |
| Preparation for reuse | 0.00 | 5.56 | 5.56 | 0.00 | 0.8506 | 0.85 | 0.00 | 1.36 | 1.36 |
| Recycling | 0.00 | 0.99 | 0.99 | 0.00 | 5.1750 | 5.18 | 7.86 | 2.25 | 10.11 |
| Other recovery operations | 0.00 | 0.00 | 0.00 | 0.00 | 2.55 | 2.55 | 0.00 | 23.13 | 23.13 |
| Total | 0.00 | 6.55 | 6.55 | 0.00 | 8.58 | 8.58 | 7.86 | 26.74 | 34.60 |
| Total waste diverted from disposal | 0.00 | 31.47 | 31.47 | 0.00 | 43.27 | 43.27 | 10.96 | 28.39 | 39.35 |

Total waste directed to disposal, by operation (t) GRI 306-5

| | 2019 | | | 2020 | | | 2021 | | |
|---|-------------|---------------|---------------|-------------|---------------|---------------|-------------|---------------|---------------|
| | Within | Outside | Total | Within | Outside | Total | Within | Outside | Total |
| Nonhazardous waste | | | | | | | | | |
| Incineration with energy recovery | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 13.50 | 13.50 |
| Incineration without energy recovery | 0.00 | 8.40 | 8.40 | 0.00 | 7.600 | 7.60 | 0.00 | 0.00 | 0.00 |
| Landfilling | 0.00 | 153.75 | 153.75 | 0.00 | 42.88 | 42.88 | 0.00 | 80.07 | 80.07 |
| Other disposal operations | 0.00 | 35.20 | 35.20 | 0.00 | 14.13 | 14.13 | 0.00 | 106.88 | 106.88 |
| Total | 0.00 | 197.35 | 197.35 | 0.00 | 64.61 | 64.61 | 0.00 | 200.45 | 200.45 |
| Hazardous waste | | | | | | | | | |
| Incineration with energy recovery | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Incineration without energy recovery | 0.00 | 18.21 | 18.21 | 0.00 | 20.84 | 20.84 | 0.00 | 0.00 | 0.00 |
| Landfilling | 0.00 | 21.72 | 21.72 | 0.00 | 11.15 | 11.15 | 0.00 | 143.63 | 143.63 |
| Other disposal operations | 0.00 | 13.96 | 13.96 | 0.00 | 9.43 | 9.43 | 9.38 | 11.50 | 20.88 |
| Total | 0.00 | 53.89 | 53.89 | 0.00 | 41.43 | 41.43 | 9.38 | 155.13 | 164.51 |
| Total waste directed to disposal | 0.00 | 251.24 | 251.24 | 0.00 | 106.04 | 106.04 | 9.38 | 355.58 | 364.96 |

Although Elera is not a major waste producer, in 2021 it initiated a pilot project to standardize and manage data from all plants



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Social commitment

Taking a long-term view, we prioritize developing solid, transparent and upstanding relationships with our stakeholders. We believe that creating this type of connection yields advantages not only for the company, but for all our stakeholders as well.

We seek to foster the socio-environmental values present in our business strategy among our employees, suppliers, customers, and communities so we may all work towards a better world, with more clean energy and more opportunities for all. We work to strengthen our relationship with these stakeholders through diagnostics, studies, formal meetings, training, investments and/or donations while we implement our operations or build our projects, or on an annual basis, depending on the impact of the activity. Communication channels are also used, and informative material distributed. Situational studies are performed to ensure transparent information and facilitate the dialog between the company and its stakeholders. **GRI 102-43**



Reinforcing our commitment to socio-environmental responsibility, we belong to groups such as the Cebds Social Impact Theme Group and the Ethos Institute Working Group on Human Rights, which address matters such as gender equity, diversity and sustainability in business

Direct economic value generated and distributed GRI 201-1 (R\$)

| | 2019 | 2020 | 2021 |
|---|------------------|------------------|------------------|
| Revenue | 2,218,819 | 2,588,321 | 2,665,250 |
| Economic value distributed | | | |
| Distributed | | | |
| Operating expenses | 849,640 | 679,172 | 733,587 |
| Employee salaries and benefits | 139,239 | 153,799 | 163,137 |
| Payments to providers of capital | 756,354 | 649,019 | 537,525 |
| Payments to government | 160,272 | 162,448 | 188,421 |
| Community investments | 4,021 | 7,222 | 3,847 |
| Total | 1,909,526 | 1,651,660 | 1,626,517 |
| Economic value retained | | | |
| “Direct economic value generated” less “Economic value distributed” | 309,293 | 936,661 | 1,038,733 |

Nb.: The figures are presented on the accrual basis and relate to renewable energy operations in Brazil, Chile and Uruguay and have been translated into Brazilian Reals, for consistency purposes. They also fully represent Elera Renováveis, consisting of the holding companies Elera Renováveis Participação S.A., Itiquira Energética S.A., TERP GLBL Brasil I Participações Ltda., Investimentos Sustentáveis Fundo de Investimento em Participações Multiestratégia, Brookfield Americas Infrastructure (Brazil Power), Fundo de Investimento em Participações Multiestratégia, Power I Fundo de Investimento em Participações Multiestratégia e Energia Sustentável Fundo de Investimento em Participações Multiestratégia, ASH - Amanecer Solar Holding Spa, Viensos - Viensos S.A., ACIELO - Alto Cielo SRLOs and their investees. The changes observed over the three years reported are due to merging the companies in Chile and Uruguay into the group and acquiring the Alex and Janaúba solar Complexes in 2020 and initiation of the solar energy generation operation in 2021. In prior years we determined the economic value distributed in accordance with accounting standard CPC 09 - Statements of Added Value (DVA), a part of the social balance sheet. For the close of 2021, we opted to follow the Global Reporting Initiative (GRI) format, with 2019 and 2020 figures restated to facilitate a comparative analysis. **GRI 103-2, 103-3 | 201**



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Staff

One of Elera's priorities is to have an engaged team that shares our purpose in all our actions and decisions. After all, it is our people who help us co-create and take the best solutions in renewable energy to our customers. In 2021 we had 541 employees and 41 apprentices and interns.

The success of our business is the fruit of the professional activities of our employees. For this reason, we nurture an environment that fosters the development of the skills and potentials of each one of them.

In our day-to-day operations we also seek to create an atmosphere of belonging, recognition, and value so that our teams remain engaged with our causes and strategic business goals.

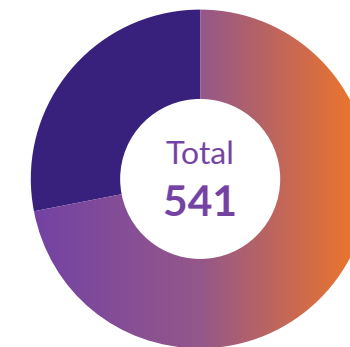
In the last two years we have experienced a cultural transformation, expanding and diversifying our energy portfolio, as our teams quickly acclimated to this new situation. Our entire internal organization was redesigned, from restructuring roles and areas to creating new functionalities.

This process was led in a fully transparent model. We have improved our management and provided all necessary tools so leaders and teams can prepare for this new phase in our business.

To help this organizational transformation, in 2021 we started using a people management platform that works through continuous listening. In an agile and analytical process, it supports our decisions with facts and data, seeking smart insights to enhance employee engagement, performance and experience. These results lead to more focused and accurate actions on the part of our leaders and teams every two weeks, providing better dynamics and easier adaptability.

Employees in 2021

Women
28%
(150)



Men
72%
(391)



Works on the Alex Photovoltaic Solar Complex

We have a highly technical and multidisciplinary team to identify the best opportunities in renewable energy for our customers



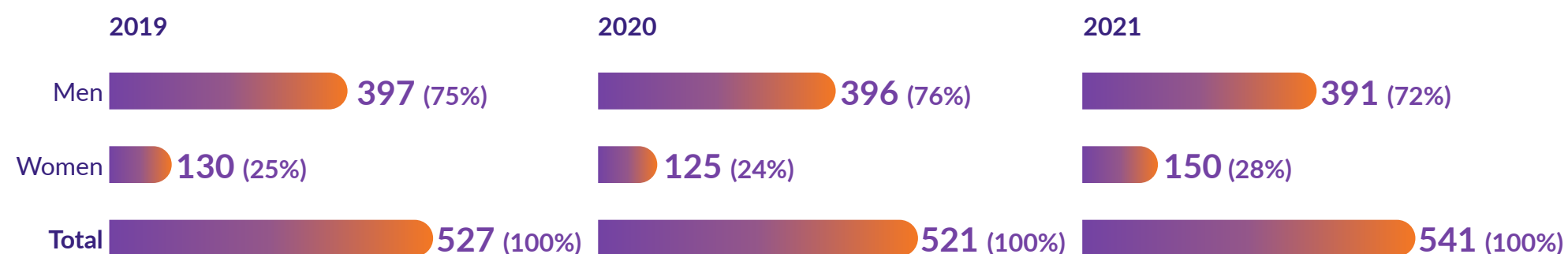
Workforce profile

Total workforce by employment contract and region GRI 102-8

| Region ¹ | 2019 | | | 2020 | | | 2021 | | |
|---------------------|---------------|-----------------|------------|---------------|-----------------|------------|---------------|-----------------|------------|
| | Definite term | Indefinite term | Total | Definite term | Indefinite term | Total | Definite term | Indefinite term | Total |
| North-east | 0 | 30 | 30 | 0 | 30 | 30 | 2 | 37 | 39 |
| Midwest | 0 | 94 | 94 | 0 | 90 | 90 | 2 | 85 | 87 |
| Southeast | 12 | 344 | 356 | 11 | 346 | 357 | 15 | 349 | 364 |
| South | 1 | 46 | 47 | 0 | 44 | 44 | 3 | 48 | 51 |
| Total | 13 | 514 | 527 | 11 | 510 | 521 | 22 | 519 | 541 |

1. Elera does not have employees in North Brazil.

Employees by employment type (full-time)¹ GRI 102-8



1. Elera does not have part-time employees.

575
professionals comprise
our workforce

Workforce by employee category and age group GRI 102-8

| | 2019 | 2020 | 2021 |
|-----------------------------|------------|------------|------------|
| By employee category | | | |
| CEO | 0 | 1 | 1 |
| Vice-presidents | 8 | 8 | 7 |
| Executive Board | 15 | 14 | 18 |
| Senior managers | 112 | 111 | 109 |
| Administrative/operational | 392 | 387 | 406 |
| Total | 527 | 521 | 541 |

By age group

| | 2019 | 2020 | 2021 |
|--------------|------------|------------|------------|
| < 30 | 103 | 83 | 80 |
| 30 - 50 | 379 | 387 | 402 |
| > 50 | 32 | 40 | 42 |
| Total | 514 | 510 | 524 |

Workers by employee category

| | 2019 | 2020 | 2021 |
|--------------------|------------|------------|------------|
| Apprentices | 3 | 3 | 3 |
| Interns | 40 | 40 | 38 |
| Total | 43 | 43 | 41 |
| Grand total | 557 | 553 | 575 |

Nb.: Elera Renováveis does not have age group information about temporary staff, as they are managed by a contractor (GI Group).



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Number of people physically or economically displaced and compensation, broken down by type of project EU22

| | 2020 | 2021 |
|---|------|-------|
| Total number of people physically or economically displaced | 5 | 0 |
| Number of people physically or economically displaced and compensation, by new facility | 5 | 0 |
| Number of people physically or economically displaced and compensation, by facility expansion | N/A | N/A |
| Total number of people compensated | 5 | 0 |
| Number of people directly used during works | 360 | 3,480 |

Nb.: in 2020, this included the operations CSFV Alex and SHP Foz do Estrela; in 2021, the operations CSFV Alex, SHP Foz do Estrela and CSFV Janaúba.
N/A = not applicable.

