Sustainability Report

2023



STATE GRID
BRAZIL HOLDING S.A.
国家电网巴西控股公司



TABLE OF CONTENTS

1 / PAGE 4
Introduction
ANEEL General Dimension
About the Report 5
Message from the Chairman 6

2 / PAGE 8
State Grid Brazil Holding
ANEEL General and Economic-Financial Dimension
SGBH 9
Purpose 10
Journey 12
Our Business and Assets 14
Operations Network 16
New Projects 18
One State Grid 22

3 /PAGE 24
Value Generated in 2023
ANEEL General and Economic-Financial Dimension
Value Generation Map 25
Highlights of the year 26
Material Topics 28
Financial performance and Investments 30

4 / PAGE 32
Operational Safety and Efficiency
ANEEL General, Social and Sectoral Dimension
Commitment to Safety 33
Operational Efficiency 35
The Future of Energy 39

5 / PAGE 44
Governance and Strategy
ANEEL Corporate Governance Dimension
Corporate Governance 45
Strategic Planning 50
Ethics, Transparency and Compliance 51

6 / PAGE 54
People and Relationships
ANEEL Social and Sectoral Dimension
Our Employees 55
Safety and Health Care Assurance 57
Links in the Value Chain 62
Responsibility to Stakeholders 63

7 / PAGE 66
Environment and Communities
ANEEL Environmental, Social and Sectoral Dimension
Biodiversity Conservation 67
Environmental Management 73
Projects alongside the Communities 79
Care for Communities 81
Social Investments 85

8 / PAGE 89
Indicators
GRI Standards Index 90
Green Bond (STE) 98
Global Compact 99
Sustainable Development Goals (SDG) Map 100

Annexes
ANEEL Annual Economic-Financial and Socio-Environmental Responsibility Report 101

Credits 102

1. Introduction

ANEEL General Dimension

ABOUT THE REPORT

GRI 2-3 | 2-14

The 2023 Sustainability Report (23SR), prepared on an annual basis, presents the results of companies 100% controlled by State Grid Brazil Holding (SGBH) in the period from January 1st to December 31st, 2023. SGBH's five joint ventures are not included in the report, and their consolidated financial results can be found in the Company's Financial Statements, using the principle of proportionality.

In order to prepare this report, we used the main sustainability reporting and management guidelines, such as the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC) guidelines, the Brazilian National Electric Energy Agency (ANEEL) Electrical Sector Accounting Manual, and The Green Bond Principles control criteria.

Subtitles **GRI XXX-X, ANEEL XXXXX** and **GB X** indicate the reporting of indicators throughout the text and a complete list can be found in Chapter 8, page 89.

As signatories of the Global Compact, we also present our efforts to achieve the Sustainable Development Goals (SDG), which make up the United Nations (UN) 2030 Agenda.

The 23SR was prepared under the supervision of the SGBH Health, Safety and Environment (HSE) Department, and the content was checked and approved by the Senior Management Committee (SMC), SGBH's highest governance body.

GRI ANEEL The Green Bond Principles SUSTAINABLE DEVELOPMENT GOALS IR

Any questions, suggestions or comments about the Report can be sent to:

comunicacao@stategrid.com.br



MESSAGE FROM THE CHAIRMAN

GRI 2-22

On behalf of State Grid Brazil Holding (SGBH) as a whole, I am honored to present our third Sustainability Report, which shows the corporate evolution and landmark initiatives of 2023, a challenging and rewarding year. We fulfill our mission of transmitting **quality energy through efficient, effective and innovative operations.** The corporate performance and high availability of assets achieved this year reflect the high commitment of our professionals, the cutting-edge technology and the demanding standards adopted, combined with the non-negotiable safety culture and social responsibility.

I am very pleased to talk about one of the central news from 2023: we won the main lot of ANEEL's Transmission Auction 2/2023, the largest in the segment's history, which preparation mobilized all sectors of the Company throughout the year. This achievement was possible thanks to our strategic planning, combined with acquired knowledge and engaged employees, and the positive result was received with enthusiasm. The project will interconnect the Northeast and Central-West regions, in our **third ultra-high voltage direct current (UHVDC) project,** expected to generate over 30 thousand direct jobs. We will build and maintain the system in operation for 30 years, and we will dedicate ourselves to making this another successful implementation of SGBH in Brazil.

Another important achievement, is that we started operating Silvânia Transmissora de Energia S.A. (STE) in December 2023. In the operation of the other 19 concessionaires, XRTE stood out for its impressive **99.99% availability rate.**

Overcoming challenges

Our goal is to be a benchmark company in the energy transmission sector, **generating positive value for our stakeholders and communicating transparently with society as a whole.** In this context, we are already recognized for the use of cutting-edge technology and for establishing standards of excellence in operational indicators, especially in the ultra-high voltage scenario. This consolidated knowledge allows us to establish technical exchanges and partnerships, in addition to expanding investments in new technologies, providing us with better conditions to attract investments with even more advantageous returns.

In recent years, we have endured the impact of macropolitical and economic factors, with an effect on interest rates, inflation, exchange rate and increased input costs, which have greatly affected the infrastructure sector and have pressured our financial results. **We recognize the importance of being prepared for external changes and events, taking comprehensive measures to mitigate real and potential risks.** In the upcoming years, we must increase both revenue and profit, as well as tax contributions and job creation, which altogether contribute to building sustainable development. We make every effort to **improve process efficiency, professional retention and internal communication at all levels and departments.**

As an instrument to face long-term challenges, strategic planning underwent periodic review and remains aligned with shareholders' guidelines, as structured in the "1+7" definition, made up of the corporate initiative and seven strategic subplans. In corporate development, we invested in the best governance and compliance practices, **created a new Corporate Governance department and revised our Code of Ethics and Conduct.** Furthermore, we work to optimize efficiency indicators and standardize management, strengthening internal auditing and compliance mechanisms.

Safety as a paramount value

With the motto **Life first, People first and Safety first,** our fundamental mission is safety in all its aspects. Every initiative and decision we make reflects this value we share, responsibly ensuring collective well-being and maintaining a safe environment for all, whether employees or communities. This value drives our operations, which we understand from the broader perspective of personal, asset, cyber and capital security.

Integration and valuing people

The One State Grid concept has stood out as a reference in the Company, promoting integration among professionals, regions and departments.

Together, we are committed to achieving excellence in our activities. Throughout 2023, we have strived to disseminate its concept and culture to all SGBH members. We believe that the development of human capital is crucial to strengthening the company and, in order to recognize our talents' progresses, we have created the **ReconheSER Program**, which includes annual internal awards aimed at valuing our professionals.

As a company composed of individuals from different origins, we further strengthened the **integration between Brazilian and Chinese cultures.** Our goal is to unify management mechanisms and improve communication and cooperation amid all employees.

ESG Advances

I understand ESG as an ongoing journey, in which we have already overcome major challenges. **We received the GHG Protocol Gold Seal in 2021 and 2022,** recognition of our commitment to sustainable growth and an important step towards refining and planning initiatives related to climate change. In the context of the energy transition, we entered the **free energy market,** that will supply 13 substations and our administrative headquarters.

We are also committed to the **development of local communities** and in 2023 we continued to invest in transformative social projects, some in long-term partnerships, such as **Orquestra Maré do Amanhã, Cais do Valongo and Hospital do Amor**, about which we provide further details throughout this report. We are always responsibly seeking to identify paths that will lead us towards a more sustainable and inclusive future.
We have an ESG dedicated area, which will continue to lead our initiatives and investments on this journey.

Solidity in the present and vision towards the future

In these 13 years of SGBH, many challenges and achievements have been remarkable and have brought us here. We will move forward, looking towards the future and the opportunities, ready to pursue new accomplishments.

We closed the 2023 cycle with a feeling of satisfaction, with achievements that reflect the desire to be recognized for innovative technologies and excellence in practices, in search of effective solutions, efficiency in the services offered and safety assurance for everyone at SGBH. **The results of the year demonstrate our capabilities.**

In 2024, we will continue with initiatives that reaffirm the commitments described in our corporate mission, vision and values. In order to achieve these aspirations, **we rely on our employees, in the essence of One State Grid.**

And it is to them, our employees, that I dedicate a special appreciation for their crucial commitment to the achievements of 2023. I also thank shareholders, suppliers, partners, government authorities and local communities for another year of success and partnership.

Thank you!
Sun Tao
SGBH Chairman



2. State Grid Brazil Holding

ANEEL General and Economic-Financial Dimension

Related Capitals

Manufactured Capital

Related SDGs





SGBH

GRI 2-1

State Grid Brazil Holding (SGBH) is one of the main energy transmission companies in Brazil, and is part of the State Grid Corporation of China (SGCC) group. In 2010, the shareholder SGCC chose Brazil as the destination for its first major investment outside Asia, and currently, SGBH has more than 15 thousand kilometers of transmission lines in 14 states in Brazil and totals over R$30 billion in investments.

Committed to high social, environmental, safety and reliability standards, SGBH invests in cutting-edge technology, seeking innovation and excellence in the supply of clean, economical and sustainable energy.



29 Thousand towers

14 States

7 Regionals

25* Concessionaires

54 Sub-stations

* Considering the new concessionaire GATE - Graça Aranha Silvânia Transmissora de Energia S.A..

SGCC

SGCC ranked 3rd in the 2023 Fortune 500 and is currently the largest energy transmission and distribution company in the world. Headquartered in China since 2002, it operates as a state-owned company and provides services to 88% of the territory.

With branches in Chile, Philippines, Portugal, Australia, Italy, Greece, Hong Kong and Oman, in addition to Brazil, the company carries out activities in the generation, transmission, distribution and commercialization of electrical energy, serving more than 1.1 billion people. It also has operations in the USA, Venezuela, India, Russia and African countries.

With broad operations across diverse cultures, SGCC is committed to offering quality services for the well-being and social development of individuals, with transparency and dialogue with the society.

For more information access:
www.sgcc.com.cn/html/sgcc_en/index.shtml

PURPOSE

GRI 2-1

MISSION

Seek to be an outstanding and competitive company in the electricity sector.

Provide sustainable and reliable service to the electrical grid and transmit clean energy. Promote the social and economic development of the areas surrounding our businesses.

VISION

Be one of the largest and most influential power transmission companies in South America, provide reliable transmission services to our customers through state-of-the-art technologies to our customers and be very well recognized by stakeholders.

VALUES

- Safety
- Commitment
- Innovation
- Quality service
- Ethics and transparency
- Sustainability
- Social responsibility

OPERATION IN THE ELECTRIC SECTOR

GRI 2-1 I 2-6

In Brazil, the transmission of electrical energy from generation to distribution points, through the National Interconnected System (NIS), constitutes SGBH's main activity. Based on criteria of supply availability and expected demand for each region of the country, the National Electricity System Operator (NSO) manages the points between supply and consumption. In this context, SGBH is responsible for the Operation and Maintenance (O&M) of its infrastructure, and through its public concession contracts, must guarantee full availability and perfect functioning of the transmission lines. In order to fulfill this important role of transmitting, while guaranteeing the quality of service to consumers, O&M activities are carried out in an continuous basis.

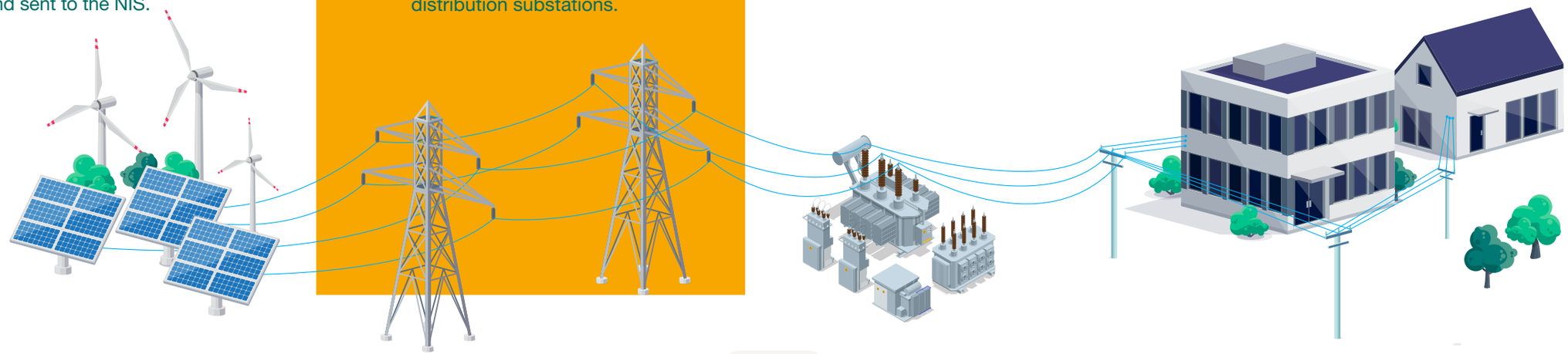
SGBH Activities

1 GENERATION
Electricity is produced by different energy sources (including, but not limited to hydraulic, wind, solar, biomass, natural gas, and nuclear) and sent to the NIS.

2 TRANSMISSION
NIS transmission lines interconnect large areas within the national territory and transfer energy from generating plants to distribution substations.

3 DISTRIBUTION
The distribution network takes electricity from substations to consumption points.

4 CONSUMPTION
Various types of consumers — residential, commercial, industrial or public — are supplied and served in their activities.



JOURNEY

2010

Creation of SGBH.
The company began with the acquisition of 100% of the capital of seven energy transmission concessionaires, marking the beginning of our investments and operations in Brazil. The following concessionaires were acquired: ETEE, ETIM, SPTE, PCTE, SMTE, RPTE and ITE.

2011

SGBH wins Lot H of Auction 006/2011 and establishes its first partnership company. LNT is constituted with 51% of the capital from SGBH and 49% from Furnas.

2012

SGBH opens its headquarters in Rio de Janeiro. In auctions 002/2012 and 007/2012, it achieved a 51% share at the Matrinchã, Guaraciaba and Paranaíba concessionaire.

2013

SGBH expands investments by acquiring 100% of the capital of five new concessionaires: IRTE, LTI, ATE, CTE and PPTE. In auction 007/2013, it conquers MRTE, also with 100% share.

2014

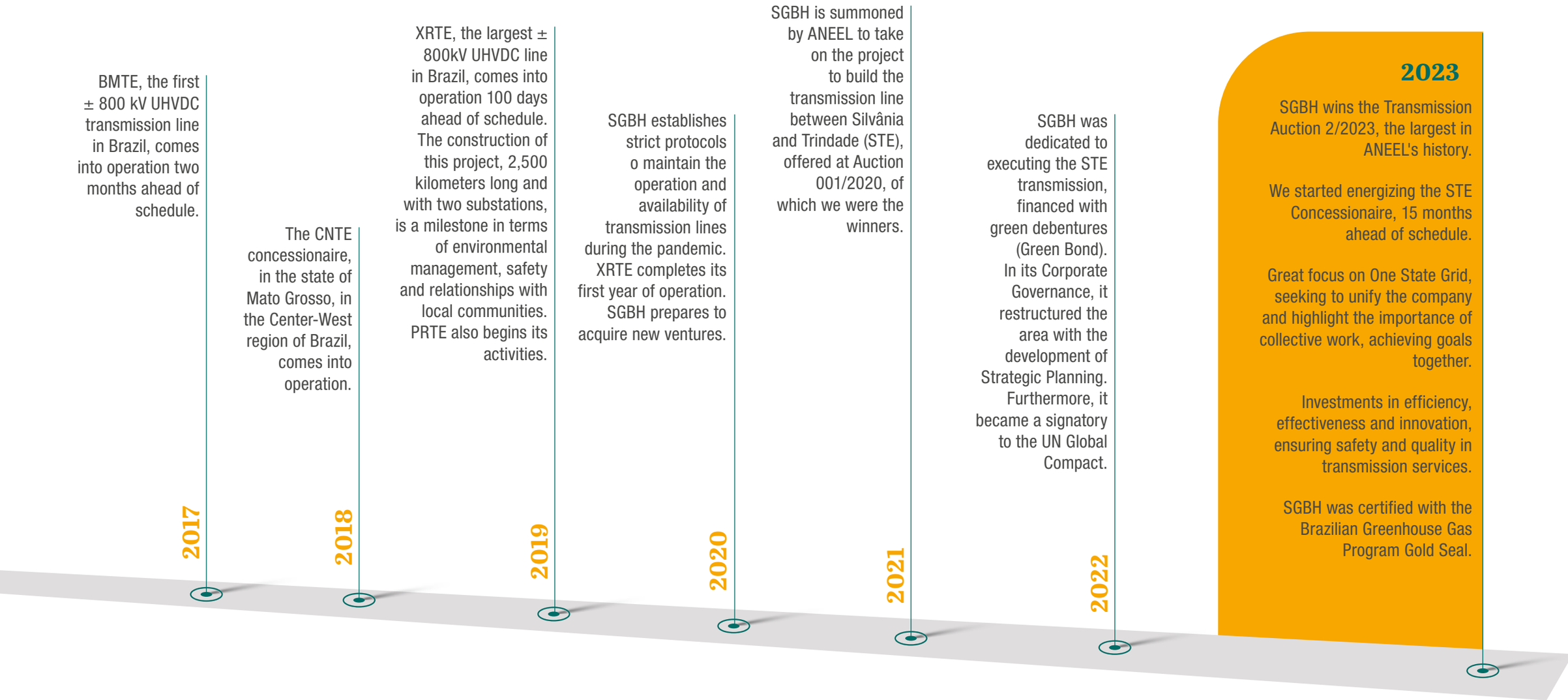
With the victory in Auction 011/2013, with a 51% share in the Belo Monte (BMTE) concessionaire, SGBH expands its presence in the country.