+ 3.4
thousand people
were employed in works in
2021



Communications channels

Sharing our practices with all employees to engage our teams and for the business is essential. We use digital channels and murals in our cafeterias and plants to disclose information about the business, culture, safe behaviors, health, safety, and well-being, among other issues.

Here are Elera's most important communication channels:

- **Confidential channel** – managed by an independent third-party, it allows employees and anyone else to file complaints or report irregularities in a completely anonymous way. It is available 24x7 in three languages: Portuguese, English, and Spanish.
- **Marketing e-mail** – for internal communications;
- **Intranet** – to disclose internal news, industry news clippings, and to promote campaigns;
- **Murals in our cafeterias and plants;**
- **Newsletter;**
- **Community Service Line (CSL)** – an Elera Renováveis channel to communicate with the communities near our assets. Questions and requests are submitted to a central 0800 call-center and then forwarded to Elera.



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Development programs

We strive to ensure a positive working environment, with satisfied professionals who feel they are valued. For this, we have development programs that help employees hone their skills and unleash their potential. A more robust assessment, including self-assessments, 360-feedback, and an evaluation by the immediate supervisor, is done each year. We also have mid-year feedback sessions with the supervisor as part of the annual cycle.

The goal of these activities is to assess each employee individually, as well as our managers and the entire team. We seek to evolve as a company, aligning expectations and creating targets that add value to both parties. We believe that, in doing this, we will have people prepared to address the constant challenges and opportunities in business.

One of the important launches of the year in this area was Acelera, an Elera Corporate Learning structure for employees that combines culture, leadership, sustainable development, operational

excellence, and strategic relations. Acelera will provide access to a learning environment that is aligned with the business strategy and combines education, tools, and strategies that will help manage the path for development of our employees.

Benefits and well-being GRI 403-6

We believe that a motivated team will generate better results, and thus, a more successful business. Therefore, we strive to ensure a healthy, stimulating and welcoming workplace. We are part of the Empresa Cidadã (Citizen Business) program, and all our employees are paid salaries compatible with the industry, and receive a benefits package that includes:

- 180-day maternity leave and 30-day paternity leave. These extended leaves are given at the company's discretion
- Health plan
- Dental plan
- Life insurance
- Telemedicine
- Medication allowance with discounts of up to 80%
- Day care and childminder allowance
- Transportation
- Travel insurance
- Pension plan/private pensions
- Refunds for gym/exercises
- Meal vouchers and food

Also covering dependents, the Viver Bem program provides psychological, social, financial and legal assistance. We also have the Well-being Program that promoted multiple initiatives in the year, such as motivational lectures and prevention campaigns, including Yellow September (suicide prevention) and Pink October (breast cancer prevention).



Works on the Janaúba Photovoltaic Solar Complex



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Diversity and inclusion

Diversity permeates the DNA of Elera, a company present in most of Brazil and in another 30 countries. Therefore, ensuring a plural work environment where everyone has the same opportunities is a priority for our business.

Our day-to-day operations are characterized by a positive culture of respect, regardless of gender, sexual orientation, disability, or other personal characteristic. We have zero-tolerance when it comes to discrimination or harassment. We believe the benefits of this plurality extend beyond the company and help us better understand market demands and thus pursue better results.

In Brazil, we have a volunteer Affinity Group, with its own Internal Policies and Diversity and Inclusion Program. The first phase of the program started in 2019 and was dedicated to understanding and learning the theme. A number of partnerships helped us better lead this movement, including:

- **Women 360 Movement:** the goal is to debate gender equality and engage companies in concrete actions with their internal stakeholders.
- **UN Women:** created to combine, strengthen and expand global efforts in aid of the human rights of women.
- **LGBTQIA+ Rights and Business Forum:** seeks to recognize and promote the rights of the LGBTQIA+ community. The Forum has 10 commitments to guide the company's practices around this theme.
- **Special Opportunities:** A platform of employability projects for people with disabilities.
- **Empower Community:** A career development platform that connects and prepares young university students and recent graduates of different socioeconomic backgrounds, race, gender, sexual orientation, or disability, helping them join and blossom in large organizations.
- **CEERT:** The Business Coalition for Racial and Gender Equity is an initiative that aims to implement and improve policies to promote racial and gender equality.

Elera Operations



To provide a more plural and diverse environment, where we are certain our people would be happier and more successful in their activities, with the freedom to be who they are, be truly included, and treated with respect, Elera has specific initiatives and has constantly evolved in its approach to Diversity and Inclusion as part of its corporate agenda, with strong engagement of senior leaders.



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After the slow-down caused by the pandemic in 2020 and 2021, we resumed our program focusing on four pillars: gender, race, LGBTQIA+ and people with disabilities.

We developed awareness actions and invited well-known personalities to address each of these themes.

Here are the main diversity and inclusion initiatives for the year:

- Round of Lectures: Female leadership and how to develop it
- Launched the Elera+ Internship Program
- Empowers Diversity Day (discloses the Internship Program to the Empower Community)
- Round of Lectures: Challenges and Advantages in addressing LGBTQIA+ diversity
- Creating a D&I CV database
- Webinars focusing on leaders (D&I, unconscious biases)
- Launched the D&I primer
- Relaunched the affinity group
- PwD Fair, together with Special Opportunities
- Lecture: Structuring Racism and Racial Literacy.

To further advance in this agenda, we have the support of the ESG Committee, and have submitted the theme to the company's senior managers. Right now, 72% of our workforce is male. To enable a more diversified work environment we joined discussions with other company groups and have commitments with industry entities. One example is the workforce training program focused on women in Minas Gerais, introduced in 2022.



45%

of those participating in
our internship program are
women

Project Iara - Santa Catarina



By partnering with Senai, the National Industrial Learning Service, as well as other institutions, we plan to qualify female workers for Elera and society in general. Of the 103 applicants, 66% are women.

This program includes lectures on female empowerment and Elera employee testimonials for professional inspiration. 45% of our 2021 Internship Program is made up of women, and to further disclose the importance of this theme we published a leaflet explaining the topic and our position.

Our day-to-day is characterized by a positive culture of respect, regardless of gender, sexual orientation, disability, or other personal characteristic



Occupational Health & Safety

GRI 103-2, 103-3 | 403

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Guaranteeing the health and safety of our employees is a priority for Elera. Our safety system adopts the Canadian model of Brookfield Asset Management, tailored to Brazil, and is a national reference for the sector. The system has been specifically developed for the electric sector and covers all workers engaged in activities such as maintenance (corrective and preventive), local operation of equipment in generating, operating and initiative units, as well as service providers.

GRI 403-1

Elera has a risk analysis program in all units, and the support of employees to identify any unsafe conditions so that the company may take corrective action. These actions are planned, executed, led, and monitored by health and safety experts. In the event of high-risk events, a detailed investigation is performed by experts. GRI 403-2, 403-3

To reinforce safety, employees participate in monthly meetings with plant teams, have targets for observing safe work, pre-work assessment meetings, and assessment of the quality of daily safety programs. They are represented by formal workplace health and safety committees. GRI 403-4

All employees who perform activities that involve risk are specifically trained in risk management and regulatory standards. GRI 403-5

The main document that guides our actions in Brazil is the Workplace Health and Safety, Personal Safety, Asset Security, and Environment Policy, written based on legal and regulatory requirements, as well as industry standards and best practices. GRI 403-7

Our global target is zero high-risk incidents. On a daily basis we have measures in the workplace to avoid accidents and manage the risks of the energy industry. One of the tools used in our operations is checking the Daily Workplace Safety Plan (PDST), which lists the potential risks associated with each step of our activities, and the types of



Works on the Alex Photovoltaic Solar Complex

Elera has a global target of
zero high-risk incidents





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barriers and mitigating measures required. Teams also hold pre-work meetings before any activity to analyze the task plan and ensure all barriers and mitigating measures are in place.

We have had no deaths due to a workplace accident in any of our operations. Partner companies such as Construtora Andrade Gutierrez, which is building our Alex Solar Photovoltaic Complex and is finishing up the Janaúba plant, have also adopted our safety system.

We also have four Formal Health and Safety Committees, one for each of the following regions: Northeast, Midwest, Southeast, and South, with employees of different levels who help monitor and steer workplace health and safety programs. These are quarterly meetings, and in addition to workplace health they also address personal safety and asset security, the environment, public safety, and policies.

Because of our commitment to this theme, the number of accidents with Elera employees has dropped in recent years (as shown in the table below), the fruit of effective improvements in Elera's workplace health and safety management, and the commitment of leaders and employees who work with us and focus on the continuous improvement of processes and management.

We have four
Formal Health and
Safety Committees,
consisting of
employees
from multiple
hierarchical levels



covid-19 response

During the course of 2021, and especially in the more critical pandemic months, we adopted a number of measures across our operations to ensure the health and safety of our employees. All workers who tested positive were isolated and followed by our healthcare professionals. Among the main initiatives were:

- Mass testing every 10 days at Foz do Estrela, and every two weeks at Passo do Meio and Alex;
- Acquiring equipment and materials such as oxygen masks, nasal cannulas and oxygen analyzers
- Creating a program to monitor the implementation of the measures in the covid-19 protocol, which became effective in 2020;
- Retaining a specialized firm to support Elera in implementing a Medical Emergency Response Plan (MERP) that includes maps of bed availability in hospitals, 24x7 access, a medical care center, and support for air and land transportation of infected employees;
- Maintaining close contact with city governments and local health departments.



Work-related injuries GRI 403-9, SASB IF-EU-320a.1

| | 2019 | | 2020 | | 2021 | |
|--|-----------|----------------------|-----------|----------------------|-----------|----------------------|
| | Employees | Workers ¹ | Employees | Workers ¹ | Employees | Workers ¹ |
| No. of hours worked | 1,112,596 | 1,621,538 | 1,116,209 | 1,042,244 | 1,142,468 | 7,504,067 |
| Number of fatalities as a result of work-related injury | 0 | 0 | 0 | 0 | 0 | 0 |
| Rate of fatalities as a result of work-related injury | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of serious work-related injuries (excludes deaths) | 0 | 0 | 0 | 0 | 0 | 1 |
| Rate of high-consequence work-related injuries (excludes deaths) | 0 | 0 | 0 | 0 | 0 | 0.13 |
| Number of work-related injuries logged (includes deaths) | 11 | 19 | 5 | 5 | 1 | 15 |
| Rate of work-related injuries logged (includes deaths) | 9.89 | 11.72 | 4.48 | 4.80 | 0.88 | 2.00 |

*Nb: the number of accidents involving contracted employees is related to the construction of new assets, where implementing the health and safety management system is a little bit slower due to the large number of workers.
1. Workers who are not employees, but whose work and/or workplace is controlled by the organization.*

We train outsourced service providers according to our guidelines and safety policies

Outsourced services

Our concern about safety also extends to outsourced service providers, who are normally engaged for specific phases of works. Even before they begin working on our premises, they undergo a pre-recruitment evaluation process and induction training, based on our guidelines and policies.

They also have to sign up to the Contractor Obligations for Occupational Health and Safety and Personal Safety, Asset Security, and Environment, which sets out all of Elera's requirements and procedures regarding these matters.

On a daily basis service providers are required to participate in Health and Safety programs, which amongst other requisites include the mandatory completion of the Daily Workplace Safety Plan (PDST) before daily activities begin on the operating units. Whenever they are designated to carry out operational activities, service providers must also complete this document, which presents information about risks and barriers posed by the day's activities.

We also have guidelines for certifications, training and personal protective equipment for all suppliers providing services. Any noncomplying suppliers are subject to the procedures set out in our policies and guidelines.

Further bolstering safety in our operations, all vehicles on the company's premises are tracked and have their speed limited.



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Communities

GRI 103-2, 103-3 | 413

Elera's Social Responsibility Policy informs the practices and performance of the companies with principles, guidelines, and strategic goals that ensure positive results for the business, society, and the environment in a balanced manner and in line with the company's culture and management.

In 2021 we reviewed our social investment procedures to incorporate emergency donations and adapt the company's social investment flows to the needs of those we interact with.

We also published our Community Relations Policy with targets that go through 2026, and that calls for effective involvement of local communities in company decisions as a means to reinforce transparency and dialog with this public. GRI 413-1

These goals are:

- Running a socio-economic study of all ventures under construction;
- Running and/or updating the socio-economic study of all ventures in pertinent operations;
- Producing a stakeholder matrix for all ventures;
- Updating the stakeholder matrix for all ventures where this document exists;
- Preparing an engagement plan for all ventures in operation;
- Implementing an engagement plan with the minimum requirement for each venture in operation that already has such a document;
- Hiring at least 60% local labor to work on the civil construction of each venture under construction;
- Preferring local suppliers and/or those who show they hire locally for ventures in operation.



[LEARN MORE](#)
See more about
[Elera's social initiatives](#)



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Project Água – Terra Indígena Kaxinawá, on the river Rio Humaitá

Social Investment (R\$ thousand)

| | 2019 | 2020 | 2021 |
|-------------------------------------|-----------------|-----------------|-----------------|
| Tax incentives ¹ | 419.90 | 401.50 | 0.00 |
| Proprietary investment ² | 3,601.47 | 3,114.30 | 2,432.59 |
| Special Investments ³ | 0.00 | 3,706.49 | 1,414.16 |
| Total | 4,021.37 | 7,222.29 | 3,846.76 |

1. Law 8.313/1991 – Federal Culture Incentive Act.

2. Socio-environmental call for proposals, voluntary donations, emergency donations, social investment, BNDES, indigenous agreement, corporate volunteering, economic reactivation, sponsorship.

3. Donations to fight the covid-19 pandemic and effects thereof.





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Our goal is to continue building solid partnerships with the surrounding communities and contribute to their sustainable development.

We also invest in initiatives that are aligned with our business and our safety, environment, and social responsibility commitments.

The Social Responsibility area monitors all projects and relates them to the United Nations (UN) Sustainable Development Goals (SDG).

Our way of providing support can be split as follows:

- **Donations** – our donations, whether services or materials linked to our processes, are discretionary and have no strings attached.
- **Socio-environmental proposals** – each year we select projects that contribute to the nation's sustainable development.

- **Tax incentive sponsorship** – each year we support a number of cultural, educational, health, and sports initiatives, prioritizing those that benefit the communities around our plants.
- **Private Social Investment** – we invest in communities to strengthen our relationship with our stakeholders, consolidating our commitment to infrastructure, public safety, the environment, and social responsibility.
- **Corporate Volunteering Program** – we encourage our employees to participate in volunteering.

Communication channel

In order to maintain transparency and our proximity with communities in the vicinity of our operational assets, we provide an 0800 Community Service Line (CSL), through which these stakeholders can submit queries, questions and requests about all of the company's construction and operational processes.



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

| | 2019 | 2020 | 2021 |
|---|---------|---------|---------|
| Social impact assessments, including gender impact assessments, based on participatory processes | 100.00% | 100.00% | 100.00% |
| Environmental impact assessment and ongoing monitoring | 53.95% | 39.47% | 46.15% |
| Public disclosure of the outcome of social and environmental impact assessments | 100.00% | 100.00% | 100.00% |
| Local community development programs based on local communities' needs | 100.00% | 100.00% | 100.00% |
| Stakeholder engagement plans based on stakeholder mapping | 48.68% | 82.89% | 89.01% |
| Broad based local community consultation committees and processes that include vulnerable groups | 1.32% | 13.16% | 27.47% |
| Works councils, occupational health and safety committees and other worker representation bodies to deal with impacts | 59.21% | 59.21% | 50.55% |
| Formal local community grievance processes | 0.00% | 0.00% | 4.40% |



Operations with significant actual and potential negative impacts on local communities GRI 413-2

| Source of electricity | Location of the impact | Actual and potential negative impacts of operations | Intensity or severity of the impact | Likely duration of the impact | Reversibility of the impact | Scale of the impact |
|-----------------------|---|---|-------------------------------------|---|-----------------------------|---------------------|
| Solar | Direct and indirect Area of Influence of the ventures | Expectations generated around the venture | Average | During the development, implementation and operation of the project | Reversible | Low |
| | | Higher demand on local infrastructure (roads, water resources, healthcare centers and others) | High | During the implementation and operation of the project | Reversible | High |
| Wind | Direct and indirect Area of Influence of the ventures | Expectations generated around the venture | Average | During the development, implementation and operation of the project | Reversible | Low |
| | | Higher demand on local infrastructure (roads, water resources, healthcare centers and others) | High | During the implementation and operation of the project | Reversible | High |
| | | Natural landscape impacts | High | During the implementation and operation of the project | Reversible | High |
| Hydropower | Direct and indirect Area of Influence of the ventures | Expectations generated around the venture | Average | During the development, implementation and operation of the project | Reversible | Low |
| | | Flooding of areas affecting ecosystems and people's way of living (social, cultural and historical aspects) | High | During the implementation and operation of the project | Irreversible | High |
| | | Higher demand on local infrastructure (roads, water resources, healthcare centers and others) | High | During the implementation of the project | Reversible | High |
| Biomass | - | Expectations generated around the venture | Average | During the development, implementation and operation of the project | Reversible | Low |
| | | Altering the use and occupation of land in the case of new plantation areas | High | During the implementation and operation of the project | Reversible | High |
| | | Higher demand on local infrastructure (roads, water resources, healthcare centers and others) | High | During the implementation and operation of the project | Reversible | High |



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Socio-environmental call for proposals

Conducted more than 10 years ago, we received a record 578 enrolments in 2021. In this initiative we selected one project per region to receive investment of up to R\$ 100 thousand.

Acre Water and Villages Project

Drinking water is precious for all, but in some communities, such as indigenous lands, it requires additional investments. The goal of this initiative is to take drinking water to the Boa Vista and Vigilante villages located on the Kaxinawá indigenous lands in Acre.

The best way we found to supply these villages was to dig artisan wells. In addition to the two wells, we set up three 3-thousand liter storage units, a solar pump and solar panels. This project benefited some 800 people directly and indirectly.

Location: Tarauacá (AC)

Pillar: Water

Delivery period: 12 months

Collaborations: It has a network of partnerships and support from international non-governmental organizations. Partnerships established with indigenous leaders and the region's socio-environmental institute. The organization is primarily engaged in energy projects, demonstrating possible synergy with Elera.

Investment: R\$ 100 thousand (Elera) + 0 (other partners)



Water, seed of life
- Francisca Bezerra
de Araújo Silva
Malagueta - Lajes
Pintadas



To watch the video "Seapac Elera", please [click here](#)

Water, seed of life for families in Rio Grande do Norte

This initiative built 14 cisterns to capture rainwater to provide decentralized access to water for 20 families in the municipality of Equador, RN.

During this project we also held meetings that addressed themes like the right to water, measures and technologies to live in the semi-arid, and managing drinking water to produce vegetables and other crops.

Location: Ecuador (RN)

Pillar: Water

Delivery period: 6 months

Collaborations: A long track record of partnerships, including with the Farm Workers Union in the municipality and the municipal government.

Investment: R\$ 100 thousand (Elera) + R\$ 27.865 thousand (other partners)



To watch the video "Projeto Água - Terra Indígena Kaxinawá do Rio Humaitá, click here

578
responses to socio-environmental calls in 2021



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Project Iara in Santa Catarina

The main goal of this initiative was to implement water and sewage systems in the Mbyá-Guarani Tekoá Vy'a (Happy Village) in Major Gercino (SC).

The work included environmental education for the community, analyses of the quality of the village water, awareness campaigns on the importance of disinfecting the water, and technical training in a water purification device that uses solar radiation. In all, 180 people benefited from this effort.

Location: Major Gercino (SC)

Pillar: Water and education

Delivery period: 12 meses

Collaborations: With the public sector, such as the municipal government, materials companies and more specifically the project with the Center for Studies and Promoting Collective Agriculture (Cepagro), which provides fuel and food for implementers.

Investment: R\$ 100 thousand (Elera)

Garbage into citizenship: a path to implement the National Solid Waste Policy

To look for effective and environmentally suitable solutions for the final destination of waste, this initiative has two fronts: environmental education in Montes Claros, MG, especially as regards the National Solid Waste Policy (Law 12.305/2010) and valuing the work of the garbage pickers from Associação Montes Claros de Catadores de Recicláveis [the Montes Claros Association of Recyclable Pickers] (Montesul).

The action plan includes urban interventions to increase the visibility of these workers, making the community aware of them, and implementing selective collection, which not only increases the amount of recycled waste, but also increases picker income.

To increase the safety across the entire waste collection and disposal process, we also created a course on the proper use of individual protection equipment (IPE). In all, 300 people benefited from this effort.



Garbage into Citizenship

Location: Montes Claros (MG)

Pillar: Inclusive and sustainable production

Delivery period: 12 months

Collaborations: Partnership with the government to maintain the warehouse. Organization demonstrated it is well connected and comprises networks of policymakers regarding the matter.

Investment: R\$ 100 thousand (Elera) + R\$ 5 thousand (other partners)



[To watch the video
"Tudo se recicla!",
please click here](#)



[To watch the video
"Project Iara", please
click here](#)

We selected one project per region to receive investment of up to R\$ 100 thousand





Produce wealth.
Recovery of springs

Produce wealth while keeping nature alive

This inclusive production project aims to generate income for the families in the region by promoting sustainable cattle raising and management of the native biodiversity. Potential beneficiary families were mapped and registered by the partner organization.

Locations: Pontes e Lacerda, Vila Bela da Santíssima Trindade, Indiavaí, Nova Lacerda, Jauru and Figueirópolis d'Oeste, all of which are municipalities in Mato Grosso

Pillar: Inclusive and sustainable production

Delivery period: 18 months

Partnerships: The Association of the Alternative Technology Center (CTA) has an established presence in the region through a partnerships network.

Investment: R\$ 100 thousand (Elera) + R\$ 20 thousand (other partners)

Seeds of the Xingu (MS)



Our commitment to the environment is one of our more important pillars. This is why we created the Program for Reforestation of the Permanent Conservation Area (PCA) of Small Hydro Plants (PCH) Verde 4 and Verde 4A.

The PCA formed by the reservoirs of these two plants occupies a total of 405 hectares with no remaining vegetation, and thus in need of recovery.

The seed bank used for planting belongs to Redes de Sementes do Xingu (Seeds of the Xingu) NGO, which works with community production of seeds of species native to the cerrado.

This organization is made up of groups of indigenous and quilombola farmers and their families who gather seeds for sale. This NGO was one of the winners of the 2020 Ashden Awards, which recognize climate solutions, and was selected from among more than 200 proposals submitted from all over the world.

This project is linked to one of the environmental permitting conditions for the Verde 4 and Verde 4A small hydro plants. In addition to complying with this legal requirement, it has a positive social impact on the traditional communities where we operate.