2015

SGBH wins Auction 007/2015, with a 100% stake in Xingu-Rio (XRTE) concessionaire. It is the beginning of one of the most innovative and challenging projects in the energy transmission sector – the largest ± 800 kV Ultra-High Voltage Direct Current (UHVDC) line in the country. The Company also acquires 100% of the capital of two new concessionaires (LTMC and ACTE).

2016

Two new, 100% controlled concessionaires are integrated into the portfolio. CNTE and PRTE are the achievements in Auction 013/2015.


2017
BMTE, the first ± 800 kV UHVDC transmission line in Brazil, comes into operation two months ahead of schedule.
2018
The CNTE concessionaire, in the state of Mato Grosso, in the Center-West region of Brazil, comes into operation.
2019
XRTE, the largest ± 800kV UHVDC line in Brazil, comes into operation 100 days ahead of schedule. The construction of this project, 2,500 kilometers long and with two substations, is a milestone in terms of environmental management, safety and relationships with local communities. PRTE also begins its activities.
2020
SGBH establishes strict protocols o maintain the operation and availability of transmission lines during the pandemic. XRTE completes its first year of operation. SGBH prepares to acquire new ventures.
2021
SGBH is summoned by ANEEL to take on the project to build the transmission line between Silvânia and Trindade (STE), offered at Auction 001/2020, of which we were the winners.
2022
SGBH was dedicated to executing the STE transmission, financed with green debentures (Green Bond). In its Corporate Governance, it restructured the area with the development of Strategic Planning. Furthermore, it became a signatory to the UN Global Compact.
2023
SGBH wins the Transmission Auction 2/2023, the largest in ANEEL's history.
We started energizing the STE Concessionaire, 15 months ahead of schedule.
Great focus on One State Grid, seeking to unify the company and highlight the importance of collective work, achieving goals together.
Investments in efficiency, effectiveness and innovation, ensuring safety and quality in transmission services.
SGBH was certified with the Brazilian Greenhouse Gas Program Gold Seal.

OUR BUSINESS AND ASSETS

GRI 2-1 | 2-2 | 2-6

With 25 wholly or partially controlled, privately held companies, State Grid Brazil Holding operates in the construction of transmission systems and in the operation and maintenance of its facilities. The activities began in 2010 with the acquisition of seven concessionaires located in the States of Goiás, Distrito Federal, Mato Grosso, Minas Gerais and São Paulo. Since then, activities have been expanded through partnerships and auctions by the National Electric Energy Agency (ANEEL), with projects in 14 Brazilian states.

The most recent contract, Graça Aranha Silvânia Transmissora de Energia S.A. (GATE) has a a 72-month deadline to start operating, provided for in the ANEEL notice. Passing through the States of Maranhão, Tocantins and Goiás, 1,468 km of direct current transmission lines will be built, interconnecting the substations of Graça Aranha (MA) and Silvânia (GO).

To manage all SGBH projects, the SGCC Rio Tower was built in 2011, in Rio de Janeiro, to house our administrative headquarters and our Operational Control Center.



SGBH COMPANIES

1
Technical services company to the concessionaires
State Grid Serviços de Engenharia (SGSE)

5
Concessionaires with 51% share (Transmissoras S.A.)
Matrinchã
Guaraciaba
LNT (Luziânia)
Paranaíba
Belo Monte

20 Concessionaires controlled by the Holding

- **ACTE** Atlântico Concessionária de Transmissão de Energia do Brasil S.A.
- **ARTE** Araraquara Transmissora de Energia S.A.
- **CNTE** Canarana Transmissora de Energia S.A.
- **CTX** Catxerê Transmissora de Energia S.A.
- **ETEE** Expansion Transmissão de Energia Elétrica S.A.
- **ETIM** Expansion Transmissão Itumbiara Marimbondo S.A.
- **GATE** Graça Aranha Silvânia Transmissora de Energia S.A.
- **IRTE** Iracema de Transmissora de Energia S.A.
- **ITATIM** Linhas de Transmissão do Itatim S.A.
- **ITE** Itumbiara Transmissora de Energia S.A.
- **LTMC** Linhas de Transmissão de Montes Claros
- **MRTE** Marechal Rondon Transmissora de Energia S.A.
- **PCTE** Poços de Caldas Transmissora de Energia S.A.
- **PPTE** Porto Primavera Transmissora de Energia S.A.
- **PRTE** Paranaíta Ribeirãozinho Transmissora de Energia S.A.
- **RPTE** Ribeirão Preto Transmissora de Energia S.A.
- **SMTE** Serra da Mesa Transmissora de Energia S.A.
- **SPTE** Serra Paracatu Transmissora de Energia S.A.
- **STE** Silvânia Transmissora de Energia S.A.
- **XRTE** Xingu Rio Transmissora de Energia S.A.

OPERATIONS NETWORK

GRI 2-1 | 2-2 | 2-6 | EU 4



- ACTE - Atlântico Concessionária de Transmissão de Energia do Brasil S.A.
- ARTE - Araraquara Transmissora de Energia S.A.
- CNTE - Canarana Transmissora de Energia S.A.
- CTX - Catxerê Transmissora de Energia S.A.
- ETEE - Expansion Transmissão de Energia Elétrica S.A.
- ETIM - Expansion Transmissão Itumbiara Marimbondo S.A.
- IRTE - Iracema de Transmissora de Energia S.A.
- ITE - Itumbiara Transmissora de Energia S.A.
- LTMC - Linhas de Transmissão de Montes Claros S.A.
- LTI - Linhas de Transmissão do Itatim S.A.
- MRTE - Marechal Rondon Transmissora de Energia S.A.
- PCTE - Poços de Caldas Transmissora de Energia S.A.
- PPTE - Porto Primavera Transmissora de Energia S.A.
- PRTE - Paranaíta Ribeirãozinho Transmissora de Energia S.A.
- RPTE - Ribeirão Preto Transmissora de Energia S.A.
- SMTE - Serra da Mesa Transmissora de Energia S.A.
- SPTE - Serra Paracatu Transmissora de Energia S.A.
- STE - Silvânia Transmissora de Energia S.A.
- XRTE - Xingu Rio Transmissora de Energia S.A.
- BMTE - Belo Monte Transmissora de Energia SPE S.A.
- GTE - Guaraciaba Transmissora de Energia S.A.
- MTE - Matrinchã Transmissora de Energia S.A.
- PTE - Paranaíba Transmissora de Energia S.A.
- GATE - Graça Aranha Silvânia Transmissora de Energia S.A.

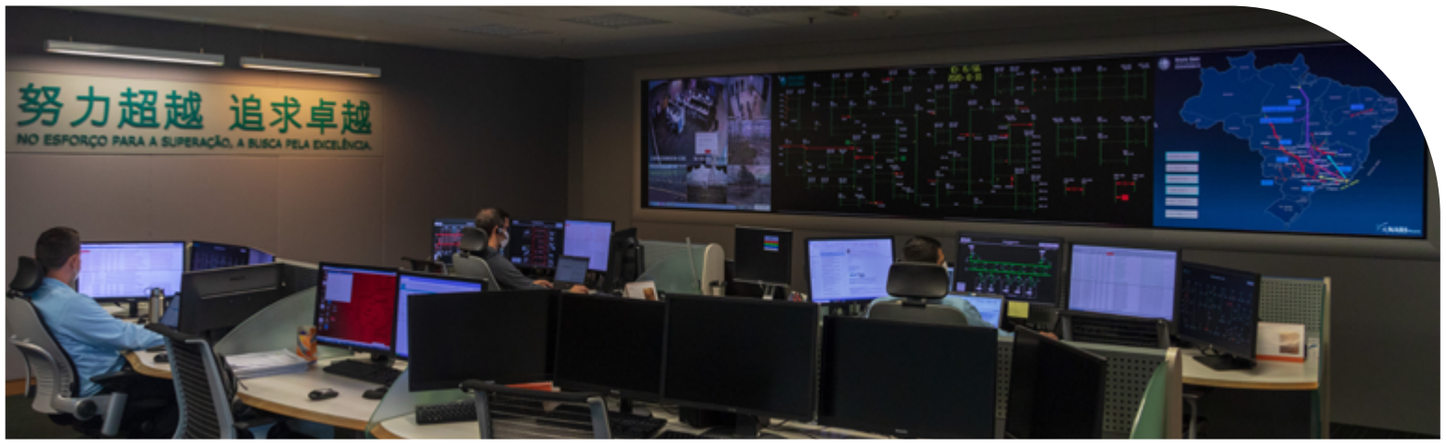
OPERATIONAL AND PRODUCTIVITY INDICATORS

Infrastructure	ACTE	ARTE	CNTE	CTX	ETEE	ETIM	IRTE	ITATIM	ITE	LTMC	MRTE	PCTE	PPTE	PRTE	RPTE	SMTE	SPTE	STE	XRTE	TOTAL
Own substations (units)	1	1	1	-	-	-	-	4	3	2	1	1	2	-	-	2	1	1	1	**21**
Transmission Lines (km)	72	45	262	609	690	214	398	911	817	151	-	300	539	1,012	409	680	245	156	2,792	**10,302**
Voltage (kV)	138 230	440 500	230	500	500	500	500	138 230 440	230 500	138 345 500	138 440	440 500	230 440	500	500	500	138 500	500	500 800	-

OPERATIONS CENTER

Rio Tower:
7,510 km of alternating current lines

Terminal Rio:
2,792 km of Ultra-High Voltage (UHV) direct current line



The Operational Control Center monitors transmission lines 24 hours a day, in real time.

NEW PROJECTS

GRI 2-2



NEW CONCESSIONS

Graça Aranha Silvânia Transmissora de Energia S.A. (GATE)

We won the main lot in the energy transmission lines auction held by ANEEL in December 2023, the largest in history in terms of values. Due with a 39.9% discount, this achievement will imply a large investment for the implementation of the third ± 800 kV Ultra-High Voltage Direct Current (UHVDC) transmission system to be installed and operated by SGBH.

We will build 1,468 km of direct current transmission lines, interconnecting the substations of Graça Aranha (MA) and Silvânia (GO), passing through the State of Tocantins, which constitutes an opportunity to expand our presence in the country, always committed to the quality of the services we provide. The completion period of 72 months reflects the magnitude of the project and challenges us to guarantee its execution committing to mitigate social and environmental impacts.

Named **Graça Aranha Silvânia Transmissora de Energia S.A. (GATE)**, over R$18 billion will be invested in the construction of transmission lines and two converter substations. These works will increase the interconnection capacity between the Northeast and Central-West regions, allowing routes for the flow of generated energy and ensuring supply to consumption centers, strengthening the entire national electrical system.

We understand that the municipalities involved in this project will also benefit by moving and increasing local economies, contributing to value generation for communities and their residents, with the expectation of more than 30 thousand direct jobs.

1,468 km of lines

+ BRL 18 billion invested

72 months of work

+ 30 thousand jobs generated

± 800 kV direct current

Silvânia Transmissora de Energia (STE)

GB 1

An important achievement in 2023 is that we completed the construction and started the operation of STE, a line that will connect Silvânia and Trindade substations, both in Goiás, with 177 km length at 500 kV. Our ongoing commitment to efficiency allowed us to bring forward the delivery of the facilities, originally scheduled for 2025.

The line energization process was divided into three stages connecting the following substations:

1) Samambaia to Silvânia and Itumbiara to Silvânia: December/23;
2) Silvânia to Trindade (main stretch): December/23;
3) Samambaia to Silvânia and Emborcação to Silvânia: scheduled for the first semester of 2024.

Over the first months of the projects' operation, attention has been focused on maintaining energy transmission stable and safe, a typical criticality of this initial stage, for which we feel fully prepared and motivated.

The project was partially financed by green debentures, with an investment of R$ 235 million. Furthermore, the project went through an innovative environmental licensing process, using the SEMAD Goiás Ipê System. The environmental actions, supervised by specialized consultancy and STE's environmental team, included adjustments to the route to preserve important areas, such as João Leite State Park and Environmental Protection Area. Relevant measures were adopted to minimize impacts, reinforcing our environmental commitment, such as positioning towers outside forest fragments and using drones to lay transmission line cables.



EXPANSION PROJECTS

We carry out substation expansion projects, which enable and reinforce connections in the Brazilian transmission network, contributing to ensuring energy security in the country. In 2023, we developed 15 projects, seven of which were delivered and entered into operation.

Concession	Inaugurated/Operating
ATE	Substation: SE ARARAQUARA 2: REA 9.994/2021 Scope: Installation of the 1st 440kV Bar Reactor Bank, (3 + 1) x 66,7MVAr Entry into Operation (COD): 28/Mar/2023
LTMC	Substation: SE PADRE FIALHO: REA 9.289/2020 Scope: Installation of the 2nd 345/138 kV Autotransformers Bank, new 138 kV sector Entry into Operation (COD): 27/Apr/2023
PPTE	Substation: SE NOVA PORTO PRIMAVERA: REA 9.933/2021 Scope: Installation of the 1st 440kV Bar Reactor Bank, (3 + 1) x 33,3 MVAr Entry into Operation (COD): 20/Apr/2023
	Substation: SE NOVA PORTO PRIMAVERA: DESPACHO 1.430/2021 Scope: Installation of TPs in 2 440kV Connection Bays of HPP Porto Primavera Entry into Operation (COD): 07/Jun/2023
SMTE	Substation: SE PADRE FIALHO: PA1 DTA-2019-PA-0090-R3 Scope: Installation of two 138 kV LT output bays (CEMIG) Entry into Operation (COD): 27/Apr/2023
	Substation: SE PADRE FIALHO: PA2 DTA-2021-PA-0115-R0 Scope: Installation of 138 kV LT output bay (CEMIG) Entry into Operation (COD): 27/Apr/2023
	Substation: SE LUZIANIA: REA 9.932/2021 Scope: Installation of the 3rd RT6 500kV bar reactor bank - 135.90 Mvar. Entry into Operation (COD): 13/Mar/2023

Concession	Ongoing
ATE	Substation: SE PARACATU 4: PA NSO DTA-2021-PA-0085-R0 Scope: Installation of 138 kV bay - CEMIG (7º Bay).
	Substation: SE PARACATU 4: PA NSO DTA-2023-PA-0109-R0 Scope: Installation of 138 kV bay - CEMIG (8º Bay).
ITATIM	Substation: SE ILHA SOLTEIRA 2: REA 14.804/2023 Scope: Installation of the 4th 440/230 kV ATF 3x150 MVA.
PCTE	Substation: SE RIBEIRÃO PRETO: DESPACHO 1.913/2023 Scope: Installation of the 2nd 500kV bar reactor bank – 3x60 Mvar.
PPTE	Substation: SE ARARAQUARA 2: REA 14.805/2023 Scope: Installation of the 4th 500/440kV Autotransformers Bank, 3x416,67 MVA.
	Substation: SE ARARAQUARA 2: REA 9.677/2021 Scope: Provide 13.8kV Power Supply for Auxiliary Services by the AT02 Autotransformer tertiary to IE Madeira.
SMTE	Substation: SE PARACATU: REA 12.266/2022 amended to REA 13.312/2023 Scope: Installation of the 3rd 500/138 kV TR, 3x100 MVA and connections.

STATE GRID EXPERIENCE

The State Grid Experience was created to present SGBH's trajectory to our guests and internal audience, who have an immersive experience in photos, videos and virtual reality. Inaugurated in 2023 at the SGCC Tower, the exhibition was visited by delegations from China, who were at our headquarters in Brazil. The room has an LED panel, interactive TV and virtual reality glasses, telling our stories, achievements and innovation plans for the future.



ONE STATE GRID

Over 2023, State Grid Brazil Holding focused efforts on the One State Grid project, a comprehensive and challenging initiative that has been developed since 2022. This commitment unifies the company and highlights the importance of collective work as opposed to individual goals.