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Supplier relations

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We establish enduring relationships with our commercial partners and we nurture our chain of suppliers as a part of our business strategy. We accordingly seek to bolster the economic development of our communities and always try to source locally.

2,533 active suppliers comprised our chain in 2021, involved in transactions worth R\$ 5.57 billion. This figure does not include Intercompany transactions (R\$ 2.9 billion), fees (R\$ 132.5 million), lessors (R\$ 8.03 million) and the government (R\$ 2.25 million). The remaining amount (R\$ 1.75 billion) is distributed between: services, R\$ 925.28 million, and materials, R\$ 831.46 million). The main services provided and contracted were related to the Maintenance and Civil Works scope.

GRI 102-9



[To see our Suppliers Portal, please click here](#)

In order to enhance the local mapping of transactional values, in 2021 we revised our metric, and began including suppliers located in small towns and cities (with populations of under 250 thousand) that do not have branches registered in our system. As a result we identified 869 local suppliers out of a total base of 1,894 (46%), accounting for 9.38% of our purchasing spend. This analysis embraced all transactional units (plants) within the company. [GRI 204-1](#)

We also take the trouble of ensuring that our business partners are reputable, comply with local requirements and adopt good practices related to labor, environmental and social matters. Our service agreements accordingly contain risk and non-compliance clauses.

Upon being onboarded into our integrated business management system (ERP), suppliers must complete the ABC Risk Mapping Form, by which they accept the guidelines set out in the Code of Corporate Conduct and Ethics and the Anti-bribery and Anti-corruption Policy of Elera Renováveis. Our ESG Guidelines and Supplier Code of Conduct were also included in early 2022.

In 2021 we revised our metric, and began including suppliers located in small towns and cities

We also adopted the following procurement policies and procedures:

- Third-party risk classification and analysis standard;
- Supplier onboarding procedure;
- Policy for interacting with government authorities.

Furthermore, we analyze the company's history and information about procurement risks, complaints, proceedings or convictions involving the supplier, especially in matters related to corruption, money-laundering, economic sanctions and regulations.

In 2021, we started a survey to identify which companies are more aligned with our business vision. Action plans are put together to mitigate any adverse impacts identified. To enhance our communication with business partners, we launched the Suppliers Portal which contains information about Elera's general procurement T&Cs, policies and supporting materials. [GRI 103-2; 103-3 | 204](#)

We also assessed suppliers with active transactions in the period, except for transactions related to Land leases, the Government, Intercompany, Fees and joint ventures created to build new assets.





Customer relations

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In the knowledge that not all renewable energy purchasers are automatically interested in I-REC, Elera shows its clients the importance of this document for proving the source of their energy and sustainability investments. The certificate also helps encourage other companies to adopt decarbonization strategies.

We are committed to providing the best renewable energy solutions to clients in all of Brazil's four corners. Our operations are conducted in the Regulated Contracting Environment (ACR), supplying power to energy distribution companies in the public sector, and the Free Contracting Environment (ACL), where we sell energy to end consumers in sectors such as food and beverages, supermarkets, telecommunications and shopping centers.

We listen to clients attentively and leverage a number of technologies to help us understand their pains and identify opportunities and improvements. This information allows us to design new products, and to add value to existing products.

We also strive to supply energy through innovative proposals to clients that have bought in to the overall ESG concept.

In 2021 we were therefore able to triple the number of clients with green I-REC certification (International REC Standard).

Elera Renováveis' core products and services:

- Sale of conventional energy subsidized with a 50% discount and 100% discount in the Transmission System Usage Charge (TUST) and the Distribution System Usage Charge (TUSD). Certain clients are also offered the operational management service provided by the Electric Power Trading Chamber and for clients interested in renewable energy certification, the I-REC. We also offer the possibility of on-site energy production, according to the requirements and capabilities of each client.

- Domestic market share of 1.31%, based on installed capacity and operating capacity in December 2021, equal to 1.9 GW¹. In Brazil this installed capacity is a part of the National Integrated System's 151.1 GW², according to the Aneel Generation Information Database, as of January 01, 2022.

- In 2021, we had a base of 216 active clients – 8% less than the previous year, classified as:

- 89 Free consumers
- 45 Distribution companies
- 82 Traders

The total energy sold by the company in 2021 was 9,168 GWh, 4,354 GWh (47%) to the ACL and 4,813 GWh (53 %) to the ACR.



1. Scope: operations in Brazil.
2. Amount denotes the portion of renewable sources in the Brazilian matrix.





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Energy Sold (GWh)

| | 2019 | 2020 | 2021 |
|-------------------------|--------------|--------------|--------------|
| Regulated market | | | |
| Overseas | 38 | 41 | 372 |
| Distribution companies | 4,207 | 4,502 | 4,442 |
| Subtotal | 4,245 | 4,542 | 4,814 |
| Free market | | | |
| Consumer | 2,111 | 1,854 | 2,298 |
| Resale | 2,503 | 2,780 | 1,799 |
| Subtotal | 4,614 | 4,635 | 4,097 |
| Total | 8,859 | 9,177 | 8,911 |



Power Purchased (GWh)

Resale



51

Our commitment is to provide the best renewable energy solutions to clients in all of Brazil's four corners

8,911
GWh
was the total energy sold in
2021

Governance



In this chapter

- Ethics and integrity
- Risk management



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Corporate structure GRI 102-18

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Aligned around the highest standards relating to ethics and compliance topics, Elera's governance practice is responsible for delegating important topics related to the company's business.

With a reliable and transparent management, our strategic guidelines are defined based on local legislation and the regulatory environment. The following two levels are tasked with analyzing and taking business decisions:

- **General Meetings:** this is the company's ultimate authority, comprised of two members, tasked with resolving amendments and restatements of the bylaws, with topics put forward by officers and/or shareholders; determining the allocation of profits and dividends; assessing the management report and financial statements; Determining executive compensation and resolving any other matters of company interest, thereby enabling its shareholders to pursue the company's broader interests through their votes.

- **Executive Board:** comprised of four to ten members with one-year terms and re-election permitted, this board is responsible for the strategic operation of business and implementing the policies and directives established by the shareholders.

CEO
Fernando Mano da Silva

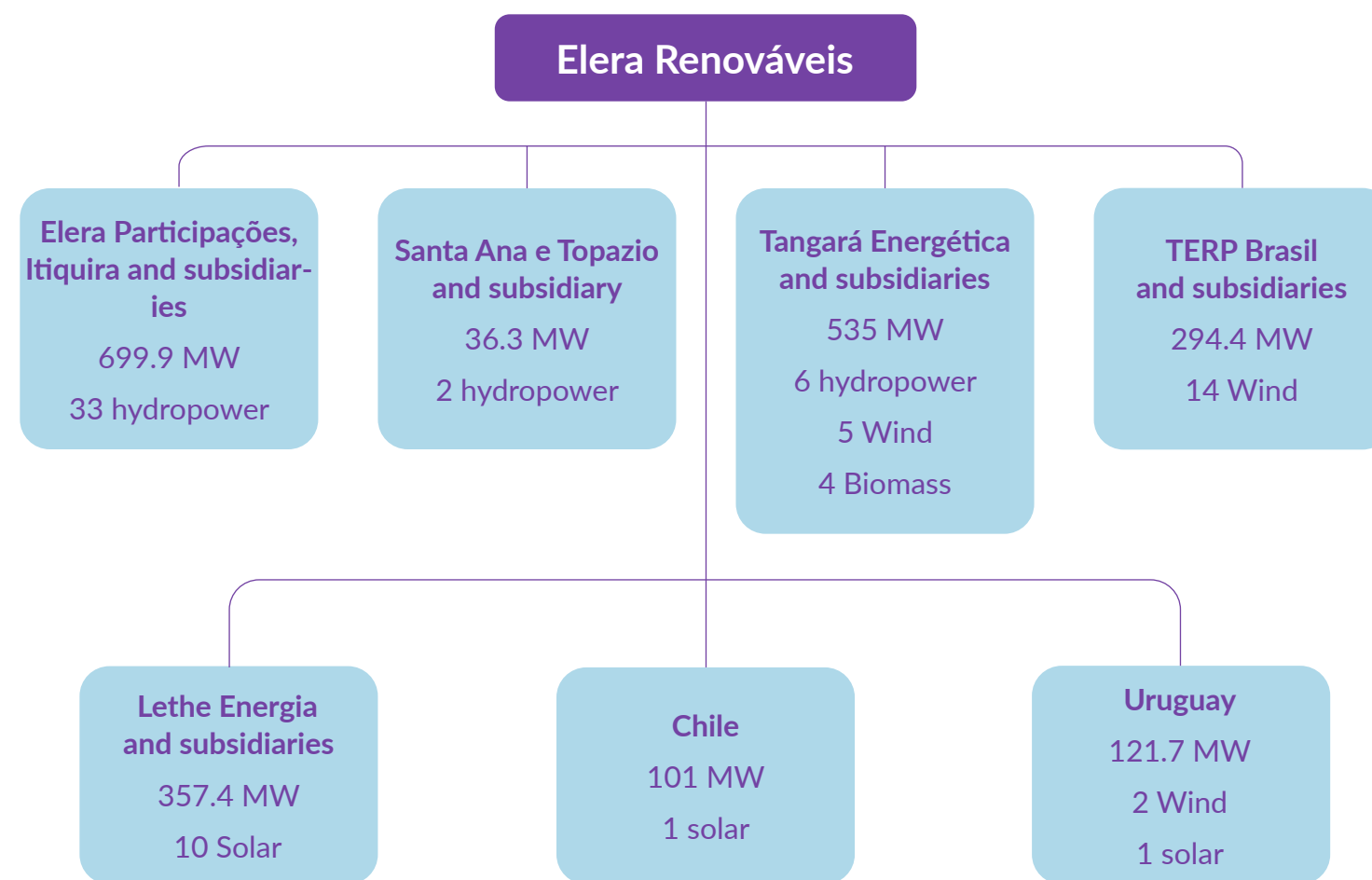
Vice-President of Finances
Nilton Leonardo Fernandes e Oliveira

Vice-President of Legal Services and General Consultant
Carlos Gustavo Nogari Andrioli

Vice President of Operations
Flavio Martins Ribeiro

Vice-President of Engineering and Construction
Alberto dos Santos Lopes

Elera Renováveis Structure



Elera Renováveis' governance is aligned around the highest ethics and compliance standards



Membership of associations GRI 102-12, 102-13

Engaging with entities and associations is crucial for swapping experiences and actively participating in projects, events and discussions regarding our business. We co-lead working groups organized by the Brazilian Business Council for Sustainable Development and engage with the following organizations:

- Brazilian Clean Energy Generation Association (Abragel)
- Brazilian Wind Power Association (ABEEólica)
- Brazilian Association for Photovoltaic Solar Power (ABSolar)
- Brazilian Wholesale Electricity Association (Abraceel)
- Brazilian Association of Independent Power Producers (Apine)
- Brazilian Corporate Volunteering Council (CBVE)
- Instituto Acende Brasil
- Brazilian Business Council for Sustainable Development (Cebds)
- Instituto Ethos
- Ministry of Mining and Energy (MME)
- Empresa de Pesquisa Energética (EPE)
- Brazilian Power Sector Regulator (Aneel)
- Brazilian Water Agency (ANA)
- Electric Power Trading Chamber (CCEE)
- National Grid Operator (ONS)
- National Bank for Economic and Social Development (BNDES)

Voluntary commitments



We joined the **Global Compact**¹, another initiative that strengthens Elera Renováveis' commitment to major topics related to human rights, employment, the environment and anti-corruption.

1. We joined in March 2022.

Renascença
Wind Cluster (2)



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Ethics and integrity

We have a committee tasked with analyzing and approving each transaction, identifying conflicts and guaranteeing independence in decision-making

1
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Elera is managed based on best market practices regarding ethics and integrity. We have zero tolerance of bribery and corruption.

Available on our site in Portuguese, English and Spanish, the document applies to all company employees. Our teams, including senior management, receive annual training on the Code's guidelines and have to accept the document's terms. Activities are overseen by the Corporate Conduct and Ethics Committee, which is in charge of the Compliance Program.

2
Environmental

To nurture workplace integrity we have a Compliance Program, consisting of guidelines, policies, procedures, governance frameworks and corporate risk management. All employees also receive training on the topic and sit an exam.

All of our employees, suppliers, clients and partners must also follow the document's requirements.

3
Social

Senior Management is committed to our Compliance Program, which leads by practical example, actions and conduct conducive with corporate integrity and ethics.

In 2021, we revised the Code of Corporate Conduct and Ethics to include ESG matters in the section positive workplace.

4
Governance

Code of Corporate Conduct and Ethics

The main document that sets out ethical conduct requirements, Elera's Code of Corporate Conduct and Ethics, was developed by senior management based on the Group's global standards, setting out the company's values and corporate principles.

 [Learn more hear about the code of conduct](#)


Anti-bribery and Anti-corruption Policy

A part of our Compliance Program, the Anti-bribery and Anti-corruption Policy sets out practices and references for conducting commercial relations, in order to prevent any situations of fraud or corruption, as well as the procedures for dealing with any such occurrences.

We are taking measures to share our guidelines and make the program accessible to all stakehold-

ers, along with the practices we adopt in the legal, statutory and governance levels.

GRI 103-2, 103-3 | 205

 [Click here to see our anti-bribery and anti-corruption policy](#)

Corruption risk management

GRI 103-2, 103-2 | 205

We periodically analyze risks posed by fraud and corruption, based on best national and international practices. Supported by independent consultants, the initiative aids Elera's Compliance Program, audited every two years by the internal audit of Brookfield do Brasil (BRB).

Based on its findings, we take specific measures to mitigate risks and adapt internal policies, processes and procedures or even introduce new control and monitoring mechanisms.

This commitment to integrity and compliance extends to our business partners. Every supplier should therefore comply with our guidelines in order to become a company partner.

Suppliers undergo a painstaking analysis and risk classification in accordance with international protocols. Suppliers classified as medium or high risk have to undergo an in-depth analysis, which may determine mitigation measures.





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Communication and Training GRI 205-2

A new cycle of trainings was launched in the second half of 2021. This year, Elera trained all of its senior leaders on integrity and fighting corruption, along with 93.84% of the administrative and operating staff - 135 senior leaders and 406 administrative and operational professionals.

According to our communication and Training Plan, all employees, regardless of their hierarchical level, must participate in annual training on the company's essential integrity guidelines. Senior leaders and sensitive areas must necessarily participate in mandatory advanced training in the themes with the highest associated risk, such as the risk of bribery and corruption associated with financial and accounting processes, and interactions with government agencies.

For business partners considered medium or high risk, supplier training should be considered as a mitigation measure.

Whistleblowing Hotline GRI 103-2

All employees and business partners are actively encouraged to report cases where violation of the principles defined in the Compliance Program is suspected.

This channel is available to company employees and others. The Elera Confidential Whistleblowing Channel is managed by an independent third party, which allows any person to anonymously report their suspicions regarding violations of the Code of Corporate Conduct and Ethics or other company policies by employees, contractors, or leaders.



Grievance mechanisms

| Grievances | 2019 | 2020 | 2021 |
|---|------|------|------|
| Number of grievances filed through grievance mechanisms | 14 | 18 | 11 |
| Number of grievances addressed | 14 | 18 | 11 |
| Number of grievances resolved | 9 | 8 | 7 |
| Number of grievances filed prior to the reporting period that were resolved during the reporting period | 1 | 4 | 10 |

This free platform is available 24x7 in Portuguese and Spanish using toll-free numbers in all countries where we operate.

 [Click here to see Elera's Confidential Channel](#)

Telephones

- **Brazil:** 0800 777 0772
- **Chile:** 800 914 508
- **Uruguay:** 000 416 205 6408

Conflicts of interest

To ensure that no private interests of our employees or related-party transactions or even the acquisition of new operations can in any way interfere in the company's interests, we have a committee to manage this topic. Comprised of senior management members, it is tasked with analyzing and approving each transaction, identifying conflicts and guaranteeing independence in decision-making.

All employees should complete a specific form regarding the matter and based on potential conflicts of interest reported, the Compliance department carries out an in-depth assessment, which could lead to mitigation actions or recommendations about the potential conflicts identified.

Unfair competition

In addition to following internal procedures and guidelines, Elera requires approval from the government administration (Aneel) for the acquisition of projects or companies and has to comply with free competition law (12.529/2011) and resolution 2 issued in 2012 by the Brazilian Anti-trust Authority (Cade), which requires the consent of Aneel, Cade and other regulatory agencies or financial institutions (when applicable) before any acquisition.

GRI 103-2, 103-3 | 206



Risk management

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Elera works in a market that is constantly evolving, with enormous growth potential, but which requires proper risk management. To guarantee our business is sustainable and does not suffer any impairment, we have a Market Risk Management Policy to monitor the topic.

The Senior Risk Management Committee (SRMC), in turn, recommends and establishes strategies, targets and objectives; and the Revenue and Risk Management Committee (RRMC) is tasked with offering complete transparency about risks and revenue whilst bridging the strategic and operational level of risk management.

Complementing this monitoring, the Commercial Risk monitoring Group (CRMG) is responsible for the performance and efficacy of the metrics and procedures approved and related activities, as well as reporting any changes that could impact risk management.

The Internal Controls practice supports business divisions. With a preventive approach, this practice maps processes for risk analysis, controls and continuous improvement, guaranteeing internal regulations are updated and followed by our divisions.

As we are subsidiaries of Brookfield Renewable Partners L.P., whose shares are traded in Canada and the USA, we also follow corporate governance practices recommended by the Committee of Sponsoring Organizations (COSO) and the Public Company Accounting Oversight Board (PCAOB), as well as complying with the Sarbanes-Oxley Act.

In 2021, we expanded our matrix to include catastrophic risks, in line with BEP board recommendations.

Catastrophic risks are those with material impacts on human lives, the environment and biodiversity or the company's reputation. With 3.2 GW in more than 100 assets, we analyzed which assets pose the greatest risks to our business. The data should be reported quarterly to the BEP board.

GRI EU21

Climate risks



In partnership with a specialized consultancy firm, in the last quarter of 2021 we mapped out potential climate risks that could affect all of our assets in operation and under construction. The project prioritised the risks based on internal parameters using the entire methodological and scientific database of the Intergovernmental Panel on Climate Change (IPCC) through 2030 and 2050.

We also outlined an action plan to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We are now working on our plan to adapt to the potential risks mapped, so we can reproduce and maximize the existing good practices and controls and discover new opportunities for efficiency and protecting against potential damage. This plan is now being embedded in our risk management routine.





Agility

Responding rapidly to events which, despite having a minimal chance of occurrence would have a massive negative impact on our business and above all our surrounding communities, is a crucial part of our operating strategy.

Safer dams GRI EU21

Elera strives to protect the public, its team and contractors, as well as the environment, by understanding, minimizing and managing possible risks posed by dams. We exercise caution in all stages of a dam's life-cycle (development, construction, operation and decommissioning) and go beyond regulatory requirements, wherever and whenever deemed necessary.

We accordingly maintain a series of standards and protocols that direct our actions. One such document addresses the Dam Safety Program, including:

- Dam inventory;
- Dam safety analysis;
- Local dam safety procedures;
- Emergency drills involving the population, in partnership with Civil Defense authorities and municipal governments;
- Planning projects and activities;
- Emergency standby;
- Training and education;
- Dam decommissioning;
- Action Plans for dam safety;
- Documentation and reports.

The Dam Safety Program also determines the combination of decision-making, equipment, documentation and practices that are introduced to ensure dams comply with legislation, standards, specific permits and license conditions, industrial standards and specific requirements. The program includes elements such as a library of records, procedures and practices, functions and responsibilities defined, employee training, monitoring equipment, visual inspections, analysis, safety, emergency response and readiness plans, incident management, risk assessments and corrective action plans and conditions.

Regular Safety Inspections, which assess the condition and performance of each dam and its associated structures, are carried out by an experienced technical team consisting of professionals with multiple specialties. We also carry out a monthly assessment of all assets, consisting of a visual analysis and instrumentation, so we can detect any abnormalities early.

We also carry out a Periodical Safety Review in regular intervals, conducted by a team of renowned external consultants.

All inspections and activities comply with the National Dam Safety Law and Elera's internal procedures. Assets undergo the audit program of the Environmental Management System (SGA), in which all of units are audited to assure consistent implementation of procedures.

The Emergency Action Plan (PAE), in turn, establishes guidelines around procedures for responding to emergency situations at the unit, as well as communication methods and the Corporate Contingency Plan, which sets out the responsibilities established by the company to respond to an emergency. Both consider each plant/works were developed to train, organize, guide, facilitate, expedite and standardize the actions required by control responses and combating emergency occurrences.

Passo do Meio SHP

Commitment to one of our guiding principles: safety

The torrential volume of rainfall that fell on Rio Grande do Sul state in July 2020 led to a flow surge in the Rio das Antas river of decamillennial magnitude (the highest expected rainfall in ten thousand years), towards the Small Hydro Plant (SHP) project. As a preventive measure, Elera accordingly triggered its emergency safety protocol in conjunction with local authorities, including Civil Defense authorities in the region, as well as the fire department, municipal governments and the state environmental office, pursuant to the Emergency Response Plan (PAE) in place at the Passo do Meio SHP.

With the support of internationally renowned consultants, Elera's technical team took the decision to drain the SHP's reservoir to completely eradicate the risk of damage to the community downstream of the plant and greater damage to the dam structure in the event of another flood, despite the fact the probability of this was negligible.

Works to reinforce the dam began in December 2020 and with a meticulously planned sequence of activities it was possible to completely refill the reservoir at the end of October 2021, with operations resuming 1.5 months ahead of schedule.



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Privacy, data protection and cyber security

GRI 103-2, 103-3 | 418

Elera acknowledges the importance of protecting and guaranteeing the privacy of the personal data of its users, clients, employees, partners, suppliers and all other data subjects. We are committed to treating this data transparently, in accordance with Law no. 13.709/2018 - the Brazilian General Data Protection Act (LGPD) - and other apposite legislation.

To emphasize the matter's importance to employees, we carry out ongoing training and awareness raising actions. In respect of other data subjects involved in the solutions provided by the company, be they clients, partners, suppliers, former employees and other stakeholders, we have a policy that stipulates how personal data should be gathered, processed, stored, shared and treated when accessing and using the company's site or any other means, in accordance with existing data protection and privacy laws.

To request information about how personal data is treated within the company, simply send a email detailing your request to: dpo@elera.com

Furthermore, all employees must participate in our cyber security training program, which informs conduct expected when using the company's technology systems, including preventing fraud and scams, good online practices and mitigating virtual risks.

Our communication channels also address topics such as phishing, safe password management, social network security, malware, using the Internet safely and secondary authentication factors, amongst other items.

The unauthorized use or disclosure of confidential information by any company employee is forbidden. Any violation of our policies could result in disciplinary measures or even contractual termination.