Extended to all areas of the company, the project included training from SGBH's senior leadership, which covered all regional units, engaging our employees. The objective is to raise awareness among all employees about the need to achieve goals together, promoting a collective effort that requires long-term commitment. Open and safe communication is essential, and to this end, a video was also produced, to ensure that 100% of employees had some contact with the project in 2023.

One State Grid promotes collaboration across the areas, encouraging the exchange of information on best practices, administrative satisfaction surveys and campaigns to build a unified message. The company values fluid integration, especially when welcoming colleagues from different nationalities, emphasizing joint trust and responsibility to achieve corporate goals and objectives.

SGBH directs the following objectives towards achieving corporate results: maximizing the availability of transmission lines and preparing people, improving processes and incorporating technologies, adding value to shareholders and managing costs and manageable expenses.



ONE STATE GRID COMMITMENTS

- Efficiency and efficacy;
- Relationship based on trust, respect and empathy;
- United company, guided by the same purpose and open to innovation;
- Active cooperation across departments, including the relationship between directors and managers;
- Clear communication;
- Long-term planning;
- Individual and collective commitment and responsibility;
- Safety.

Work together in the same direction, sharing the same principles, values and corporate culture, as well as prioritizing collective goals in order to ensure SGBH's sustainable growth.



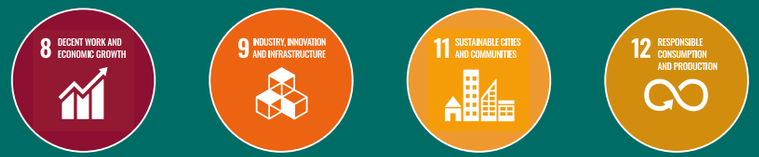
3. Value Generated in 2023

ANEEL General and Economic-Financial Dimension

Related Capitals



Related SDGs



VALUE GENERATION MAP

Inputs

MANUFACTURED CAPITAL
- Infrastructure of transmission lines, substations and operational centers;
- Infrastructure expansion and construction projects;
- Technologies to optimize operations.

NATURAL CAPITAL
- Use of renewable and non-renewable natural resources;
- Change in land use;
- Interference in forest areas;
- Impact on biodiversity.

FINANCIAL CAPITAL
- Income and financing;
- Direct participation shareholders and investment fund.

SOCIAL AND RELATIONSHIP CAPITAL
- Relationship with communities;
- Relationship with government authorities and energy regulatory agencies.

HUMAN CAPITAL
- Own and third-party employees;
- Suppliers;
- Partners.

INTELLECTUAL CAPITAL
- Technical and managerial knowledge of the team;
- Exchange of accumulated knowledge from the headquarters in China.



Generated Value

- **MANUFACTURED CAPITAL**
  - 25 energy transmission concessionaires in 14 states in Brazil;
  - 10,302 km of lines and 21 substations;
  - Activation of 177 km of 500 kV lines, brought forward by 15 months, in a project carried out with partial investment in green debentures;
  - 4,000 MW installed only in Ultra High Voltage ± 800 kV technology;
  - 1,468 km to be built under new 30-year concession contracts;
  - Average availability above 99.2%, reaching 99.9985% at XRTE.

- **NATURAL CAPITAL**
  - GHG Protocol Gold Seal for 2022 and 2021 inventories;
  - 60,687 tCO_2e emissions in Scopes 1 and 2;
  - 22.7 thousand GJ of energy consumed;
  - 116 t of hazardous waste and 230 t non-hazardous;
  - Signing of a renewable energy contract through the Free Contracting Environment;
  - Compliance with environmental licensing conditions;
  - Natural resources management.

- **FINANCIAL CAPITAL**
  - R$4.03 billion in net revenue;
  - R$3.67 billion in distributed added value;
  - Investments in employees, infrastructure and innovation;
  - Remuneration of third-party capital;
  - Use of the R$235 million received in green debentures.

- **SOCIAL AND RELATIONSHIP CAPITAL**
  - Practices aligned to the policies and regulations of the energy sector and occupational health and safety;
  - Partnerships in research and development;
  - Mitigation of interference in local communities and an open relationship channel to prevent accidents;
  - R$4.12 million in 11 social investment projects;
  - Contribution to communities development;
  - Signatories of the UN Global Compact.

- **HUMAN CAPITAL**
  - +900 employees focused on the same goal;
  - 100% engaged in the One State Grid concept;
  - Recognition awards for our professionals;
  - Training and skill development;
  - Dedication to the safety and well-being of employees and local communities;
  - 20 work accidents, with no serious accidents or fatalities;
  - Active engagement with communities;
  - Guarantee of energy delivery to society.

- **INTELLECTUAL CAPITAL**
  - 5 awards granted to SGBH and our professionals;
  - R$45.2 million invested in 9 R&D and innovation projects;
  - Launch of the State Academy corporate university;
  - Periodic training totaling more than 45 thousand hours;
  - Adherence to international innovation and quality standards;
  - Contribution to technological advances and innovative solutions for the transmission sector.

HIGHLIGHTS OF THE YEAR

New projects

We won the largest lot in ANEEL's 2/2023 transmission auction, with an investment of more than **R$18 billion**.

Governance

We created a Corporate Governance department and revised our **Code of Ethics and Conduct**.

ReconheSER Program

Recognizing and rewarding the contribution of our talents to SGBH's achievements is an **ongoing practice** and we now count on this program to embrace all internal awards.

STE Operation

We energized **177 km** of 500 kV lines 15 months ahead of the scheduled date, which was 2025.

Free energy market

We adhered to the free market, signing a **five-year contract** to purchase energy based on economic and environmental criteria.

Net revenue

Net revenue of **R$4,03 billion.**

One State Grid

100% of our professionals were engaged in the concept of joining forces and valuing our collective work.

GHG Protocol Gold Seal

The 2021 and 2022 greenhouse gas inventories were awarded this recognition of transparency and engagement with the climate change issue.

XRTE Availability

We had the **best result** in SGBH's history, with a 99.9985% availability.

AWARDS

- **100 Most Influential in Energy,** Mr. Sun Tao was recognized as one of the most important leaders in the sector, for his effort and commitment to the country's energy development. The event was promoted by Grupo Mídia and Full Energy;
- **2023 Energy Leaders,** promoted by the Full Energy platform, SGBH was awarded in the "Technology and Digitalization" category;
- **Silk Road Friendship Awards,** Ricardo Felix, Director of Environment, Health and Safety, was one of the winners in the third edition of this award, held in Beijing. The event was co-organized by the China International Cultural Exchange Center (CICEC) and Global People magazine;
- **Civilization Fusion Award,** SGBH won the "Belt and Road" award in the 5th Short Video Competition of 100 Countries and Hometowns, with the video produced about the "Orquestra da Maré" Project;
- **4th Global Poverty Reduction Case Series,** SGBH won the "Best Case" for its support to several hospitals in Brazil. The Award is co-hosted by the International Poverty Reduction Center in China, World Bank, Food and Agriculture Organization of the United Nations and International Fund for Agricultural Development.





MATERIAL TOPICS

GRI 2-29 I 3-1 I 3-2 I 3-3

SGBH materiality study was carried out in 2021 and the material topics were defined in accordance with the electricity sector practices and guidelines, taking into account consultation with interested parties. The consulted stakeholders were: financial sector agents, employees, community leaders, municipal and state government authorities, regulatory bodies (environmental and sectoral agencies, Public Prosecutor's Office and Judiciary System institutions) and civil society. To define the themes, sectoral studies were carried out and best practices were observed according to: Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Corporate Sustainability Index (CSI – B3), Dow Jones Sustainability Indexes (DJSI), reports and publications from companies in the electrical sector, international studies on sustainable development in the electrical sector.

All themes continued to be developed throughout 2023 and are priorities in our initiatives, organized into ESG categories.

ENVIRONMENTAL

BIODIVERSITY

We mitigate impacts on biodiversity resulting from implementation and operation activities according to the vulnerability of the various regions where we operate, following the measures provided for in environmental agencies' licenses and guidelines. Impacts on vegetation suppression, erosion processes, temporary fragmentation of habitats and other impacts are mitigated or compensated by actions such as forest replacement, saving germplasm, rescuing and driving away fauna.

SOCIAL

OPERATIONAL SAFETY

Operational safety is a non-negotiable value at SGBH, the decisions made by the Safety Committee are reflected in comprehensive programs and awareness campaigns, in addition to the implementation of tools and regular training for teams. We also carry out preventive and corrective actions, such as incident investigations, new equipment studies and internal audits. Over the past year, we had no serious accidents or fatalities, updated the behavioral safety program and increased risk awareness among field employees, highlighting our continuous commitment to safety.

GOVERNANCE

TECHNOLOGY AND INNOVATION

We incorporated technology and innovation into SGBH's culture and strategic planning, and throughout 2023 we continued investing in regulated projects seeking efficiency and added value. ISO 56002 innovation management certification reinforces our structured commitment to advancing this topic, in addition to periodic meetings of the Innovation Committee, addressing global risks. The management of our R&D portfolio is supported by IT tools, and our Innovation Manual is reviewed annually, guiding objectives, goals and indicators, meeting the ANEEL R&D Program standards.

ENVIRONMENTAL

ENVIRONMENTAL MANAGEMENT

This theme encompasses several environmental issues, such as licensing, environmental conditions, solid waste, effluents, water and forest replacement. Our practical initiatives include environmental monitoring, environmental compensation, social communication and environmental education, to ensure compliance with legislation and prevent adverse impacts on health and the environment.

ENERGY TRANSITION

We lead two essential projects in energy transition, focused on studies on reversible hydroelectric plants and energy storage in batteries. We seek to develop methodologies that contribute to transition management policies and guarantee energy security. Furthermore, we are preparing for the expansion of energy infrastructure, including ultra-high voltage technology and R&D projects for resource optimization and transmission reliability.

SOCIAL

SOCIAL INVESTMENT

We carry out social investments that bring long-term benefits to society, extending efficient and transparent management commitments to each project. During 2023, we supported 11 projects in the culture, sport and health areas. With a specialized team to carry out the activities, we hold periodic meetings for monitoring and management the results, which are shared, when necessary, with the ESG Committee.

LOCAL COMMUNITIES

The risks and impacts on local communities vary between the implementation and operation phases. During implementation, we create employment opportunities, boosting the local economy, but generating risks of seasonal worker mobilization and impacts due to the work vehicles circulation. During operation, impacts are reduced, concentrated on specific activities. In order to minimize impacts, we implement environmental education and social communication programs, with constant results monitoring. Throughout the project, we prioritize local hiring, communicate job opportunities publicly and maintain dialogue channels, including an Emergency and Ombudsman Channel. In more sensitive areas due to the presence of traditional communities, such as indigenous or quilombolas, we develop mitigation and compensation programs, focusing on the development and autonomy of these communities.

GOVERNANCE

ETHICS AND COMPLIANCE

SGBH reinforces its commitment to ethics and integrity, working both internally to comply with and disseminate the organizational culture, and externally in stakeholder relations. We updated the Code of Ethics and Conduct and adopted actions such as: periodic, onsite and remote training for all employees, communication via email of compliance pills on business conduct and ethics, and the Compliance Week, in which we address topics such as fighting corruption, data protection and privacy, gender equality and racial diversity. Furthermore, we have an independent and anonymous Ethics Channel, ensuring compliance with local legislation.

RESILIENT INFRASTRUCTURE

We dedicate efforts to preventing transmission failures, especially during periods of high power transfer, granting energy stability. We carry out preventive and predictive inspections and maintenance on equipment, and study hidden faults, allowing us to anticipate actions, enriching our prevention practices and strengthening the system's resilience. We also have an emergency action group, made up of trained teams and a strategic stock of spare parts in lines and substations, ensuring an effective response to possible contingencies.

FINANCIAL PERFORMANCE AND INVESTMENTS

GRI 201-1

Committed to transparency and quality in governance, we keep our commitment to publishing economic and financial results in an accurate and accessible manner. In 2023, we continued to strengthen internal controls, by verifying corporate and regulatory balance sheets through an independent external audit, conducted by KPMG.

R$4.03 BI Net revenue

R$3.67 BI Distribution of added value

SGBH remained with the AAA rating, granted by Moody's Investor Service, the best rating in credit risk assessment

A comparative analysis between 2022 and 2023 makes it possible to observe SGBH's commitment to adjusting to market dynamics and maintaining its commitment to financial sustainability. Furthermore, we are dedicated to improving governance and social responsibility, expanding the adoption of sustainable practices in operations and the value chain.





As of December 31, 2023, the distribution of combined added value of SGBH's regulated concessions resulted in a wealth of **R$3.67 billion**, indicating a 11.2% growth over the past year. The allocation of this amount was distributed across People (6%), Taxes, fees and contributions (18%), Compensation on third-party capital (23%) and Compensation on equity (54%).

Concessionaire compensation is stipulated in concession contracts, taking into account the Permitted Annual Revenue (RAP) for public services provision. Based on financial results, we formulate strategies to implement actions that benefit employees, the community, the environment and improve both operational and financial structure.

DISTRIBUTION OF ADDED VALUE (DVA)

	2023 (thousand R$)	2022 (thousand R$)	Variation 23-22
TOTAL DVA	**3,670,422**	**3,301,752**	**11.2%**
People	205,003	191,404	7.1%
Fees, taxes and contributions	672,316	660,310	1.8%
Compensation on third-party capital	826,551	903,229	-8.5%
Compensation on equity	1,966,552	1,596,809	23.2%

Individual DVA of SGBH's concessionaires are shown in Annex 6.

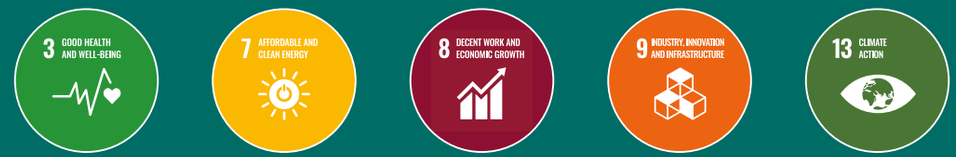
4. Operational Safety and Efficiency

ANEEL General, Social and Sectoral Dimension

Related Capitals



Related SDGs



COMMITMENT TO SAFETY

GRI 3-3 | 403-2 | 403-5 | G4-DMA (FORMER EU 6 | EU 21)

OPERATIONAL SAFETY

Safety is one of the most important values for SGBH, and is a guiding principle for all our actions. We frequently implement training, lectures and awareness campaigns for employees, expanding reflection on the topic and showing the multiple dimensions that affect it. We adopt programs and processes for continuous project monitoring, which involve identifying and controlling risks, so that we can continue transmitting energy in a sustainable and safe manner. We monitor our challenges with performance and health preservation indicators, such as frequency rate (FR) and accident severity rate (SR), and we use behavioral observation tools in operational activities.

Aligned with corporate strategic planning, the initiatives promote a safety culture in the activities based on three pillars:

- **Technical:** creation of safe working environments
- **Human:** search for safe behavior on the part of employees;
- **Administrative:** implementation of management systems that assist in task execution.

Safety trainings offered to ensure the application of best practices in our operations include the following topics: NR10 (for safety in electrical installations and services), NR35 (for safety when working at heights) and defensive driving.

Below we present the main initiatives that promote safety in our operations.





Daily activity management application

After two years of development, we implemented a mobile system for managing occupational health and safety resources. The application offers a checklist with all pre-mapped risks by activity, allowing a quick, daily prior checking of the activities to be undertaken. In the integrated dashboard, it is possible to identify the main operational risks for each activity and their respective classifications (low, medium or high risk), in addition to providing a trend analysis based on the service execution history.

This way, it is possible to monitor works remotely and in real time, and act directly on the efficiency we seek, with standardized, organized and up-to-date data between teams. The tool strengthens our culture of caring for our employees' health and increases safety in SGBH operations.

Fire outbreak warning dashboard

Fires are identified as one of the main risks to be mitigated, as they can endanger communities and ecosystems and critically affect transmission lines in the country. To monitor our infrastructure, we created a dashboard that integrates fire data into the GIS (Geographic Information System) platform, triggering alerts and emails to those responsible for operating the lines in cases of fire. This way, our teams are quickly mobilized and any emergencies are responded to promptly, preserving the functionality of our transmission lines. Our dashboard informs:

- Dynamic information map;
- Lines in operation under SGBH's responsibility;
- Number of fire outbreaks on the current day, information captured by satellites monitored by the National Institute for Space Research (INPE);
- Quantity and listing of lines sections under fire alert;
- Number and list of active reforestation projects under fire alert.

OPERATIONAL EFFICIENCY

GRI G4-DMA (FORMER EU 6 | EU 21)

OPERATIONAL CHALLENGES

A major challenge for SGBH, not only in 2023, is maintaining complex systems with high availability and quality of energy transmission in a country with continental dimensions. Operations are governed by electric energy transmission service concession contracts, ANEEL transmission rules, requirements and procedures established by the NSO, in addition to Brazilian standards guidelines. The biggest difficulties faced include:

- Training the team to deal with dangerous activities in a safe manner and qualifying them according to the systems and installations of each of the concessionaires;
- Equipment failures caused by external factors, such as weather events (rain, winds and fires) and agricultural machinery colliding with transmission towers, which have a major impact on our operations, despite our quick action;
- Technological resources required by the National System Operator (NSO) and availability of financial resources for its acquisition, requiring medium and long-term financial and operational planning.

Keeping the system active and available is a major responsibility of the company, and we always seek to associate it with our commitment to the safety of our teams.



OPERATIONAL PERFORMANCE

SGBH's operations involve more than 29 thousand towers and 10,302 km of transmission lines that cross Brazil, throughout 14 states. Our operational availability has a high degree of reliability, with maintenance routines carried out efficiently, effectively and safely. This continuous work guarantees excellent infrastructure availability performance and low failure rates, which confirm our commitment to increasing the NIS' energy security.

Highlighted in the operational availability indicator, the XRTE concession accounts for 4,000 MW of nominal transmission between the North subsystem and the Southeast consumer market. Therefore, during full power transfer periods, this connection contributes significantly to energy dispatch and reservoirs management by the NSO.

XRTE reached an average availability of 99.9985% in 2023, the best result in SGBH's history.



NSO performance criteria for operation monitoring*

	2023					2022					2021			
Voltage (kV)	230	345	440	500	800	230	345	440	500	800	230	345	440	500
Average availability (%)	99.99	99.77	99.41	99.19	99.12	99.72	100	99.89	99.84	99.90	99.92	100	99.36	99.32
Average failure rate	1.07	0.02	0.04	0.04	0.00	0.56	0	0.31	0.14	0.10	0.01	0	1.84	0.27

* The annual maintenance stoppage, foreseen and mandatory in ANEEL resolutions, was not considered.

To ensure ideal operating conditions and obtain excellent results in transmission efficiency, the following are part of our teams' routine:

- Intensive training on Operation and Maintenance, focused on resolving emergency cases and preventing failures;
- Preventive and predictive equipment maintenance, in accordance with ANEEL Regulations;
- Periodic overflight along critical lines to identify potential risks, such as changes in cultivation under the line, the presence of mining sites, new housing or erosion, as well as failure points, such as problems with insulators;
- Emergency Action Group to deal with possible emergencies on the line and in substations, such as tower falls and essential equipment failure;
- Study group on equipment hidden failures, promoting the exchange of experiences between professionals with experience in the Brazilian and Chinese electricity markets, allowing actions to be brought forward and avoiding potential impacts on installations;
- Availability of spare parts at substations and along transmission lines, for immediate action in case of failure;
- Monitoring and control of substations to ensure their uninterrupted operation, with verification and maintenance of rainwater drainage systems to deal with critical rainfall events.



Keeping the system active and available is major responsibility of the Company, and we always seek to associate it with our commitment to the safety of our teams.

GREEN BONDS

GB 1 | GB 2 | GB 3 | GB 4 | GB 5

In 2022, SGBH took an important step in its sustainability journey, with the issuance of R$ 235 million in Green Bonds, demonstrating its commitment to practices that contribute to climate change mitigation. The issuance is in line with the Green Bond Principles criteria, which ensure the integrity of the environmental bias of financing and the transparency in communication with investors being reassessed 24 months after its issuance by ERM NINT and having a favorable opinion to the venture's green bond.

The Company's first issue of green debentures covered 41.6% of the project's needs, demonstrating the positive impact of the initiative. The resources raised were temporarily allocated in fixed income investment securities (CDB), and until 31/Dec/2023, fully allocated to Silvânia Transmissora de Energia S.A. (STE), with a total infrastructure cost of R$565 million.

As the STE is still being implemented, it was not possible to measure revenue data or the direct environmental benefits of the project using its own data from green users. However, we present the results to the Company's operations. The number of green users, with generation from renewable sources, who transmitted energy through our systems grew from 1,058 in January to 1,592 in December. On average, green users accounted for 77.7% of total users and 7.6% of the income.

Regarding socio-environmental indicators, the Company carried out the entire supervision process during the works, inspecting the contractors' activities and issuing reports and other documents on adverse impacts mitigation.

Environmental Benefit	2023	2022	2021	2020	2019
Average monthly number of green users	1,165	943	795	644	579
Percentage of green users over total users – monthly averages (%)	77.7	74.7	71.4	67.3	64.2
NIS average greenhouse gas emission factor (gCO_2/kWh)	38.5	42.6	126.4	61.7	75.0

THE FUTURE OF ENERGY

GRI G4-DMA (FORMER EU 8)



SGBH stands out for its innovative capacity in energy transmission and our investments are aligned with the vision of becoming a reference company in this segment of the energy sector. The synergy between our team's technical knowledge and technological advances coming from State Grid Corporation of China creates opportunities to adapt solutions, boosting operational efficiency and accelerating the modernization of the National Interconnected System (NIS).

To achieve these results, we direct our efforts to:

- Continuously qualifying the innovation team, with training and participation in lectures;
- Managing, testing, implementing and executing the insights generated by all SGBH stakeholders;
- Creating innovative products, services or processes to increase operational efficiency and competitiveness in transmission auctions;
- Creating innovative methodologies and processes for managing regulated and non-regulated projects;
- Continuously improving innovation governance, based on ISO 56002.

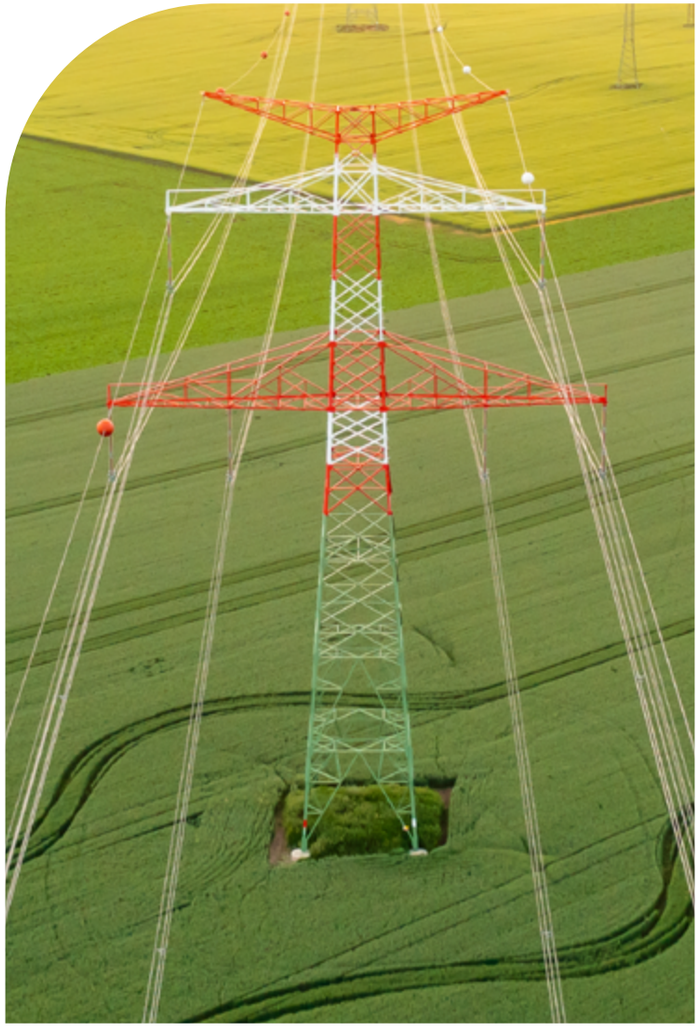
We operate in a structured manner in project management, resource control and encouragement of innovations, always bringing improvements to our services. Through ISO 56002 standard for innovation management, we were able to structure our technology and innovation advances, assisting in decision-making regarding the allocation of financial resources for ANEEL's Research and Development (R&D).

In our O&M operations, we implement procedures to ensure the safety of our employees and the local community, in addition to preserving biodiversity and ecosystems. To this end, we are always looking for improvements to increase efficiency and safety. Below, we highlight the main advances from 2023 in technologies, administrative processes, operational routines and partnerships for upcoming developments.

MAINTENANCE DRONES

In order to optimize the maintenance process and thus increase efficiency of transmission lines, we use drones in routine inspections. These devices allow us to monitor our systems more quickly and comprehensively, avoiding supply interruptions and increasing the level of safety for teams by reducing the need for climbing towers and working at heights. The images obtained make it possible to accurately identify wear, failures or damage to line structures, before they become major problems.

In 2023, we modernized around 25% of our drone fleet. The new models have an extended autonomy in stationary flight, accounting for 50% gain in battery operating time. In addition, they are less susceptible to interference from the electromagnetic field of transmission lines. These updates not only increase the efficiency of inspections, but also improve the quality of the information collected. Over the next few years, we will continue to invest on research and development of even more advanced models, consolidating our commitment to excellence in transmission line maintenance.



DRY REACTOR

Dry reactor technology provides significant environmental benefits by eliminating the use of mineral oil as an insulating and cooling medium and all associated infrastructure of fire walls, water-oil separator box, and residual oil treatment.

As an important advantage, they simplify system maintenance, increasing transmission availability rates. Furthermore, they result in lower costs throughout the equipment's useful life, with estimated savings of around 25% compared to oil-immersed reactors of similar capacity.

The implementation of the technology in 500 kV lines in 2023 was a first in the world and eliminated the use of around 179,000 liters of mineral oil.



LIVE LINE MAINTENANCE

Focusing on the replacement of insulators in the 800kV direct current voltage class, our team continued to develop and apply the technique throughout 2023. More than 40 insulators were replaced on energized lines, with 15 employees directly mobilized, including: engineers, electricians and security technicians, in addition to partners from other SGBH teams.

Without the need to interrupt lines, the success of the action increases SGBH's operational capacity and the energy security of the National Integrated System.

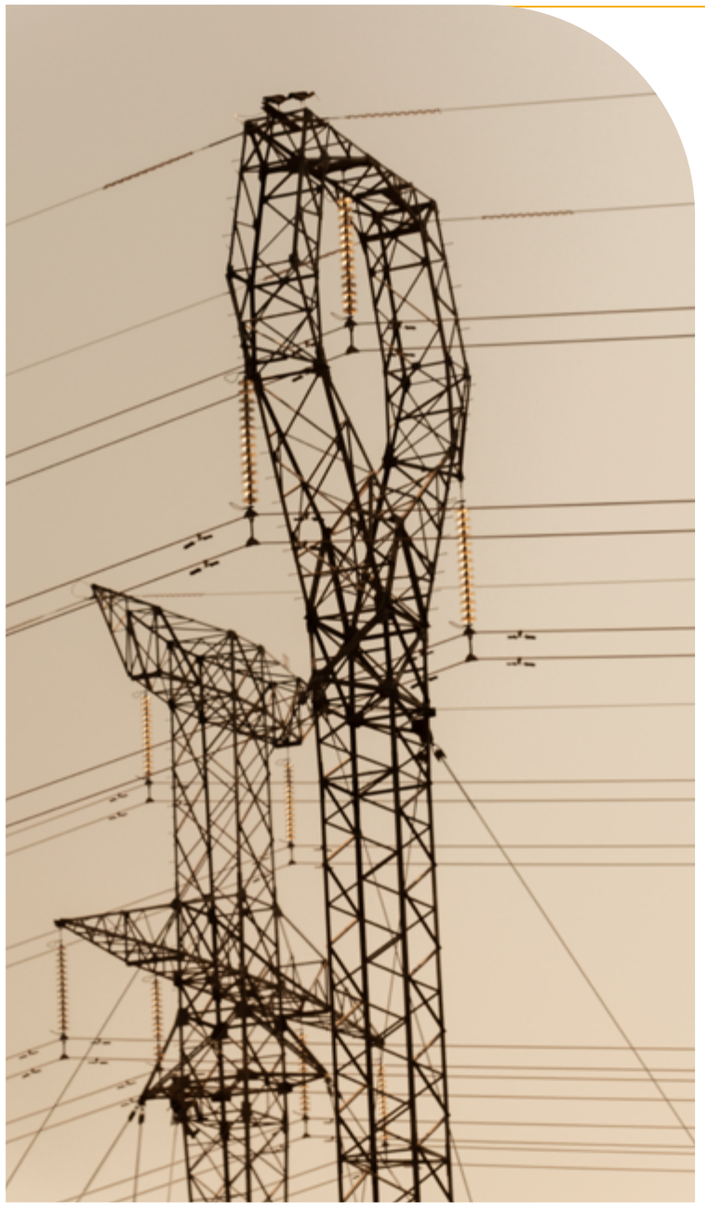
Also on the live line, we carried out an innovative work in the expansion of Padre Fialho substation, located in Matipó (MG). It was necessary to install signaling spheres along the crossing of one of the transmission lines, due to the difficulty in approving the shutdown, this action had to be carried out under a special energized line regime, using, in an unprecedented way within SGBH, a helicopter with a specialized platform for the service. With specific training and partnership from various areas of the company, in July 2023, the activities were performed in compliance with all safety standards and procedures, with no complications and in an innovative manner.

Free Energy Market

SGBH signed a contract with CPFL to purchase energy through the free energy market. The energy provided will supply 13 substations and our headquarters building. The agreement, valid for five years, will result in an expected 45% saving in electricity consumption.

The decision to migrate to the Free Contracting Environment (ACL), regulated by the Electric Energy Commercialization Chamber (CCEE), was based on a strategic analysis. State Grid will be able to freely choose its supplier, negotiating contractual conditions, including price, term and energy source.

The acquisition of energy from renewable sources, such as wind, solar or biomass, was a criterion for supplier selection, in another step we take by integrating ESG aspects and adhering to the global energy transition plan, following the environmental responsibility established by State Grid.



INVESTMENTS IN R&D

GRI G4-DMA (FORMER EU 8)

SGBH's activities cover research and development (R&D) initiatives in accordance with the guidelines of the ANEEL Program for companies in the electricity sector. We seek projects aligned with operational efficiency, ensuring affordable tariffs and expanding the supply of reliable electricity, promoting sustainable development.

R$45.2 milion invested

9 projects

Learn more about the R&D projects in Annex 7.

Investments in R&D by ANEEL category:

Electrical energy systems planning (PL)	Amount (R$)
Reference Manual for Pumped Storage Hydropower (PSHs)	8,373,770.75
Insertion of an ultra-high voltage Alternating Current (AC) transmission system in Brazil	7,495,564.68
Analytical Intelligence System for the Electrical Sector, Transmission module (SIASE-T)	891,609.25
Operation of electrical energy systems (OP)	
Research on VSC Converters for HVDC Transmission Using Overhead Lines	6,282,341.87
Research on the application of Battery Energy Storage Systems (BESS) in the transmission system	5,984,240.40
Supervision, control and protection of electrical energy systems (SC)	
Smart sensor and series capacitor bank monitoring software	4,127,165.02
Implementation of a SEP pilot project in a hybrid electrical network, HVDC/HVAC, based on PMU	6,859,023.20
Environment (MA)	
Development of a solution for remote monitoring of bird collisions on transmission lines via computer vision	3,765,870.64
LAST Portal - Development of a reference portal on environmental licensing of transmission systems - phase 2	1,453,200.00

PROJECTS WITH PARTNERS



THYMOS + POWER CHINA

Reference Manual for Pumped Storage Hydropower (PSHs)

Aiming to contribute to the dissemination of pumped storage plants in Brazil, since 2021, we have supported the development and application of the first reference manual for battery pumped storage hydroelectric power plant projects. Through the project, computational tools are developed to support the selection of basins or regions for installation of the PSH, studies of the system's dynamic behavior and reliability assessment, in addition to economic and technical feasibility studies. The project is scheduled to be completed in 2024 and is carried out in partnership with the Federal University of Rio de Janeiro (UFRJ) Electrical Sector Study Group (GESEL) and the companies Thymos Energia and PowerChina and, in the future, could serve as a basis for several sectoral bodies such as EPE, NSO and ANEEL.



GESEL + EPPEI Brasil

Energy storage in batteries in the transmission system

The project aims to demonstrate the feasibility of applying the energy storage system in the Brazilian transmission system, as well as technical control solutions. The studies will be aimed at the application of the energy storage system based on the input of energy sources, especially solar and wind, frequency and voltage regulation, energy storage capacity, economic demonstration of the use of technology and research on energy storage. Also scheduled for completion in 2024, the project is carried out in partnership with the Electric Sector Study Group (GESEL) and the China Electric Power Planning and Engineering Institute (EPPEI) Brazil.