We acknowledge the importance of protecting and guaranteeing the privacy of the personal data of users, clients, employees, partners and suppliers



[LEARN MORE](#)
Find out more about
Elera's LGPD here.



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Market and performance



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Market overview

Energy consumption rose by 5.3% on the previous year in Brazil. Industry experienced the greatest growth, of 9.6%, according to Empresa de Pesquisa Energética (EPE).

Also according to EPE, in November total consumption was the highest for the month since 2004, with trade and industry leading the pack, especially the metal, mining and food sectors.

Mining experienced the highest growth, propelled by the return to operations in Minas Gerais and Espírito Santo states. The clammy weather and milder temperatures across most of Brazil's South-east, Midwest and Northeast help explain lower household consumption.

The topic clean energy and energy efficiency hogged the limelight in the sector, with discussion aplenty about the risks of blackouts and price rises for end consumers. The need to invest in clean energy projects also dominated, as it takes place alongside the development of the free energy market. Consolidating this energy transition process makes our service smarter and more efficient, in addition to being a sustainable production practice.

Elera's diversified operating strategy in the year balanced our portfolio, avoiding price swings for consumers. Despite a shifting regulatory framework, in which payments are now charged by the hour instead of per month, we were able to manage the energy transfer between the technologies seamlessly. This diversification took into account regional issues (North, Northeast, Midwest and South), where prices vary in each region at different times of the year.

We reported an excellent financial result, with our Funds for Operations (FFO) nearly 10% higher than our budget. From an operational perspective our performance was optimal, with the availability rate of our plants rising and important value initiatives emerging. We also enjoyed success in multiple commercial initiatives, acquiring important clients. As regards sales, we operate under long-term contracts with corporations. For smaller companies, we have shorter contracts with suitable risk management. Our delinquency rate was accordingly close to zero. This also had positive impacts on our financial position and receivables base, as presented in the topic Economic and financial performance.

Elera's portfolio strategy is diversity, avoiding price swings for consumers

Maintaining a strong presence and preparing for an air of sustainable growth is a part of Elera's strategy. We boast a highly skilled team and are prepared to go the extra mile in challenging projects, in order to pursue the best results that drive growth and evolution of our clients and society as a whole.

In 2021 we continued investing in Brazil's renewable energy sector, despite facing micro- and macro-economic impacts, caused by the pandemic which continued to cause worldwide destruction.

The year got underway with us adapting our strategies for a scenario replete with uncertainty and overshadowed by the risk of a water crisis caused by climate change, which did indeed materialize over the course of the months.

During most of the year we observed significant changes in electricity consumption patterns, such as lower consumption by companies and industry, and higher consumption by Brazilian homes, as a result of the pandemic.

These and other matters are presented in this chapter, which also presents an overview of the market, regulatory challenges and opportunities and the set of initiatives rolled out by the company to navigate through the crisis and continue growing robustly.



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Regulatory and market framework

Alto Sertão

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The energy sector is highly regulated in Brazil and to make sure there are no surprises from alterations that could negatively impact business, we closely monitor all processes and discussions in progress.

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An example of this is Draft Law 1.917/2015, which is introducing power supply portability and making changes to the electric sector legislation. The proposition aims to ensure all Brazilian consumers can choose their energy supplier, as is already the case in the Brazilian mobile telephony sector and the electric sector in countless countries.

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The draft law was permanently passed in December 2021 by the Chamber of Deputies' special commission, and will proceed to the full chamber. We believe this law will be a milestone for the sector when passed. Only major consumers, like industries and trade, can currently acquire energy in the free market.

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Generation Scaling Factor (GFS)

Another matter that hogged the limelight last year in the free energy market was the financial reimbursements caused by the Generation Scaling Factor (GFS), which addresses the exposure cost of hydropower plants in the event of water stress. Hydropower plants currently account for between 55% to 60% of the Brazilian energy matrix, compared with 90% in the past.

Hydropower plants exist in various regions of Brazil, each subject to a unique streamflow. Each plant's individual operation is therefore coordinated from a pool by the National Electric System Operator (ONS), in order to meet the electric system's consumption more efficiently and at the lowest cost possible.

As the energy output of hydropower plants is not managed, they can benefit or suffer when meeting their contractual commitments. To work around this situation, the generation pool's energy output is reallocated amongst all hydropower plants by the Energy Relocation System (MRE), in proportion to their guaranteed capacities. It is thereby possible to guarantee the plants have sufficient capacity to meet their contractual commitments, supported by their guaranteed capacities, regardless of their individual energy output.

This model was working satisfactorily until 2013, when there was a sharp downturn in rainfall volumes and consequently the energy output of the hydropower plants comprising the generation pool.

Approving the draft law introducing power supply portability will signal a major shift in the sector, allowing consumers to choose their energy supplier





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Following the intensification of the water crisis and reduced storage capacity of hydropower plants' reservoirs over recent years, the energy produced by the hydropower plant pool has diminished, which is no longer sufficient to fully meet their guaranteed capacities. This insufficient supply made it necessary to purchase energy in the spot market to honor contractual commitments, at the spot price (Difference Settlement Price – PLD).

Given the lower hydropower output, the ONS determined thermal power plants raise their output, which is costlier. This drove up energy prices in the market, worsening the financial losses suffered by the hydropower plants.

In light of the worsening situation, in 2015 hydropower plants filed legal proceedings to stay the effects of the requirement to allocate energy to the MRE when its energy output is lower than the guaranteed capacity, which arises when the GSF is lower than the unit (GSF = energy generation / guaranteed capacity).

The legal proceeding lasted until 2020, when the government presented a proposal to reimburse the financial losses caused by the GSF by extending the concession term for these ventures, in proportion to the financial loss observed and limited to the maximum of seven years. The generation agents are therefore set to withdraw their legal proceedings. Note that the proposal to extend concessions will not impact rates, as it avoids financial funds being passed through to the agents.

Elera played an active role in this dispute, which has been taking place for many years between companies and the government. Lobbying by the entire sector resulted in Law 14.052/2020, which allowed the hydrological risk to be renegotiated on the aforesaid terms. All of Elera's hydropower plants signed up to the renegotiated terms of this Law.

**2021**

was a year of major regulatory breakthroughs for the energy sector

Elera actively lobbied for the approval of Law 14.052/2020 by the government, which enabled the hydrological risk to be renegotiated

Renascença Wind Cluster

Windfarm compensation

A claim filed in 2014 was settled in 2021 regarding compensation for generation restrictions applied to the wind energy sector.

These restrictions are determined by the National Electric System Operator (ONS), during contingencies in the transmission network or inability to transmit wind park output.

The generation restriction determined by ONS directly impacts the performance of windfarms' contractual commitments, even though they are beyond the agent's control.

After lengthy discussions with Aneel, the right was therefore recognized of windfarms to receive reimbursement for the generation restrictions imposed by the ONS. This reimbursement was regulated by Normative Resolution 927 of March 22, 2021.



Economic and financial performance



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Net operating revenue

Despite the ongoing uncertainty caused by the pandemic in 2021 and 2020, and the impacts triggered by the countrywide water crisis, the company's revenue grew 5% on 2020, propelled by strategic marketing initiatives and opportunities resulting from spot market prices. 13 new energy sale contracts were entered in the year, with delivery between 2021 and 2028, with attractive longer short-term prices. In 2021 we also commissioned the Alex Solar Complex in Ceará state, with an installed capacity upwards of 370 MW.

Similar to the GSF renegotiated in 2020 in regulated contracts, in 2021 the company also renegotiated the GSF for free-market contracts, pursuant to Law 14.182/2021, enabling the recovery of losses caused by charges associated with non-hydrological risks, in the MRE, occurring in previous years.

As a result of these actions, our operational margin was 51% in 2021, and our financial result in the form of EBITDA amounted to R\$ 1.2 billion.

EBITDA and EBITDA margin

Also driving up revenue in 2021, the operation remained focused on efficiency, cost-cutting, economies of scale and synergy between the company's asset group. The uninterrupted operational efforts were essential to minimizing the effects of the water crisis, inflation and other uncontrollable expenses.

R\$ 1.2
billion
was the company's
financial result (EBITDA)

Net operating revenue (R\$ thousand)



EBITDA (R\$ thousand)



Net income (R\$ thousand)





Works on the Janaúba Photovoltaic Solar Complex

Net income

As a result of the sum of economic activities, in 2021 the company reported net income of R\$ 611 million, a stable performance. This performance reflects our operational efficiency, which led to lower operating expenses and costs.

Added value

The added value indicator shows the value added to the economy as a result of the company's performance. In 2021 Elera Renováveis contributed added value of R\$ 1.4 billion.

These funds returned to those that do business with the company in the following proportions:

- 11% was distributed to employees in the form of salaries and benefits;
- 28% to the government and society in the form of taxes, contributions and sector charges;
- 11% to financiers through the payment of interest and rental.

Debt

The company's consolidated gross debt at the end of 2021 was R\$ 4.6 billion. Elera Renováveis issued debentures in the year of R\$ 400 million for the prepayment of debentures issued previously, at lower rates.

On the development front, the BNDES released financing for the construction of the Janaúba Solar Complex (phase 1) of R\$ 1.5 billion - of which R\$ 1.1 billion has been disbursed. Financing of R\$ 150 million has also been approved for this Janaúba Solar Complex (phase 2) by Banco do Nordeste do Brasil (BNB).

The bridge loan for the construction of the Alex Solar Complex was renewed via the issuance of R\$ 250 million of commercial papers by Banco Bradesco.

Tax benefits

Elera Renováveis plans for the use of tax incentives such as lower tax rates, exemption and deferral. The funds are directed to new investments, which generated positive impacts not just for the company but all stakeholders involved, furthering the socioeconomic development of the regions Elera operates in, creating direct and indirect jobs.

Given the possibility and importance of the tax incentives, the total amount used by the company in 2021 amounted to approximately R\$ 354.8 million.

The leading benefits are the Special Infrastructure Development Incentive Scheme (REIDI). The company contributed funds to the construction and installation of 24 powerplants (1 SHP in Paraná, 9 UFVs in Ceará, and 14 UFVs in Minas Gerais), generating income, taxes and above all development of the company and the country's infrastructure. REIDI benefits enabled financial and tax relief for these powerplants of a total R\$ 147 million, approximately.

In addition to REIDI, Operating Profit is leveraged by the Itiquira and Tangará/Guaporé plants, which yielded savings of R\$ 11.1 million and R\$ 3.9 million, respectively.

A further example of this occurred in 2021, when Elera Renováveis signed a Memorandum of Intent with the Ceará state government (State Finance Department) for the deferral of ICMS on acquisitions of machinery, equipment and metallic structures used in the Alex Solar Complex yielding tax relief of R\$ 5.4 million. Elera Renováveis S/A also managed to obtain tax exemptions for the ICMS on the phase 1 construction of the Photovoltaic Cluster in Janaúba (MG), via either Memorandums of Intent/Special Arrangements or tax consultations, which secured relief from the ICMS on imported inverters and modules of approximately R\$ 186 million.



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Challenges and opportunities

We aspire to become a leader in renewable energy and green solutions

Works on the Janaúba Photovoltaic Solar Complex



The electric power sector is dynamic and plays an important role in the country's growth and people's quality-of-life. For the system to meet current demands, it is necessary to go beyond production, investing in clean energy sources and more efficient transformation, distribution, storage and energy transportation processes.

We have taken steps to become a leader in renewable energy and green solutions through our diversified portfolio. We pursue excellence in our operations and wish to continue growing sustainably, with increasingly innovative solutions that meet market requirements.

See below the main opportunities and challenges posed by the sector.