5. Governance and Strategy

ANEEL Corporate Governance Dimension

Related Capitals

Social Capital

Human Capital

Related SDGs



CORPORATE GOVERNANCE

GRI 2-9 | 2-10 | 2-11 | 2-13

Committed to improving its governance, SGBH seeks to strengthen the organization, taking into account the best practices and advances in the market.

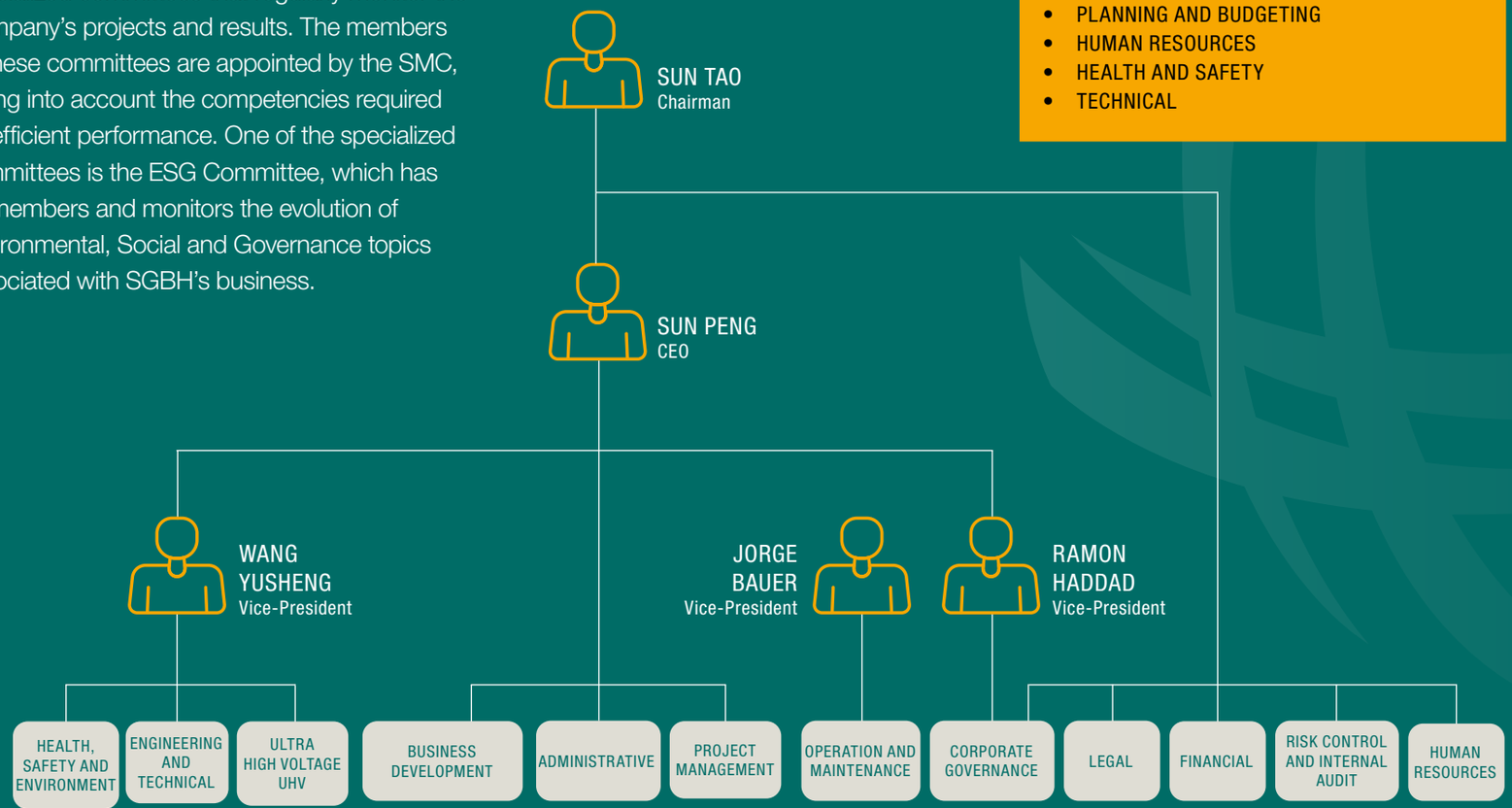
The Senior Management Committee (SMC) is the highest governance body at SGBH, and is composed of executives with extensive experience in the electricity sector, responsible for important and strategic decisions. Members are chosen as decided by the shareholders, with a three-year term of office, reelection permitted. In 2023, the SMC underwent two changes, Mr. Sun Tao assumed the role of Chairman in March, and Mr. Sun Peng assumed the presidency in October.

The SMC approved the creation of a new Corporate Governance Department, which integrates multidisciplinary divisions, and includes five areas: Administrative Management and Supervision; Corporate Governance Affairs; Regulatory and Relationship; Compliance and Privacy; Culture and Corporate Communication.

SMC decisions are supported by eight specialized committees that regularly monitor the Company's projects and results. The members of these committees are appointed by the SMC, taking into account the competencies required for efficient performance. One of the specialized committees is the ESG Committee, which has 14 members and monitors the evolution of Environmental, Social and Governance topics associated with SGBH's business.

SPECIALIZED COMMITTEES

- CONFIDENTIALITY
- ETHICS
- ESG
- RISK MANAGEMENT, CONTROL AND AUDIT
- PLANNING AND BUDGETING
- HUMAN RESOURCES
- HEALTH AND SAFETY
- TECHNICAL



SENIOR MANAGEMENT COMMITTEE (SMC) MEMBERS

GRI 2-17



SUN TAO
Chairman

With a PhD in electrical energy construction and operation, a master's degree in high voltage energy technology and a bachelor's degree in energy system and automation, Mr. Sun Tao has been working at SGCC since 2003. He has over 20 years of experience in construction project management and energy transmission operation. He held the position of CEO in April 2022 and took the office as Chairman in March 2023.



SUN PENG
CEO

An engineer of Relay Protection and Automatic Telecontrol, he has a master's degree in Electrical Energy Systems and Automation. In his over 30 years career, he was deputy director of various departments at State Grid Hubei Electric Power Company, as well as president of Suizhou Power Supply Company. Between 2017 and 2023, he was Deputy CEO and Board Director at SGSP Assets Pty in Australia. He has been CEO of SGBH since October.



RAMON HADDAD
Vice-President

A senior engineer, postgraduate in electrical energy systems, he has over 40 years of a career dedicated to the Brazilian electrical sector, performing technical and administrative activities in generation, transmission and distribution companies and holding executive positions in energy transmission concessionaires. He holds the position of Vice President at SGBH since 2011.



WANG YUSHENG
Vice-President

A senior engineer, postgraduate in energy systems engineering, he has extensive experience in managing and leading the operation and maintenance of high and ultra-high voltage transmission lines. He joined SGBH in 2019, leading the Xingu Rio Transmissora de Energia (XRTE) operation. In 2021, Mr. Yusheng took the position of Vice President.



JORGE BAUER
Vice-President

An electrical engineer, postgraduate in management development, he has more than 30 years of experience in the electrical and infrastructure sector, and has held executive positions in several multinational companies in Brazil and Argentina. In 2016, he joined the company as O&M Director, and in November 2022, took the position of O&M Vice President.

BOARD OF DIRECTORS

GRI 2-10

Since SGBH does not have a Board of Directors (BoD), this body is present in the Company's concessionaires, and is made up of members elected by the General Assembly for three-year terms.

The Board of Directors' deliberations are defined by a majority of votes in favor. The BoD President is elected by all the votes of effective members and is responsible for presiding over shareholders' General Meetings, directing and guiding their respective work, which will be documented in a specific book; coordinate the activities of other directors and establishing the general direction of the Board of Directors' activities; performing the functions of Chief Executive Officer, when specifically determined by the Board of Directors.

BOARD OF DIRECTORS' RESPONSIBILITIES

- Allow the Board President or designated person to convene meetings of the shareholders' General Assembly and implement its decisions;
- Authorize the purchase and disposal of permanent assets and the creation of real liens on them;
- Consent to the act of disposing of any asset that exceeds R$ 100,000.00, as provided for in the Bylaws;
- Supervise the Directors management and assess the Company's books and papers whenever relevant, as well as request information on the signing of contracts or other acts;
- Assent to the Company's participation in other companies;
- Establish the general direction of the Company's business;
- Express an opinion on the report, balance sheets and accounts presented by the Chief Executive Officer;
- Elect and remove members of the Board of Directors.

SHAREHOLDER INFORMATION

Reflecting the transparency of the Company's activities, reporting to shareholders is carried out on a periodic basis, promoting access to information and seeking the necessary approvals on technical and financial aspects. Technical and operational information about our assets is passed on to shareholders in the form of reports, on a monthly or semi-annually basis, depending on the content.

SGBH's financial information is communicated as follows:

- Annual budget, prepared with data from all companies owned by the Company;
- Annual budget with individual data from specific companies or departments;
- Submission of monthly and annual, individual and consolidated financial statements, following the Financial Reporting Standards (IFRS), with annual reports audited by an independent third party;
- Reporting of the minutes of Shareholders' Assembly and Board of Directors' Meetings.

In December 2023, SGBH had a significant change in its shareholding structure, with the entry of Chinese institutional funds, CNIC Corp., China-Portuguese Speaking Countries Cooperation & Development Fund (CPD Fund) and China-LAC Industrial Cooperation Investment Fund (CLAI Fund), with subscription to shares issued by State Grid Internacional Singapore Private Limited (Singapore Holdco). New investors have a minority shareholding of around 26% in Singapore Holdco, while IGHL, a SGCC's wholly-owned indirect subsidiary, has a majority shareholding, not affecting the control exercised by SGCC, which will remain as the sole and effective indirect controller of SGBH and their concessionaires. Investments reduce debt and optimize SGBH's capital structure, improving the perception of credit risks and business solidity.

The composition of **SGBH concessionaires' Board of Directors** is variable, and may have from two to ten members, who may or may not be shareholders of the Company, reside in Brazilian territory or abroad. Directors are appointed and removed by a majority vote of the Board of Directors' members; reelection permitted. The Chief Executive Officer's duties include:

- Preparing instructions aimed at the Company's development;
- Managing the Company and coordinating the activities of other Directors;
- Supervising and assisting other Directors regarding the Company's activities;
- Approving the staff and determining their respective duties and salaries.

The Chief Executive Officer together with a Director without a specific designation or two Directors without a specific designation may appoint attorneys to represent the Company within the limits of the powers conferred in their respective mandates, with an expected term of one year.

Some concessionaires have peculiarities in their governance. At XRTE, the Chief Executive Officer and the Vice-President Officer jointly validate the Board's acts. At STE, the Board of Directors has a structure made up of two to eight members (Chief Executive Officer, Vice-President, Financial, Technical, Environmental and Land Management, in addition to a Director without specific designation), with members elected by the Board of Directors. The Board of Directors' decision-making is validated by a 75% (seventy-five percent) quorum, and if the deliberations do not result in the minimum required for approval, it is the responsibility of the Board of Directors, by a qualified quorum, to deliberate and decide on the matter under debate.

Directors of the Group's concessionaires are not allowed to engage in specific acts, which may be carried out, exceptionally, with the express authorization of the Board of Directors or by shareholder deliberation:

a. Signing contracts on behalf of the Group's concessionaires with third parties that involve assuming obligations for the respective company in amounts exceeding R$2,000,000.00 (two million reais);

b. Selling, assigning or otherwise transferring, in any capacity, fixed assets of the Group's concessionaires in amounts exceeding R$100,000.00 (one hundred thousand reais);

c. Creating liens on the assets owned by the concessionaires or entering into any financing contract on behalf of the Company:

d. Making investments on behalf of concessionaires;

e. Appointing an attorney to perform any of the acts listed in items (a) to (d) above.

RISK MANAGEMENT

GRI 2-12 | 2-13 | 2-24 | 413-2

Risk management is a paramount topic in our corporate governance, permeating all stages of our projects, from preparation to operation and maintenance, always in search of efficiency, effectiveness and integrated action. For the continuous improvement of the internal control environment and risk management, we have a dedicated department that supports the entire Company in adopting rigorous standards and best market practices.

We identify, evaluate, treat and continuously monitor technical and administrative risks in our activities and processes.

Risks are categorized according to an internal standard, using a matrix that covers seven pillars: Strategic, Reputational, Financial, Operational, Environmental, Legal and Regulatory. A comprehensive review is executed annually, including data, interviews and internal and external risk analysis. This process is followed by a risk assessment from the perspective of its potential impact and vulnerability, considering its probability of occurrence and the implementation of mitigating controls.

Priority risks are addressed preventively, requiring those responsible to prepare mitigating action plans, which are reviewed based on periodically identified and monitored Key Risk Indicators (KRI). To ensure the effective execution of internal mitigation controls, risk factors are linked to internal operational processes and continuous improvement is sought through the employment of good market practices and the identification and incorporation of improvement alternatives in the planning of specific areas. The last step, an internal audit is carried out to test the controls' effectiveness, and a report, with recommendations and results, is prepared, which guides a new risk management analysis cycle.

The Risk Management, Control and Internal Audit Committee (RCA Committee) is responsible for guiding and recommending actions in risk control and mitigation activities, and is subordinate to the SMC, which manages it in regular meetings with leaders and managers.

Since 2023, we have raised the maturity of risk management using a qualitative analysis using advanced statistical models, predicting and simulating future scenarios, allowing for more efficient decision-making, associated with qualitative analyses.

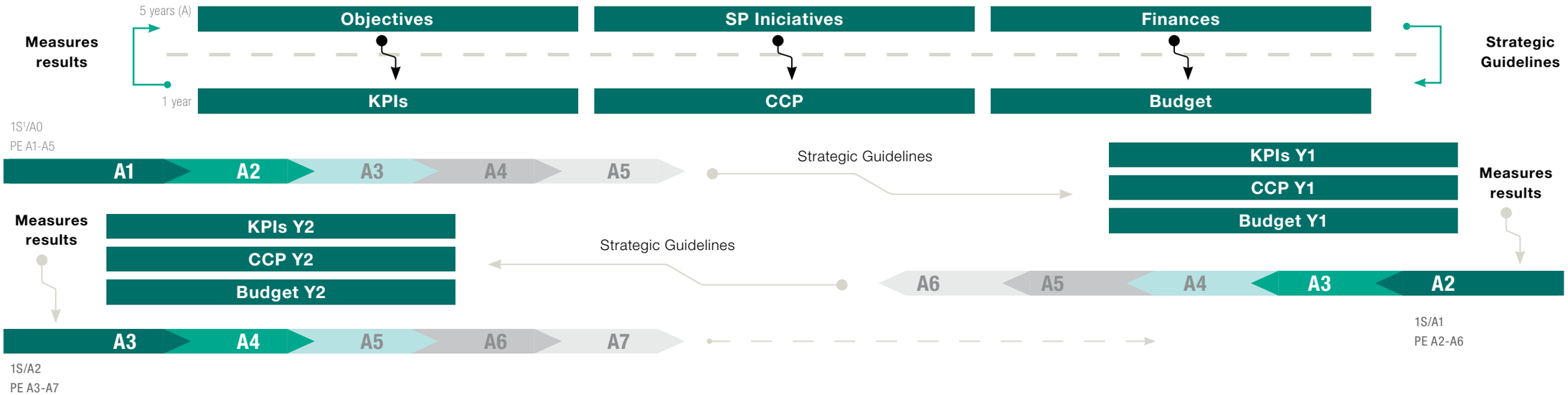


STRATEGIC PLANNING

GRI 2-13 | 2-22 | 2-23 | 2-24

SGBH's Strategic Planning (SP) is periodically reviewed by the Senior Management Committee and provides strategic guidelines for the Comprehensive Corporate Plan (CCP), business performance indicators and annual budget. In the SP 2024-28 cycle, the perspectives of the Brazilian electricity market and business opportunities were evaluated, establishing corporate assumptions over a five-year horizon.

In line with the strategic planning business guidelines, in 2023, SGBH won the main lot of ANEEL's 02/2023 auction. This achievement shows commitment to a long-term vision, adoption of cutting-edge technology and sustainability evolution. The GATE concessionaire will transport renewable energy generated by wind farms through an ultra-high voltage direct current corridor, with fewer technical losses, directly contributing to the national energy transition.



ETHICS, TRANSPARENCY AND COMPLIANCE

GRI 2-14 | 2-22 | 2-26 | 2-29 | 205-2 | 205-3

Our ethical and integrity practices are guided by the Code of Ethics and Conduct, which reflects our commitment to following national and international legislation, in addition to embodying our corporate values, which promote relationships based on integrity, dialogue and transparency with all stakeholders.

In 2023, we made important updates to this document in order to reinforce fundamental points in our relationship with our employees, suppliers, service providers, business partners and competitors. In particular, the update highlights the Ethics Channel and the creation of specific topics to reinforce our ethics and integrity commitments on subjects such as:

- Moral and sexual harassment in the workplace;
- Commitment to Human Rights;
- Diversity and inclusion;
- Fraud and corruption;
- Money laundering and terrorist financing;
- Conflict of interests;
- Violations of competition law.

For all topics, we have included practical examples of expected conduct and what will not be tolerated by SGBH, making it a clear and accurate guide that can be consulted at any time. We implemented online training on the Code of Ethics and Conduct, with the inclusion of tests to reinforce employees' understanding. Annually, as part of our efforts to keep professionals updated and aware, all employees formally sign and agree to adhere to the principles provided for in the document.

It is worth pointing out that, in 2023, SGBH was not involved in any corruption cases, and no penalties or disciplinary measures related to this topic were applied.



ETHICS CHANNEL

The Compliance and Privacy Division investigates and monitors reports received by the Ethics Channel, which is independent and anonymous, protecting the whistleblower, witnesses and the reported person. After an evaluation by the compliance team, valid complaints are forwarded to the Ethics Committee with a disciplinary recommendation. The process is closed after submitting relevant evidence and and implementing disciplinary actions recommended by the Compliance team in a final report, after due approval.

Ethics Channel - 24 hours a day
Available in Portuguese and English

0800 800 8068
www.contatoseguro.com.br/en/stategrid
The secrecy and confidentiality of whistleblower, accused and witness information is preserved.



As a strategy to strengthen the integrity culture, we promote onsite and online training, covering all regions. In 2023, we focused our efforts on raising awareness about fraud, corruption and conflict of interest, providing employees with clarifications and guidance. Anti-corruption policies and procedures: 100% of employees, from all positions, were notified; 68% of leaders and 90% of non-leaders received training on the topic. The courses were included as part of the onboarding process for new employees.

Moreover, we are establishing third-party due diligence, further reinforcing our commitment to integrity and transparent business practices at all levels of the organization.

The Corporate Governance department centralizes the management of the matter and reports directly to our Chairman. Approval flows for administrative and operational activities follow the Rules of Authority, which governs internal standards and methodologies.

INSTITUTIONAL RELATIONS

GRI 2-23 I 2-28

The Company has a Regulatory Management Rule, an internal standard developed with the purpose of centralizing information flow between SGBH and external regulatory bodies. The standard is used by the internal Relationships and Regulatory (RR) area, promoting communication between the Company, the Ministry of Mines and Energy (MME), ANEEL and the Energy Research Company (EPE). Communications between the Company and ANEEL, in particular, have an electronic mail communication channel, ensuring direct contact between the parties and dedicated to receiving official letters.

Understanding the importance of working together with bodies in the energy sector, we joined the following associations, institutes and councils:

- Utilities Telecom & Technology Council America Latina (UTCAL);
- Brazilian Investor Relations Institute (IBRI);
- Brazilian Center for International Relations (CEBRI);
- Brazilian Association for Business Communication (ABERJE);
- At the Brazilian Association of Electric Energy Transmission Companies (ABRATE), SGBH is a member of the General Assembly and the Board of Directors.The Company's Vice-President performs the same role on ABRATE's Board of Directors and his role within the association extends to specific work committees, such as the Regulatory Committee, Legal Committee, R&D Committee and Expansion Committee, seeking to contribute to strengthening ABRATE actions;
- At the Brazilian Association of Infrastructure and Basic Industries (ABDIB), the Company is part of the Transmission Committee, participating in discussions and work proposals.



UN Global Compact Network Brazil

We are part of the United Nations (UN) Global Compact Network Brazil, with active participation in the Human Rights, Climate, Anti-Corruption and Communicate and Engage Action Platforms.

6. People and Relationships

ANEEL Social and Sectoral Dimension

Related Capitals



Related SDGs



OUR EMPLOYEES

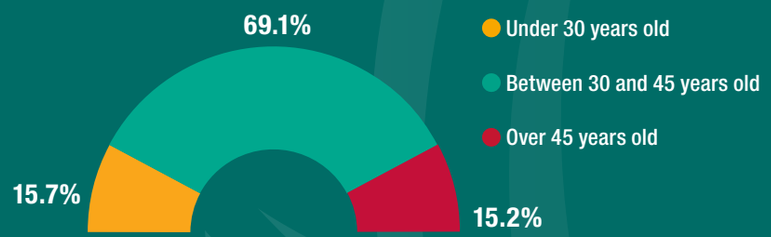
GRI 2-7 | 404-1 | 405-2

By the end of 2023, we had 912 employees engaged to guaranteeing the quality of our services and committed to the health and safety of teams and communities.

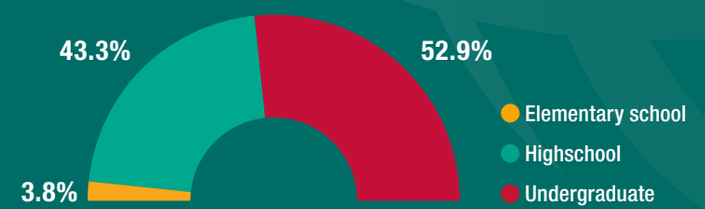
		Gender		Region			
		Women	Men	Mid-West	North	Northeast	Southeast
Employment contract	Permanent	164	711	216	76	31	552
	Temporary	20	17	0	0	0	37
Type of employment	Full-time	167	720	216	76	31	564
	Part-time	17	8	0	0	0	25

Check the internal social indicators in Annex 8 and the concessionaires' Social Balance Sheet in Annex 9.

AGE RANGE



EDUCATION LEVEL



With a total of 45,577 hours of training offered to employees, the average number of training hours was 23 for women and 55 for men. Regarding the work positions, Senior Leadership received 20 hours, Leadership received 39 hours and non-leadership received 50 hours of training.

Professional qualification allows us to continue offering excellent services, and in order to retain our talents, job vacancies are always sought to be filled through internal transfers and recruitment.

51.36 training hours per employee*

Ratio between women's and men's remuneration by work positions (southeast)

Administrative	1.16	Operational	0.92
Executives	1.01	Specialist	0.71
Leadership	0.95	Apprentices	1.00

* Only full-time employees are considered.



The State Academy, SGBH's corporate university, was designed with the aim of fostering employees' development, as an integral part of the company's vision of continuous growth.

Replacing the previous platform with a more robust e-learning solution, State Academy integrated all existing content, offering materials on various topics and in several formats, such as videos, articles and courses. This tool is available to employees, reinforcing our commitment to continuous professional development. The platform is artificial intelligence-based, and suggests personalized content so that each person can improve their own knowledge path, in a continuous, collaborative and connected process. More than 90 contents available are divided into the following categories:

- Rules, Policies & Procedure;
- Self-development;
- Management & Leadership;
- Tooling;
- SGBH & Electrical Sector;
- Compliance & Internal Controls;
- Others (ESG, Business, Data, etc.).

SAFETY AND HEALTH CARE ASSURANCE

GRI 403-1 | 403-2 | 403-3 | 403-4 | 403- 6 | 403-7 | 403-8 | 403- 9 | 403-10 | EU 25

SGBH is committed to occupational health and safety, consolidating a culture focused on the prevention and responsible management of activities-associated risks.

The Occupational Safety and Health (OSH) management system is adopted throughout the company, and in cases of construction work, external inspections are contracted, assuring the fulfillment safety standards. In compliance with current legislation, the system covers essential programs, such as RMP (Risk Management Program), OHMCP (Occupational Health Medical Control Program), EWA (Ergonomic Workplace Analysis), RPP (Respiratory Protection Program), HCP (Hearing Conservation Program), ergonomic report, and other related regulations. In the units, we have professionals specialized in occupational safety and the corporate OSH team regularly visits the units to provide support and check the workplace health and safety demands.

In order make sure that employees are not exposed to risks they do not feel safe to work and are protected from reprisals, SGBH adopts two communication mechanisms, a proactive one and a reactive one:



- Proactive: SGBH's Health and Safety Policy ratifies the importance of the employee's Right to Refuse, which can be formalized directly in the risk analysis document (APR) and informed to the immediate manager.

- Reactive: SGBH's Reporting Channel has optional identification and confidentiality is guaranteed by compliance.

All incidents are investigated to identify the direct and indirect causes with a view to mitigating them and preventing the event from recurring. Action plans are generated and addressed to by managers with support from occupational safety professionals.

Through training and elaboration of safety documents, such as the SWP (Specific Work Plan), employees can analyze each stage of the activities, thus getting to know the risks, and proposing measures that will bring more safety to their activities.

In addition to safety training, campaigns, workshops, simulations, webinars and communications are carried out to provide relevant information on the topic to employees. The Safety Committee, together with the Board of Directors and Executives, holds four annual meetings to discuss the most relevant topics at the time, analyze results and indicators, to make strategic decisions.

Throughout 2023, the following trainings were carried out: Corporate Health and Safety Integration; NR 5 (Internal Accident and Harassment Prevention Committee); Basic NR 10 and SEP (Electrical safety training); NR 11 (Transportation, Storage and Handling of Materials); NR 12 (Machines and Equipment Work Safety); NR 18 (Working Conditions and Environment in the Construction Industry); NR 20 (Liquid and Flammable Fuels); NR 33 (Safety and Health when Working in Confined Spaces); NR 35 (Work at Heights); Emergency brigade; Defensive driving; Off Road; Rigging Planning; Rigging for Security Technician; Accident Investigation Techniques; Fauna Management (venomous animals, harmful insects, birds and nests); Behavioral safety program. The courses were made available according to employees' roles and activities

The training matrix is constantly updated by the Health and Safety department, who recommends courses according to the position and define training frequency.

To contribute to the identification, minimization and elimination of health risks, health campaigns are carried off (Yellow September, Pink October, Blue November, etc.), in order to raise employee awareness, in addition to monthly talks with the health area and vaccination campaigns, to prevent diseases. Monitoring and evaluation of arboviruses, malaria and monkeypox are also carried out.

100% of employees and third parties hired for expansion projects and works are covered by an internal audit system.

OSH indicators in 2023	Employees	Third parties
Deaths resulting from injuries	0	0
Rate of deaths resulting from injuries	0	0
Accidents with serious consequences (excluding deaths)	0	17
Rate of accidents with serious consequences (excluding deaths)	0	7.65
Reportable accidents recorded (including deaths)	3	17
Rate of reportable accidents recorded (including deaths)	1.28	7.65
Court cases (resolved and pending), including illnesses and trials involving the general public and potential risks	0	0

Occupational tests are taken according to function-related risks, and are managed and evaluated by SGBH's health team. For endemic areas, vaccine monitoring and gout testing are carried out. Health and dental insurance plans are also available for employees, as well as nutrition programs, psychological support and sports programs.

Responsible driver conduct

We implemented a monitoring system with telemetry for both our own and outsourced fleet to reduce the risks associated with driving vehicles during operations and maintenance services. This tool makes it possible to monitor, in real time, factors such as speed and acceleration, inappropriate curves and braking, issuing alerts in case of non-standard behavior.

We also define individual goals for each driver, encouraging safe practices and contributing to traffic safety. Management reports help identify trends and critical locations and the system has resulted in excellent performances.

Behavioral Safety Program (BSP)

Promoting health and safety is a commitment shared by our entire team. The BSP encourages reflection and autonomy among employees, so that they can identify safe and unsafe behaviors through the "**4 NO HARM CONCEPT**: don't get hurt, don't let others get hurt, don't hurt others, don't let others hurt you" and the "**3P**: Life First, People First, Safety First."

Based on these concepts, employees record observations on standardized forms, classifying behaviors as safe or unsafe and suggesting their possible origins. Thus, we cultivate a culture of improvement and promote dialogue between employees and observers, who jointly reflect on these indicators. With this analysis, specific action plans are created and technical-behavioral training is provided, in addition to organizational awareness programs.

Internal Occupational Accident Prevention Week (SIPAT)

The SIPAT is an important moment, providing an opportunity to strengthen our safety culture at each stage of work, where we plan integrated care actions for our employees. In 2023, we held a week full of activities, lectures and training for our team, reinforcing that responsibility for life must rest with each one of us.
In addition to SIPAT, June is a month especially focused on Safety, when several actions are carried out to encourage a sustainable safety culture, in which all employees are seen as safety agents.

BENEFITS AND PROFESSIONAL APPRECIATION

Throughout the year, we created some important processes to make our employees aware of the benefits provided by the company. Work was carried out in all regions on the importance of private pensions, greatly increasing people's participation.

We also promote employees' physical health through the use of Gympass and encouraging preventive use of the health insurance plan. For more remote areas, we also make telemedicine available, so that all locations can be served, in addition to promoting improvements in the accredited network and providing alternative measures, such as reimbursement.

ReconheSER Program

With the purpose of valuing our talents and strengthening our culture, we developed a program that brings together all the internal awards we grant to employees for their high-performance projects and ideas.





The ReconheSER Program was launched in 2023 and encompasses five awards:

- **Vital Award,** focused on proposed improvements in health, safety and well-being in the work environment;
- **Highlights of the Year,** rewards professionals with outstanding behavior and excellence throughout the year, encouraging a culture of competence and performance within the company;
- **One State Grid Award,** recognizes employees who stood out for their high performance, aligned with One State Grid concepts;
- **Best Proposal Award,** aims to encourage direct communication and collaboration between employees and senior leadership by proposing and valuing ideas;
- **"Inova A Ação" (Innovaton),** seeks to encourage the integration of scientific research and technological development, encouraging safety production, projects construction and SGBH's strategic development.

Employee Support Program (ESP)

The Employee Support Program (ESP) is offered free of charge to all employees and their dependents, and aims to support them with difficulties they face on a daily basis. Specialized professionals are available in the psychological, legal, financial and social areas, who provide confidential and unrestricted service. The benefit is available 24 hours a day and 7 days a week, in person or by telephone 0800 282 6666.



Quality of Life Program - Ideal

Our objective is to take closer care of our employees, promoting ideal actions that contribute to well-being, developing a healthier and more productive environment at State Grid.

Start of the Baby Care Program

Provides support to employees who want to have their questions about the pregnancy period, postpartum period and breastfeeding answered. The program has a team of obstetric nurses who regularly monitor the pregnancy, providing guidance on prenatal care, vaccines, newborn care, among others. We also send a first care kit for the newborn.

Start of the Ideal Health Program

Provides support to employees through telemedicine, 24-hour clinical center, nutritional and sports coaching, Baby Care and specialized medical opinion.

Health Week

The event was held to remind our employees about the importance of health care. Lectures on nutrition, oral health, sleep and well-being were presented, in addition to the provision of flu vaccines and shiatsu sessions.

Yellow September

Mental health awareness and suicide prevention month was marked by several activities:

- Lecture with a psychologist, with guidance and moments to clarify doubts;
- Distribution of stickers with phrases reinforcing the employee's importance;
- Hug moment: we welcomed employees with live characters, who distributed hugs and leaflets reinforcing the benefits of hugs;
- Disclosure of the Employee Support Program, for scheduling psychological care;
- Doubts session with a psychologist, to break the taboo about undergoing therapy;
- Shiatsu session.

Pink October

During breast and cervical cancer awareness month, we had a medical lecture for guidance, questions and testimonials from people who have been diagnosed with it. We also delivered informative leaflets about the importance of self-examination and promoted the Ideal Health program, for support and examination referral.

Blue November

During the Prostate Cancer awareness month, we held a lecture with an urologist, for guidance and clarification of doubts. We also delivered informative leaflets about risk factors and prevention, and promoted the Ideal Health Program, for support and examination referral.

LINKS IN THE VALUE CHAIN

GRI 2-6 | 2-29

We value long-term partnerships with national and international companies, and we are always in contact and developing to establish partnerships of excellence. To disseminate our values throughout the value chain, we provide a Guide for suppliers and partners.

We work in partnership with the Brazilian Association of Electric Energy Transmission Companies (Abrate) and we intend to offer training in the provision of specific services for the transmission segment, improving the qualifications of our suppliers.

565

direct suppliers*

R$319.3 million**

in expenses with direct suppliers*



* Excludes specific and emergency purchases made directly by the requesting departments.
** Amount contracted in 2023, with payment upon delivery of the product or service.

RESPONSIBILITY TO STAKEHOLDERS

GRI 2-26 | 2-29

We act in favor of the quality of our services to guarantee population's access to electricity. To strengthen our relationship with all direct and indirect stakeholders, we adopt an attitude of dialogue and transparency and use various platforms to effectively communicate with different audiences.