Opportunities

We are striving to advance down the path of green bond issuances, generated solely and exclusively for financing environmental projects, prioritizing renewable energy, energy efficiency, and pollution prevention and control. We were recently certified for emissions in the Alex project and are monitoring the best timing to carry out the related operations.

Brookfield Asset Management launched an initial offering of USD 7 billion for Brookfield Global Transition Fund (BGTF) in 2021, establishing BGTF as the largest fund focused on the global transition to a net zero economy. The Fund will rely on Brookfield's leadership in renewable energy and deep operating resources to size clean energy and invest to catalyze the transformation of carbon intensive business practices to comply with the Paris Agreement and subsequent ramifications.



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Market changes

Access to the free energy market is limited in Brazil. Consumers are not yet entitled to choose their energy supplier, but this is set to change shortly following the passing of Draft Law 1.917/2015, which introduced power supply portability and amends the electric sector's legislation (see more on [page 62](#)).

Over the course of 2021, the Free Energy Market gained a modest number of consumers compared with previous years. Last year the rate of migration to the Free Market stood at approximately 13%*.

Moreover, the number of independent producers in the Electric Power Trading Chamber (CCEE) rose by 10%* in 2021, a meaningful figure compared with the same period last year, where the number of participants in this category remained flat.

This increase in independent producers depicts the state of the economy and the electric sector itself, in which this business model enables consumers to generate and use their own electricity. This model yields multiple financial benefits, one of them being more predictable energy prices and consequently the end product costs for the consumer. It also foments the renewable energy production chain, depending on the type of source.

*InfoMercado CCEE Data – Obtained in January/2022.



i-RECs explained

Renewable certificates are market instruments that represent the environmental attributes of 1 MWh of electricity produced by renewable sources. They show that the energy consumed was produced from renewable sources and can be acquired by energy consuming companies and do not have to be related to an energy supply contract.

Green energy certification

In addition to changes in energy use, in 2021 our commercial area saw a four-fold increase in the demand for I-REC certificates compared to 2020. Renewable Energy Certificates are issued by power plants that use clean sources and are sought after by consumers who wish to track their renewable consumption and offset their greenhouse gas emissions (as part of scope 2* of the GHG Protocol). Despite this increase in demand, this is a growing market, especially with the trend towards sustainability growing worldwide.

*Scope 2 emissions are considered indirect emissions from the acquisition of electricity and thermal energy consumed by the company. They physically occur at the facility where this electricity is generated, where produced outside the organizational boundary.

4
times +
was the market demand
for renewable certificates
in 2021

Challenges

Social actions

Our assets are often built in regions where there are vulnerable communities. Therefore, we see an opportunity in fostering the growth and development of these populations. Currently we have numerous actions in environmental education and potable water supply, among others, but wish to contribute much more. Learn more about our main initiatives in this regard in the chapter entitled *Communities*.

When building the Alex Photovoltaic Solar Complex in Ceará state, for instance, more than 70% of the labor (some 4 thousand people), came from the state, driving local economic development. This is also the case on the construction of the Janaúba Photovoltaic Solar Complex and the Seridó Wind Complex where we focus on hiring local manpower to drive income creation and provide greater opportunities for development of the communities close to our ventures (read more on pages 12, 13, and 14).



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Appendices 6

In this chapter

- About the reporting process
- Materiality
- GRI Content Summary
- SASB Summary
- Corporate information
- Credits

Reporting practice

GRI 102-45, 102-46, 102-50, 102-52

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Transparency underpins our Environmental, Social and Governance (ESG) reporting. We intend not only to report our business performance over the year, but also challenges and opportunities we envisage for the future.

The content in this report presents an overview of our company and management model, including core information and material initiatives carried out in the period January 01 to December 31, 2021. This also ratchets up our commitment to employees, clients, suppliers, the community and the environment.

This report has been prepared in accordance with the guidelines established by the Power Sector Accounting Manual (MCSE) issued by the National Electricity Regulatory Agency (Aneel) and complementary guidelines issued by the Global Reporting Initiative (GRI), providing material information to facilitate comprehension by stakeholders.

To ensure this report is comprehensive and transparent, we consulted multiple sectors of our company and the information obtained was analyzed by the respective departments, evaluated and approved by the Executive Board.

Materiality

In 2021 Elera carried out a study to create its materiality matrix, in order to identify the most important topics to the company's internal and external stakeholders regarding each environmental, social and governance pillar (ESG).

This study was structured according to the guiding principles of the ESG 101 Guide, a document comprising the ESG Program of Brookfield Renewable (BEP) and was based on the guidelines of the Sustainability Accounting Standards Board (SASB) – a non-profit independent organization that is an international leader in guidelines and defining standards for sustainability reporting.

GRI 102-46, 102-47

Elera understands that its employees are crucial for successfully embedding ESG into the company's culture, which is why it has worked hard to internally disclose the survey, in order to gather opinions and insights from the stakeholders about the topic. GRI 102-42

In respect of external stakeholders, representatives from multiple company departments were requested to carry out a survey on their main stakeholders, including clients, suppliers, educa-

tion and research institutions, social organizations and government agencies. A list of contact details was therefore compiled of the company's various stakeholders, who were invited to partake in the survey. GRI 102-40, 102-42

The materiality survey's questionnaire contained 15 questions ranging from the respondent's details to their insights around the company's ESG Report. One of the questions listed 16 environmental, social and governance topics, asking respondents to choose the five most important.

After all the information had been tabulated, the 16 proposed topics were segregated into their respective pillars (environmental, social and governance) and ranked according to the number of answers obtained for each one. In order to obtain an even more detailed vision of the specificities of each stakeholder embraced by the survey, the

information was analyzed according to the various scenarios proposed: regional, source of the answer (internal or external) and position held by the respondent (in the case of internal answers).

All the information obtained through this study was submitted to Elera's ESG Committee for discussion with the company's senior leadership, which expressed its opinions and defined the three priority topics to be addressed in each ESG pillar.

Although strategic factors at Elera were taken into account when determining the matrix, which in certain cases lead to prioritizing certain topics in detriment to others which were ranked higher in the questionnaire.

Nine material topics were specified at the end of the study, and organized into ESG pillars.

We carried out a study to identify the most important topics to the company's internal and external stakeholders

Material topics

GRI 102-44, 102-46, 102-47, 102-49, 103-1

| Pillar | Material topic | Context ¹ | Approach (what we do) | Extent of impact (within and outside the organization) | GRI Topics | Related disclosures | SDGs |
|---------------|--------------------------------------|---|----------------------------|--|------------------------------|---|--------------------------------------|
| Environmental | Climate action | Climate change has the potential to adversely affect the company's operations, as all ventures depend on natural resources. In addition to the company, climate change also jeopardizes vulnerable populations and the planet's environmental balance. | Caring for the environment | Within and outside | Energy Emissions | 302-1, 302-3 305-1, 305-3, 305-4, 305-7 | 7, 8, 12, 13 3, 12, 13, 14, 15 |
| | Protecting and conserving ecosystems | As all the company's ventures depend on natural resources, protecting and conserving ecosystems is crucial so that the company's operations can prosper. In addition to the company, failing to protect and conserve ecosystems also jeopardizes vulnerable populations and the planet's environmental balance. | Caring for the environment | Within and outside | Biodiversity | 304-1, 304-4 | 6, 14, 15 |
| | Water resource and waste management | Due to the importance of water to society and the company, which has some 45 hydropower ventures, water research stewardship is essential for business success and longevity. In respect of waste, managing emissions and greenhouse gases and waste generation is a vital part of sustainable development. | Caring for the environment | Within and outside | Water and effluents Waste | 303-1, 303-2, 303-5 306-1, 306-2, 306-3, 306-4, 306-5 | 6, 12 3, 6, 11, 12, 14, 15 |

1. In addition to the risks and opportunities involved in all topics, we surveyed stakeholders based on the guiding principles of Brookfield Renewable (BEP) and the guidelines of the Sustainability Accounting Standards Board (SASB), which contained a list of possible material topics. The most voted topics were submitted to internal discussions with members of Elera Renováveis' ESG Committee. Due to the risks of the company and society in general and the materiality survey, these topics were classified as material to the company.



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| Pillar | Material topic | Context ¹ | Approach (what we do) | Extent of impact (within and outside the organization) | GRI Topics | Related disclosures | SDGs | |
|-----------------------|----------------|---|--|--|--------------------|---|--|----------------|
| 1 Elera Renováveis | Social | Enhancing community relations | Given the business' prosperity and the social license to operate, in addition to the quality-of-life and relations with local communities, it was necessary to upgrade this matter to a material topic, making it an important part of internal decisions. | Social Commitment / Communities | Within and outside | Local communities | 413-1, 413-2 | 1, 2 |
| | | Creating jobs and income for local communities (including indigenous and traditional peoples) | As the impacts caused by our ventures are concentrated in their territory, creating jobs and income becomes an excellent opportunity to positively impact local communities. | Social Commitment / Employees | Within and outside | Rights of indigenous peoples | 411-1 | 2 |
| | | Ensure employee well-being and safety | The company is built by its employees and workers. Assuring their well-being and safety therefore also means assuring the company's prosperity and successful operations. | Social Commitment / Occupational health and safety | Within | Occupational Health & Safety | 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9 | 3, 8, 16 |
| 4 Governance | Governance | Anti-corruption and commitment to business ethics | This topic is essential for resource management to be transparency and efficient. | Governance / Ethics and integrity | Within and outside | Economic performance Fighting corruption Unfair competition Environmental compliance | 201-1 205-1, 205-2, 205-3 206-1 307-1 | 16 8, 9 |
| | | Transparent risk management | This topic is a fundamental tool for risks to be mitigated and avoided in the future, providing an opportunity for learning through transparent management that seeks to genuinely understand the risks posed by each activity. | Governance / Risk management | Within and outside | Supply chain Grievance mechanisms | 102-9 103-2 | - |
| | | Security and data privacy | This topic needs to be taken seriously following the new LGPD legislation. The volume of data generated by the company and circulating internally means data privacy and security are fundamental to business prosperity. | Governance / Risk management | Within and outside | Customer privacy | 418-1 | 16 |

1. In addition to the risks and opportunities involved in all topics, we surveyed stakeholders based on the guiding principles of Brookfield Renewable (BEP) and the guidelines of the Sustainability Accounting Standards Board (SASB), which contained a list of possible material topics. The most voted topics were submitted to internal discussions with members of Elera Renováveis' ESG Committee. Due to the risks of the company and society in general and the materiality survey, these topics were classified as material to the company.