Stakeholders	Details	Communication channel
Transmission system customers/users	SGBH customers: companies and energy distributors. SGBH users: generators, distributors, free consumers, importers and exporters who enter into a Transmission System Use Contract (CUST), with direct consumption charges quantified by the NSO.	We seek to build a harmonious relationship, with communication carried out through: website, financial statement reports, sustainability reports, social networks and ombudsman channels.
Suppliers	We adopt supplier selection processes (large manufacturers, regional suppliers and, when convenient, the retail market), which ensure the quality and economic viability of services and products.	The form of communication takes place through correspondence (e-mails) and technical meetings. We have an energy segment-specialized suppliers database. In the contracting process, we require our suppliers to comply with labor legislation, fiscal obligations, occupational health and safety rules and the country's environmental legislation.
Employees, collaborators, interns and partners	Our employees are distributed across concessionaries and Holdings.	We have an employee and partner engagement policy, holding commemorative integration events and performance incentive policies. Communication with the internal audience takes place through meetings, the HR information center, electronic mail, annual reports and formal feedback with leadership, as a way to encourage professionals development.

Stakeholders	Details	Communication channel
Government Authorities	We are committed to maintaining transparency with government entities, users and society, as well as complying with applicable regulations. We carry out campaigns in partnership with government bodies, in accordance with sector regulations. The Group interacts more frequently with Government Authorities operating in the electricity sector and with Government Authorities responsible for financing and developing business activities, such as bodies that govern the energy licensing, transmission and operation processes in the country.	Ministry of Mines and Energy (MME): Meetings and correspondence exchange. National Electric Energy Agency (ANEEL): Meetings, official letters and emails, periodic and exceptional information, administrative procedures, public hearings. National System Operator (NSO): Meetings, periodic and exceptional information, administrative procedures, computerized systems, emails. National Bank for Economic and Social Development (BNDES): Meetings, emails, requests for consent and periodic information, such as meeting coverage rates. Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA): Presentation of environmental studies, request for licensing, development of environmental programs, correspondence exchange. State and Municipal Environmental Compensation Chambers and Chico Mendes Institute for Biodiversity Conservation (ICMBio): Terms of Commitment to Compliance with Environmental Compensations, Forest Replacement Projects, environmental studies and regulation and environmental projects, emails and letters. State Environmental Bodies and Environmental Licensing Agencies, such as IPHAN (National Historical and Artistic Heritage Institute), FUNAI (National Indian Foundation), INCRA (National Institute for Colonization and Agrarian Reform), SVS (Secretariat of Health Surveillance), DNPM (National Department of Mineral Production): Environmental and specific thematic studies, request for licenses and authorizations, development of environmental programs, correspondence exchange in physical and digital media.

Stakeholders	Details	Communication channel
Social, environmental and community organizations	In our community and society relationship, we pay special attention to any social, economic and environmental impacts that may be caused by transmission lines. Therefore, we implemented initiatives related to operational maintenance procedures and permanent communication, dialogue, information and negotiation channels. In this way, we act to evaluate, control, monitor, reduce and mitigate possible negative impacts. Furthermore, the company makes investments to support social responsibility projects with a cultural and educational nature as a measure to transmit its values and be recognized as an ethical Company among the community, employees, shareholders and customers.	Forest Fire Prevention Program (FFPP): Forest fire prevention campaigns target those who live or work on rural properties intercepted by transmission lines or located in their surroundings, such as: settler communities, traditional populations, companies, agricultural associations and schools. The Program aims to raise awareness regarding the risks of fires to health, safety and the environment. Social Communication Programs (SCP): In periodic campaigns, our teams travel through the municipalities intercepted by the projects, making face-to-face contacts with stakeholders, such as owners and intercepted communities; city halls; organized representations of society, among others. The main objectives include maintaining the relationship, disseminating communication channels (ombudsman), strengthening the clarification of doubts about coexistence and use of the track, besides distribution of graphic and informative materials. Environmental Education Programs (PEA) and Workers1 Environmental Education Programs (PEAT): In periodic campaigns, SGBH teams carry out training, talks and workshops with the target audience of each program. In the PEA, activities are carried out in the communities intercepted by the projects, more specifically in schools and associations, covering topics that contribute to the construction of values in environmental conservation and responsible coexistence with transmission lines. We provide a specific website on fire prevention, which has an educational area, interactive space and information on safe attitudes: www.stategrid.com.br/en/previna-incendios
Investors	SGBH is a shareholder of the concessionaires and is controlled by SGCC, located in the People's Republic of China.	Communication with shareholders is carried out by the Group's Board of Directors, according to the respective areas involved, through conferences, emails, reports and in-person meetings.

COMMUNICATION CHANNELS

E-MAIL
sgbh.emergencias@stategrid.com.br

WEBSITE
www.stategrid.com.br
www.stategrid.com.br/en/previna-incendios

SOCIAL NETWORKS
www.linkedin.com/company/stategridbrazil
www.instagram.com/stategrid.brazil
www.facebook.com/stategridbrazil

TELEPHONE
0800 942 0142 (toll-free)

7. Environment and Communities

ANEEL Environmental, Social and Sectoral Dimension

Related Capitals



Related SDGs



BIODIVERSITY CONSERVATION

GRI 2-25 | 304-2 | 304-3 | G4-EN 12 | GB 4

Transmission lines have a direct interface with both urban and rural areas, with different types of land use and occupation. This variety of conditions implies a wide potential for positive and negative impacts, in physical, social or environmental aspects, which we deal with through mitigation and compensation programs and action plans.

Potential negative impacts include erosion processes and vegetation suppression, for which we have defined the following measures:

- **EROSION PROCESSES:** occur in the areas surrounding transmission towers or on their access roads. To address this issue and ensure operational safety and adequate environmental conditions in the surrounding area, we implemented the Erosion Processes and Degraded Areas Recovery Program, which promotes periodic monitoring and the adoption of measures to correct, avoid and contain erosion processes.
- **VEGETATION SUPPRESSION:** vegetation cuts are carried out in two phases of the projects' life cycle, during the implementation period and during operation, to maintain safety distances between the power cables and trees canopy. Vegetation suppression is pulled off after mapping, evaluating and obtaining the necessary authorizations, through environmentally appropriate procedures and always seeking to avoid habitat fragmentation, as guided by the Vegetation Suppression Program, which provides the best practices on the subject.



JUNTOS PELO ARAGUAIA (TOGETHER FOR ARAGUAIA)

SGBH supports the "Juntos pelo Araguaia (JPA)" Program, which aims to promote the recovery of degraded areas and reforestation in the Cerrado, in the Araguaia River basin. The JPA contributes to improving river quality, replenishing water sources, preserving the environment and regenerating fragile ecosystems. Furthermore, it provides environmental services such as carbon capture, and promotes cultural change, which results in sustainable land occupation practices. By December 2023, the reforestation of 5.8 hectares was completed, with indirect benefits for around 15 thousand people. By 2025, 57.2 ha are planned to be planted and maintained.

FOREST REPLACEMENT AND ENVIRONMENTAL COMPENSATION PROJECTS

GRI 304-3

With the purpose of compensating for the vegetation suppression impact, we implemented **Forest Replacement Projects**, restoring deforested areas with a significant diversity of native species, prioritizing areas in Conservation Units. Throughout the year, 515.19 hectares were maintained and monitored in the biomes: Amazon, Cerrado and Atlantic Forest, through 12 projects. The projects are managed by the SGBH Environmental Division and depend on approvals and supervision from federal, state or municipal environmental bodies.



Ongoing Forest Replacement Projects

Concessionaire	Biome	Site	City (State)	Area (ha)
ATE	Cerrado	Sítio Haras de São Pedro	Araraquara (SP)	0.40
CTE	Cerrado	João Leite State Park	Goiânia (GO)	51.79
ITE	Cerrado	João Leite State Park	Goiânia (GO)	3.00
PPTE	Cerrado	Emas State Park	Costa Rica (MS)	4.50
XRTE	Amazon	Serra dos Martírios/Andorinhas State Park	São Geraldo do Araguaia (PA)	104.06
		Xingu Ground Electrode	Anapu (PA)	25.00
	Cerrado	Lajeado State Park	Palmas (TO)	135.43
		Paracatu State Park	Paracatu (MG)	92.00
		João Leite State Park	Terezópolis de Goiás (GO)	22.09
	Atlantic Rainforest	Terminal Rio Ground Electrode	Minduri (MG)	47.00
		Mário Xavier National Forest	Seropédica (RJ)	15.90
		Tinguá Biological Reserve	Nova Iguaçu (RJ)	14.12
TOTAL				**515.29**

Environmental compensation

Environmental compensation is a financial measure, applied in conservation units, to compensate for identified non-mitigable impacts in the environmental licensing of projects, such as vegetation suppression and loss of habitats. The **Environmental Compensation Program** was created to establish legal procedures that support this compensation in the project region, with more than R$ 15,25 million being allocated to the eight projects maintained by SGBH in 2023.

Concessionaire	Unit Description	Management	Amount (R$)
CTE	PARNA Chapada dos Veadeiros and PARNA das EMAS	ICMBIO	3,767,109.27
MRTE	Mato Grosso do Sul Environmental Institute	IMASUL	413,762.86
PRTE	Igarapés do Juruena State Park and Massairo Okamura State Park	SEMA/MT	8,776,888.69
ETEE	Parque Natural municipal das Orquídeas. Prefeitura de Piracanjuba	Prefeitura Municipal	26,404.81
XRTE	PARNA Araguaia, PARNA Grande Sertão Veredas, ESEC Serra Geral do Tocantins, PARNA Aparados da Serra, PARNA Serra Geral, PARNA das Emas, PARNA Serra do Gandarela, PARNA Serra da Canastra, PARNA São Joaquim and PARNA Chapada dos Veadeiros	Prefeitura Municipal	33,159.92
	Santa Rita de Jacutinga City Hall and Municipal Department of Agriculture, Livestock and Environment (Amendment)	Prefeitura Municipal	713,422.29
	Nova Iguaçu City Hall and Department of Agriculture and Environment (Amendment)	Prefeitura Municipal	120,892.44
	Model and sign for the PNM Curió Inspection Center; Trail Management and Forest Revitalization. Paracambi City Hall	Prefeitura Municipal	1,397,883.48
TOTAL			**15,249,523.76**

INVESTMENTS IN ENVIRONMENTAL LICENSING PROJECTS

Initiatives to mitigate environmental impacts resulting from the operation of our projects are aimed at communication with surrounding communities, environmental education projects and monitoring to preserve environmentally sensitive areas with high biodiversity value, which require extra care in their conservation due to the importance of these ecosystems.

In 2023, more than R$9.25 million were allocated to various activities related to the concessionaires' environmental licensing conditions, promoting actions aligned with the social, economic and environmental aspects of each location of our operations.

Value invested in 2023:
R$9,258,332.27



Social communication and environmental education project carried out at a school located in Curral Novo do Piauí (PI).

UNITS LOCATED WITHIN OR ADJACENT TO PROTECTED AREAS WITH HIGH BIODIVERSITY INDEX

GRI 304-1

SGBH monitors and mitigates negative impacts on fauna and flora in environmental protection areas and areas with biodiversity value present in the context of its operations.

					Biodiversity value		
Geographic location	Area (km²)	Category	Conservation Unit	Number of APCBs*	Extremely High	Very High	High
Goiás, Minas Gerais and Distrito Federal	583	Sustainable Use Unit	Planalto Central Environmental Protection Area: overlap of 29.04 km and total area of 504.16 ha	6	Corumbá River São Bartolomeu River	Corumbá II River Santa Cruz de Goiás MA229	Veríssimo River
Minas Gerais	210	Sustainable Use Unit	-	2	-	MA213 Ituiutaba	-
Goiás, Minas Gerais and Mato Grosso	810	Sustainable Use Unit	Panamá Environmental Protection Area: overlap of 11.09 km and total area of 15,861.00 ha Ariacá-Açu Municipal Environmental Protection Area: overlap of 3.63 km and total area of 74,996.69 ha	6	Areial River Prata River	Caiapônia Doverlândia Ribeirão Mutum Rio Cuiabá-Mirim	-
Mato Grosso do Sul and São Paulo	500	Sustainable Use Unit	Ilhas e Várzeas do Rio Panamá Environmental Protection Area: overlap of 79,99 km and total area of 1,005,188.39 ha	2	Ribeirão Cachoeira	-	MA277
Goiás, Minas Gerais and Distrito Federal	681	Sustainable Use Unit	Planalto Central Environmental Protection Area: overlap of 80.88 km and total area of 504.16 ha Pouso Alto Environmental Protection Area: 56.06 km extension and total area of 872.000 ha	6	Cristalina Corumbá River São Bartolomeu River	Niquelândia Entorno PN Chapada dos Veadeiros	Vazante
Minas Gerais and São Paulo	303	Sustainable Use Unit	-	5	MA159	Pardo River Sacramento Pardo River	Sapucaí River
Minas Gerais and São Paulo	407	Sustainable Use Unit	-	12	Teles Pires River AMZ-816 AMZ-802	Culuene River and Ronuro River Entorno TI Sangradouro/ Volta Grande AMZ-307, AMZ-338 Barra do Garças	AMZ-089 AMZ-529 AMZ-640
Minas Gerais	246	Full Protection Conservation/ Sustainable Use Unit	Paracatu State Park: overlap of 7,03 km - total area of 6,400.34 ha	4	-	Velhas River	Paracatu River São Pedro João Pinheiro
Piauí, Ceará and Pernambuco	394	Sustainable Use Unit	Chapada do Araripe Environmental Protection Area: 39.55 km extension – total area of 972,605.18 ha	2	-	Araripe Serra da Capivara	-

* APCB - Priority Areas for Biodiversity Conservation.

					Biodiversity value		
Geographic location	Area (km²)	Category	Conservation Unit	Number of APCBs*	Extremely High	Very High	High
Mato Grosso and Goiás	606	Sustainable Use Unit	Ariacá-Açu Municipal Environmental Protection Area: Overlap of 3.78 km – total area of 74,995.69 ha	7	Prata River Areial River	Aricá-Açu River Doverlândia Caiapônia Ribeirão Mutum Cuiabá-Mirim River	-
São Paulo	30	Sustainable Use Unit	-	1	-	Jacaré-Pepira River	-
Mato Grosso do Sul and Goiás	489	Sustainable Use Unit	-	3	MA193 Três Lagoas	Prata River	-
Minas Gerais	151	Full Protection Conservation/ Sustainable Use Unit	Lapa Grande State Park: overlap of 2.45 km – total area of 15,360 ha	1	Montes Claros	-	-
Pará	72	Sustainable Use Unit	-	3	AMZ-426 AMZ-845	AMZ-846	-
Mato Grosso	262	Sustainable Use Unit	-	7	-	Ronuro River Entorno TI Marechal Rondon Sete de Setembro River Culuene River	AMZ-332 AMZ-414 AMZ-412
Mato Grosso	1.011	Sustainable Use Unit	-	13	Teles Pires River AMZ-816 AMZ-802	Culuene River and Ronuro River Entorno TI Sangradouro/ Volta Grande Barra do Garças AMZ-307; AMZ-338	AMZ-089 AMZ-529 AMZ-640
Minas Gerais, Rio de Janeiro, Goiás, Pará and Tocantins	2.543	Sustainable Use Unit	Rio Guandu Environmental Protection Area: overlap of 19,88 km – total area of 74.271,97ha Boiqueirão da Mira Environmental Protection Area: overlap of 8,18 km – total area of 8.515,00 ha Guandú-Açu Environmental Protection Area: overlap of 0,31 km Serra da Cambraia Environmental Protection Area: overlap of 3,72 km – total area of 2.433,02 ha	35	AMZ-708, AMZ-707, AMZ-826, MA131, AMZ-426, AMZ-224, AMZ-111, AMZ-116, AMZ-141, AMZ-024, Conceição do Tocantins, Serra de Caldas, AMZ-777, AMZ-130, MA122 e MA131	AMZ-114 Unaí II Formoso Santuário São Miguel Carste Arcos e Pains AMZ-118 Serra da Prata Rio Urucuia, Unaí e Rio Corrente	AMZ-154 AMZ-119 Porto Nacional Borrachudo River Presidente Olegário São Valério River Córrego São Felipe Rio Paracatu MA173

* APCB - Priority Areas for Biodiversity Conservation.