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GRI Content Index GRI 102-55

| GRI Standards | Disclosure | Page/URL | Omission | SDG* |
|---|---|---|----------|-------|
| General disclosures | | | | |
| GRI 101: Foundation 2016 | | | | |
| GRI 101 contains no disclosures | | | | |
| Organizational profile | | | | |
| GRI 102: General disclosures 2016 | 102-1 Name of the organization | 8 | - | - |
| | 102-2 Activities, brands, products, and services | 8 | - | - |
| | 102-3 Location of headquarters | 8 | - | - |
| | 102-4 Location of operations | 8 | - | - |
| | 102-5 Ownership and legal form | 8 | - | - |
| | 102-6 Markets served | 8 | - | - |
| | 102-7 Scale of the organization | 8 | - | - |
| | 102-8 Information on employees and other workers | 34, 35 | - | 8, 10 |
| | 102-9 Supply chain | 49 | - | - |
| | 102-10 Significant changes to the organization and its supply chain | In 2021, there were no significant changes. | - | - |
| | 102-11 Precautionary principle or approach | 19 | - | - |
| | 102-12 External initiatives | 54 | - | - |
| | 102-13 Membership of associations | 54 | - | - |
| Electric Utilities Sector Supplement – Organizational profile | EU1 Installed capacity, broken down by primary energy source and by regulatory regime | 11 | - | 7 |
| | EU2 Net energy output broken down by primary energy source and by regulatory regime | 11 | - | 7, 14 |

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| GRI Standards | Disclosure | Page/URL | Omission | SDG* |
|-----------------------------------|---|--|----------|------|
| Strategy | | | | |
| GRI 102: General disclosures 2016 | 102-14 Statement from senior decision-maker | 5 | - | - |
| Ethics and integrity | | | | |
| GRI 102: General disclosures 2016 | 102-16 Values, principles, standards, and norms of behavior | 3 | - | 16 |
| Governance | | | | |
| GRI 102: General disclosures 2016 | 102-18 Governance structure | 53 | - | - |
| Stakeholder engagement | | | | |
| | 102-40 List of stakeholder groups | 69 | - | - |
| | 102-41 Collective bargaining agreements | 100% of employees are covered by collective bargaining agreements. | - | 8 |
| GRI 102: General disclosures 2016 | 102-42 Identifying and selecting stakeholders | 69 | - | - |
| | 102-43 Approach to stakeholder engagement | 33 | - | - |
| | 102-44 Key topics and concerns raised | 70 | - | - |



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| GRI Standards | Disclosure | Page/URL | Omission | SDG* |
|-----------------------------------|---|---|----------|------|
| Reporting practices | | | | |
| GRI 102: General disclosures 2016 | 102-45 Entities included in the consolidated financial statements | 69 | - | - |
| | 102-46 Defining report content and topic Boundaries | 69, 70 | - | - |
| | 102-47 List of material topics | 69, 70 | - | - |
| | 102-48 Restatements of information | None. | - | - |
| | 102-49 Changes in reporting | 70 | - | - |
| | 102-50 Reporting period | 69 | - | - |
| | 102-51 Date of most recent report | 2020 | - | - |
| | 102-52 Reporting cycle | 69 | - | - |
| | 102-53 Contact point for questions regarding the report | ESG practice - sustentabilidade@elera.com | - | - |
| | 102-54 Claims of reporting in accordance with the GRI Standards | This report has been prepared in accordance with the GRI Standards—“Core” option. | - | - |
| | 102-55 GRI content index | 72 | - | - |
| | 102-56 External assurance | None. | - | - |



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|-------------------------------------|--|----------|----------|------|
| Material topics | | | | |
| Economic performance | | | | |
| | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| GRI 103: Management approach 2016 | 103-2 The management approach and its components | 33 | - | - |
| | 103-3 Evaluation of the management approach | 33 | - | - |
| GRI 201: Economic performance 2016 | 201-1 Direct economic value generated and distributed | 33, 64 | - | 8, 9 |
| Procurement practices | | | | |
| | 103-1 Explanation of the material topic and its Boundary | 70 | - | - |
| GRI 103: Management approach 2016 | 103-2 The management approach and its components | 49 | - | - |
| | 103-3 Evaluation of the management approach | 49 | - | - |
| GRI 204: Procurement practices 2016 | 204-1 Proportion of spending on locally-based suppliers | 49 | - | 8 |
| Fighting corruption | | | | |
| | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| GRI 103: Management approach 2016 | 103-2 The management approach and its components | 55 | - | - |
| | 103-3 Evaluation of the management approach | 55 | - | - |



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|-----------------------------------|--|--|----------|------|
| GRI 205: Fighting corruption 2016 | 205-1 Operations assessed for risks related to corruption | In the last three years 100% of Elera's operations in Brazil have been covered by its compliance program. Since 2020 they have been assessed and monitored continually for risks related to corruption. Every year the company revises bribery and corruption risks to which all its operations could be exposed. Every two years this revision is carried out by external consultants, who validate the risks identified in relation to ethics, corruption and fraudulent reporting amongst others, and assess the efficacy of the respective controls and/or mitigation actions, reporting any weaknesses and suggesting opportunities for improvement. | - | 16 |
| | 205-2 Communication and training about anti-corruption policies and procedures | Every year the company revises bribery and corruption risks to which all its operations could be exposed. Every two years this revision is carried out by external consultants, who validate the risks identified in relation to ethics, corruption and fraudulent reporting amongst others, and assess the efficacy of the respective controls and/or mitigation actions, reporting any weaknesses and suggesting opportunities for improvement." | - | 16 |
| | 205-3 Confirmed incidents of corruption and actions taken | There is no record of complaints regarding incidents of corruption. | - | 16 |



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|---|---|---|----------|--------------|
| Unfair competition | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | 56 | - | - |
| | 103-3 Evaluation of the management approach | 56 | - | - |
| GRI 206: Anti-competitive behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | There are legal proceedings recorded in the last three years regarding unfair competition or violation of anti-trust and anti-monopoly laws where the organization is named as a party. | - | 16 |
| Energy | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | 22 | - | - |
| | 103-3 Evaluation of the management approach | 22 | - | - |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 22, 23 | - | 7, 8, 12, 13 |
| | 302-3 Energy intensity | 23 | - | 7, 8, 12, 13 |
| Water and effluents | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | 28 | - | - |
| | 103-3 Evaluation of the management approach | 28 | - | - |
| GRI 303: Water and effluents 2019 | 303-1 Interactions with water as a shared resource | 28 | - | 6, 12 |
| | 303-2 Management of water discharge-related impacts | 28 | - | 6 |
| | 303-5 Water consumption | 28 | - | 6 |



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| GRI Standards | Disclosure | Page/URL | Omission | SDG* |
|-----------------------------------|---|----------|----------|-------------------|
| Biodiversity | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | 20 | - | - |
| | 103-3 Evaluation of the management approach | 20 | - | - |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 20 | - | 6, 14, 15 |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | 21 | - | 6, 14, 15 |
| Emissions | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | 24 | - | - |
| | 103-3 Evaluation of the management approach | 24 | - | - |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 25, 26 | - | 3, 12, 13, 14, 15 |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 25 | - | 3, 12, 13, 14, 15 |
| | 305-3 Other indirect (Scope 3) GHG emissions | 24, 25 | - | 3, 12, 13, 14, 15 |
| | 305-4 GHG emissions intensity | 24, 25 | - | 13, 14, 15 |
| | 305- 7 NOx, SOx, and other significant air emissions | 27 | - | 3, 12, 14, 15 |



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| Waste | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its Boundary | 70 | - | - |
| | 103-2 The management approach and its components | 29 | - | - |
| | 103-3 Evaluation of the management approach | 29 | - | - |
| GRI 306: Waste 2021 | 306-1 Waste generation and significant waste-related impacts | 29 | - | 3, 6, 11, 12 |
| | 306-2 Management of significant waste-related impacts | 29, 30 | - | 3, 6, 11, 12 |
| | 306-3 Waste generated | 29 | - | 3, 6, 12, 14, 15 |
| | 306-4 Waste diverted from disposal | 29, 30 | - | 3, 11, 12 |
| | 306-5 Waste directed to disposal | 29, 31 | - | 3, 6, 11, 12, 14, 15 |
| Environmental compliance | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | Elera Renováveis has an active approach for preventing environmental risks, consisting of the following main measures: The painstaking monitoring of all environmental license requirements, which significantly diminishes the application due to non-compliance with the legislation, in addition to counting on the support of specialized external legal consultants, who work in conjunction with the company's environmental teams. R\$ 500 thousand was imposed as a cut-off limit for including fines, given the importance of the amount to the company and the fact that the amount is equal to 1% of the ceiling established in Brazil's environmental legislation as a financial penalty. | - | - |
| | 103-3 Evaluation of the management approach | | - | - |
| GRI 307: Environmental compliance 2016 | 307-1 Non-compliance with environmental laws and regulations | | - | 16 |



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| Occupational health and safety | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | 40 | - | - |
| | 103-3 Evaluation of the management approach | 40 | - | - |
| GRI 403: Occupational health and safety 2019 | 403-1 Occupational health and safety management system | 40 | - | 8 |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 40 | - | 3, 8 |
| | 403-3 Occupational health services | 40 | - | 3, 8 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 40 | - | 8, 16 |
| | 403-5 Worker training on occupational health and safety | 40 | - | 8 |
| | 403-6 Promotion of worker health | 37 | - | 3 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 40 | - | 8 |
| | 403-9 Work-related injuries | 42 | - | 3, 8, 16 |
| Rights of indigenous peoples | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | 19 | - | - |
| | 103-3 Evaluation of the management approach | 19 | - | - |
| GRI 411: Rights of indigenous peoples 2016 | 411-1 Incidents of violations involving rights of indigenous peoples | In the last three years there have been no cases of violations of indigenous peoples' rights in the ventures whose areas of influence include indigenous land (Sacre II SHP and Xanxerê SHP). | - | 2 |



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| Local communities | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 70 | - | - |
| | 103-2 The management approach and its components | 43 | - | - |
| | 103-3 Evaluation of the management approach | 43 | - | - |
| GRI 413: Local communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 43, 44 | - | - |
| | 413-2 Operations with significant actual or potential negative impacts on local communities | 45 | - | 1, 2 |
| | EU20 Approach to managing the impacts of displacement | In 2021 the company did not carry out any displacements. | - | 1, 2, 11 |
| | EU22 Number of people physically or economically displaced and compensation, broken down by type of project | 36 | - | 1, 2 |
| Customer privacy | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its Boundary | 70 | - | - |
| | 103-2 The management approach and its components | 59 | - | - |
| | 103-3 Evaluation of the management approach | 59 | - | - |
| GRI 418: Customer privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | In the last three years we have had no substantiated complaints concerning breaches of customer privacy and/or losses of customer data. | - | 16 |
| Research and development | | | | |
| Electric Utilities Sector Supplement – Research and development | EU8 Research and development activity and expenditure aimed at providing reliable electricity and promoting sustainable development | 16 | - | 7, 9, 17 |
| Disaster and emergency planning and preparedness | | | | |
| Electric Utilities Supplement – Disaster/emergency planning and response | EU21 Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans | 57, 58 | - | 1, 11 |



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SASB Summary

Infrastructure: Electric Utilities and Energy Generators

| Topic | Code | Accounting metric | Category | Unit of measure | Page number/URL and/or direct response |
|----------------------------|--------------|---|--------------|--|--|
| Air quality | IF-EU-120a.1 | Air emissions for the following pollutants: (1) NOx (excluding N ₂ O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb) and (5) mercury (Hg); percentage of each in or near areas of dense population | - | - | Not applicable. The UTEs evaluated are located in a central area of rural property predominantly used for single-crop sugarcane cultivation, and are not located near areas of dense population. |
| Water stewardship | 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 | Quantitative | Rate | 142,630.4m ³ 0.0004 Elera's only asset located in a water-stressed area is the Alex Photovoltaic Complex. |
| | IF-EU-140a.3 | Discussion of water management risks and description of strategies and practices to mitigate those risks | Quantitative | Number, cubic meters (m ³) | 28 |
| Employee health and safety | IF-EU-320a.1 | (1) Total recordable injury rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) | - | - | 4.51 0.00 0.00 |
| Activity metrics | | | | | |
| Activity metrics | IF-EU-000.D | Total electricity generated, percentage by major energy source, percentage in regulated markets | Quantitative | Number | 11 |



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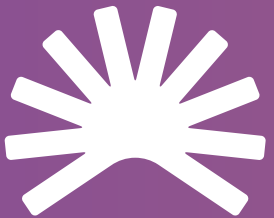
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