ENVIRONMENTAL MANAGEMENT

CLIMATE CHANGE

GRI 305-1 | 305-2 | 305-3 | 305-4 | 305-5 | 305-6 | 305-7

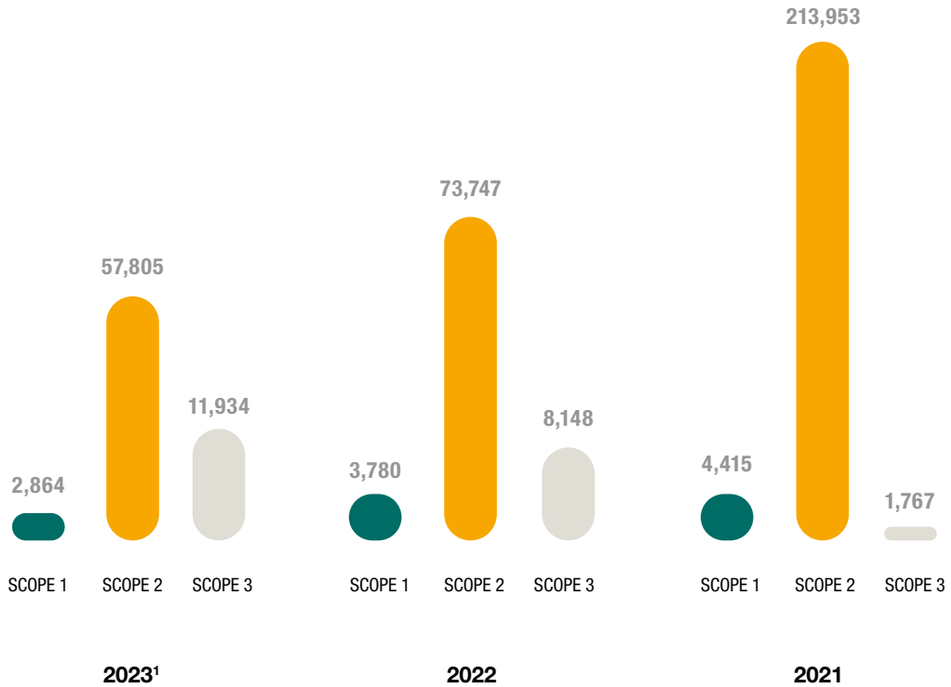
State Grid Brazil Holding is continually evolving its climate change mitigation strategy. We have been monitoring the generation of greenhouse gas (GHG) emissions since 2021, following the guidelines of NBR ISO 14064, the Brazilian GHG Protocol Program and the Intergovernmental Panel on Climate Change (IPCC).

In recognition of our practices, we were awarded the Brazilian Greenhouse Gas Program Gold Seal in 2021 and 2022, granted by Fundação Getúlio Vargas as the program's highest degree of certification. Our inventories were prepared using the operational control approach and considering all companies



SGBH's qualification to receive the GHG Protocol Gold Seal certification took place after a direct and indirect emissions diagnosis and reporting process, with data checking by an independent third party.

Annual greenhouse gas emissions (tCO_2e)



[1] Biogenic emissions of 9,693 tCO_2e Scope 1 and 639 tCO_2e Scope 3.

100% controlled by SGBH. The results were verified by an independent third party with a reasonable level of confidence, granting the quality of the collection and results.

In 2023, GHG generation totaled 72,603 tCO_2e, considering Scopes 1 (4%), 2 (80%) and 3 (16%), a 15% reduction compared to 2022. Mitigation was achieved in Scope 1 emissions, with a reduction of 916 tCO_2e, and mainly in Scope 2 emissions, due to the reducion of the emission factor of the National Interconnected System - NIS.

With knowledge about the main GHG sources and their evolution over the last 3 years, we have quality information that allows us to adopt additional mitigation measures, with a view to reducing greenhouse gas emissions and contributing to the global cause of climate change. In 2023, the intensity of the GHG emissions was 7.0 tCO_2e/km of lines in operation.



Sulfur hexafluoride (SF6) treatment improves its purity by removing particles, moisture and decomposition products. In 2023, we treated 540 kg of this gas, 170 kg of which came from construction surpluses, which were made available for reuse. This practice minimizes the environmental impact by avoiding new GHG emissions.

ENERGY

GRI 302-1

The energy consumed within the organization is used in maintenance activities on transmission lines, such as the use of fuel in equipment and so that teams can move around. In 2023, we reduced total consumption by 12%, mainly in purchased electricity (Scope 2), which accounts for 99.6% of the total. Regarding direct consumption (Scope 1), operational activities required 22.7 thousand GJ, through consumption of diesel (69%) and gasoline (31%), practically stable when compared to last year, with a 0.7% increase; the main reduction occurred in LPG consumption, 30%.

Energy consumption outside the organization totaled 124.2 thousand GJ, mainly arising from diesel consumption (44%); inputs for civil construction used in new projects (38% in total), such as concrete (25%) and aluminum (8%); in addition to aviation kerosene (14%).

Learn more about natural resources consumption and waste and effluents management in Annex 11.

Energy consumption within the organization (GJ)

		2023	2022	2021
Non-renewable fuels	Acetylene	0.00	0.04	0.40
	Diesel	15,612	15,526	11,274
	Gasoline	7,002	6,969	5,753
	Liquefied petroleum gas (LPG)	12	17	20
Renewable fuels	Ethanol	51	14	14
Purchased electrical energy	Electricity	5,486,546	6,205,040	6,294,185
TOTAL		**5,509,223**	**6,227,566**	**6,311,247**

Energy consumption outside the organization (GJ)

		2023	2022	2021
Non-renewable fuels	Diesel	55,093	18,077	1,486
	Gasoline	5,236	5,029	5,721
	Aviation Kerosene	16,787	6,559	5,747
Purchased electrical energy	Electricity	384	378	17
Industrial inputs and products	Lubricant	5	0	2
Inputs for construction	Aluminium	9,614	-	-
	Asphalt (ICE)	666	1	-
	Cement CP V	5,626	12,673	336
	White cement	4	-	-
	Concrete	30,833	26,983	2,718
TOTAL		**124,247**	**69,700**	**16,028**

WATER AND EFFLUENTS

GRI 303-1 | 303-2 | 303-3 | 303-4 | 303-5

Since 2023, water consumption has included data from our headquarters, the SGCC Tower, located in an urban area of Rio de Janeiro - RJ and supplied by a public water and sewage system. For this reason, there was a significant increase in the total figures for water consumption (30.24 thousand m³) and effluent generation (11.59 thousand m³). However, when comparing operational units, consumption decreased by 22%.

Water collection from artesian wells constitutes the main source of water resources for a large number of our units due to their locations, most of which do not have access to the public water supply network. In these locations, we have authorization to collect from the responsible authorities. In operational units where public supply services are available, priority is given to using water from the public network.

Water collection by origin[1] (thousand m³)

	2023[1]	2022
Artesian wells	17.73	18.3
Public water supply	12.51	5.9
Superficial (watercourses)	0	0.2
TOTAL	**30.24**	**24.4**
Effluents	11.59	0.24
ACTUAL CONSUMPTION	**18.65**	**24.1**

[1] From 2023 onwards, we will start reporting the SGCC Tower's water consumption.



WASTE

GRI 306-1 | 306-2 | 306-3 | 306-4 | 306-5

Following the Solid Waste and Effluent Management Program (PGRSE) guidelines, we comply with environmental legislation and good practices to prevent soil contamination, air and water pollution, risks to the population's health and quality of life. In order to minimize potential impacts, we carry out waste management training, ensuring the proper separation, temporary storage, transportation and final disposal.

We monitor the amount of waste generated in each operational unit through the Waste Generation and Disposal Inventory, detailing everything from the generating process to final disposal.

In locations far from urban centers, the temporary storage phase represents a relevant potential impact, and to mitigate it, we installed bays or deposits for adequate packaging according to the waste class. These installations follow color standards (NBR 11174, NBR 12235 and NR 25) and segregation provided for in current regulations.

Types of waste generated (t)	2023	2022
Hazardous waste	115.78	4.64
Non-hazardous waste	229.69	135.41
TOTAL	**345.47**	**140.05**

Waste diverted from disposal (t)	2023	2022
Hazardous waste for reuse	0.00	3.74
Hazardous waste for recycling	30.90	-
Hazardous waste for other recovery operations	70.18	0.00
Non-hazardous waste for reuse	0.00	-
Non-hazardous waste for recycling	7.19	15.88
Non-hazardous waste for other recovery operations	0.00	0.00
TOTAL	**108.27**	**19.42**

Waste sent for disposal (t)	2023	2022
Hazardous waste incinerated (with energy recovery)	4.56	0.51
Hazardous waste sent to landfills	10.12	0.26
Hazardous waste destined for other disposal operations	0.02	0.12
Non-hazardous waste incinerated (with energy recovery)	16.25	21.02
Non-hazardous waste incinerated (no energy recovery)	9.32	7.68
Non-hazardous waste sent to landfills	196.93	83.15
Non-hazardous waste intended for other disposal operations	0.00	7.89
TOTAL	**237.20**	**120.63**

[1] Oil and batteries were responsible for the large increase in discarded hazardous waste.
[2] The data above represents re-refining, co-processing and recycling activities, allowing for reinsertion into the production chain.

In the waste transportation stages, we primarily hire local suppliers, who are regulated and qualified for waste management. We keep documentation to control the waste transport with a record of classification and compliance with applicable legislation and standards.

In 2023, we acquired an oil regenerating machine, which aims to reduce degradation and increase its useful life as an insulating material in equipment. The treatment employs a filtration system to clean solids and reduce incorporated water, also removing dissolved gases that are harmful to the equipment. Reusing oil reduces its disposal as waste, and thus also avoids GHG emissions. 120 thousand liters of oil were regenerated in 2023.



PROJECTS ALONGSIDE THE COMMUNITIES

GRI 203-2

MALHADINHA QUILOMBOLA COMMUNITY

Malhadinha Community and SGBH have been working together since 2015 to promote the economy and local income generation. This initiative is part of the Quilombola Basic Environmental Program (PBAQ) and is maintained as part of the XRTE concessionaire environmental licensing.

During this period, we invested in several actions, such as: renovation of the shed (community living area), construction of the fruit pulp processing unit, supply of materials and inputs for the production of fruit pulp, registration of the unit with the Ministry of Agriculture, Livestock and Supply (MAPA), technical support in operationalizing the unit (approximately 400 hours) and training for community members.

These actions resulted in direct benefits for the community. In operation since 2021, the Fruit Pulp Processing Unit operates with technical support, providing the economic development of the local population and training them to assume the technical management of the operation in the future.

Pulps produced:
more than 11.8 t

Product labels:
14,800 units

Technical visits:
78 hours of guidance support

Potential* community revenue:
R$160,581.00

Amount invested by XRTE:
R$31,680.00

* It considers the sales value of each pulp multiplied by the quantity produced, but the products were also consumed by the community itself.





CAIS DO VALONGO

Located in Pequena África region, in the center of Rio de Janeiro city (RJ), Cais do Valongo was revealed during the works of Porto Maravilha, in 2011, and was recognized as a Cultural Heritage by UNESCO (United Nations Educational, Scientific and Cultural Organization) in 2017, as it is the only material trace of the arrival of enslaved Africans in the Americas.

In partnership with Rio de Janeiro City Hall, Iphan (Institute of National Historical and Artistic Heritage) and IDG (Institute for Development and Management), we completed the works to enhance Cais do Valongo and handed over the archaeological site to the community. We were present in the historic space during the Black Consciousness Day week, reiterating our commitment and actively participating in its delivery. With new guardrails, signage and exhibition modules, more people can have access to the site and learn about its historical and cultural importance.



"CASA DE CIÊNCIA DE MINDURI" (MINDURI SCIENCE HOUSE)

In partnership with the City Hall of Minduri, municipality in the State of Minas Gerais, the project aims to offer greater access to science, education and culture for the local population, providing conditions for the economic and social development of the municipality.

With the renovation of Casa de Ciência de Minduri (CEPEM), the Experiment, Audiovisual and Computer Laboratory rooms were equipped. The project offers professional courses with different themes, with the purpose of training the local population for the job market. Additionally, we contributed to the reforestation of an area of approximately 0.7 hectares around CEPEM. The project was inaugurated in September 2023, and was attended by representatives from SGBH and Minduri City Hall.

CARE FOR THE COMMUNITY

GRI 2-25 | 411-1 | 413-1 | 413-2 | G4-DMA (FORMER EU 21)

POPULATION SAFETY

SGBH promotes a careful and planned approach with communities since the licensing phase, managing interference on public and private properties. Ongoing contact with the population allows for a relationship of trust and partnership, valuing local heritage and respecting cultures and traditions.

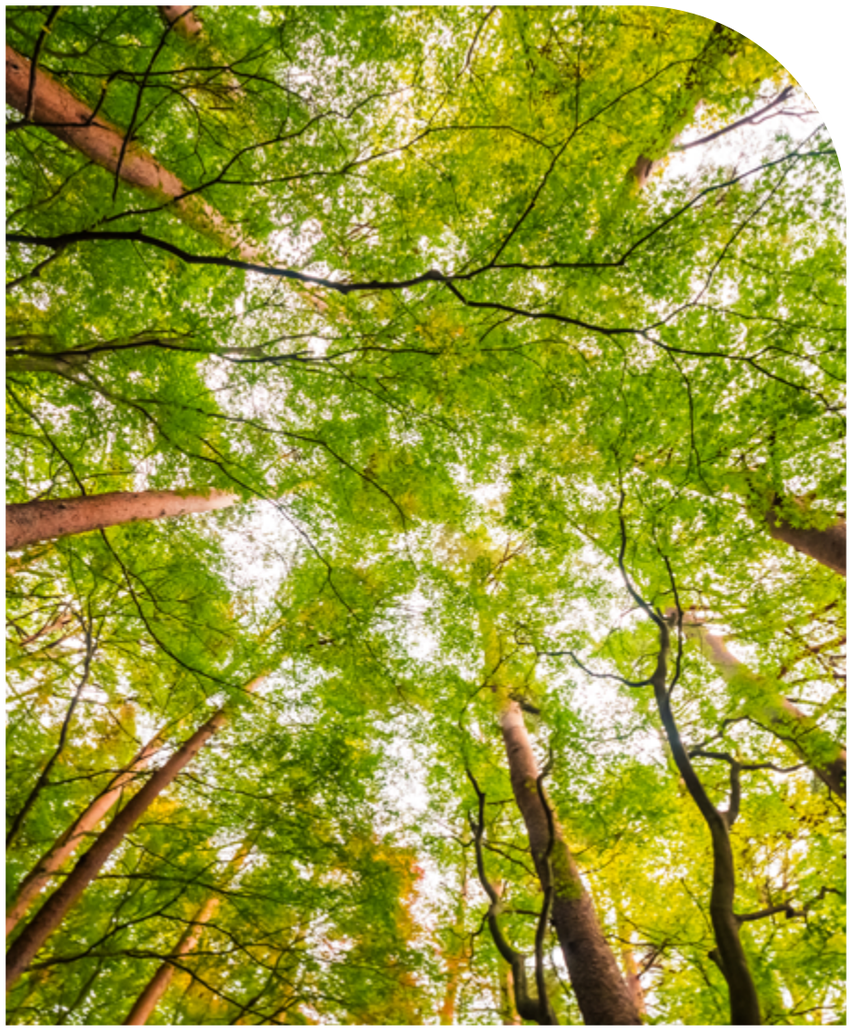
In the operations implementation stage, properties are identified and evaluated, with an active commitment to building conciliatory agreements with the directly affected population. Furthermore, land regularization is performed to appropriately define compensation in areas of administrative right-of-way.

During the infrastructure operation and maintenance phase, there is continuous interaction with the population, concessionaires and intercepted owners. This way, we enable the maintenance of transmission lines and their access roads, taking into account the community's needs and minimizing local impacts. Practices aimed at community safety are followed by all SGBH concessionaires.

In order to provide information and clarify doubts about the operation of transmission lines, SGBH has social communication programs. These programs address issues such as: electrical discharges, electromagnetic field, fences grounding, permitted and prohibited uses in the administrative right-of-way, in addition to the benefits of the Company's activities for electrical energy transmission.

Moreover, communication and ombudsman channels are made available to the population, and the representations are received by a trained team, qualified to direct and deal with doubts, suggestions, requests, emergencies or complaints.





DIALOGUE WITH THE COMMUNITY

On the awareness channels, we disseminate information on accident prevention, warn about hazards near transmission lines and fire risks.

Fires are a major threat to the National Interconnected System and climate change has exacerbated these events, significantly increasing the risk of power supply interruptions. Through the **Forest Fire Prevention Program**, we invest in innovative strategies that contribute to the remote monitoring of fire outbreaks that may affect transmission lines.

Learn more on:
www.stategrid.com.br/en/previna-incendios

In 2023, 33 representations were recorded on communication channels.

Community Communication Channels

Contacts for emergencies, doubt clarification, requests, complaints and compliments:

0800 942 0142
(toll-free)

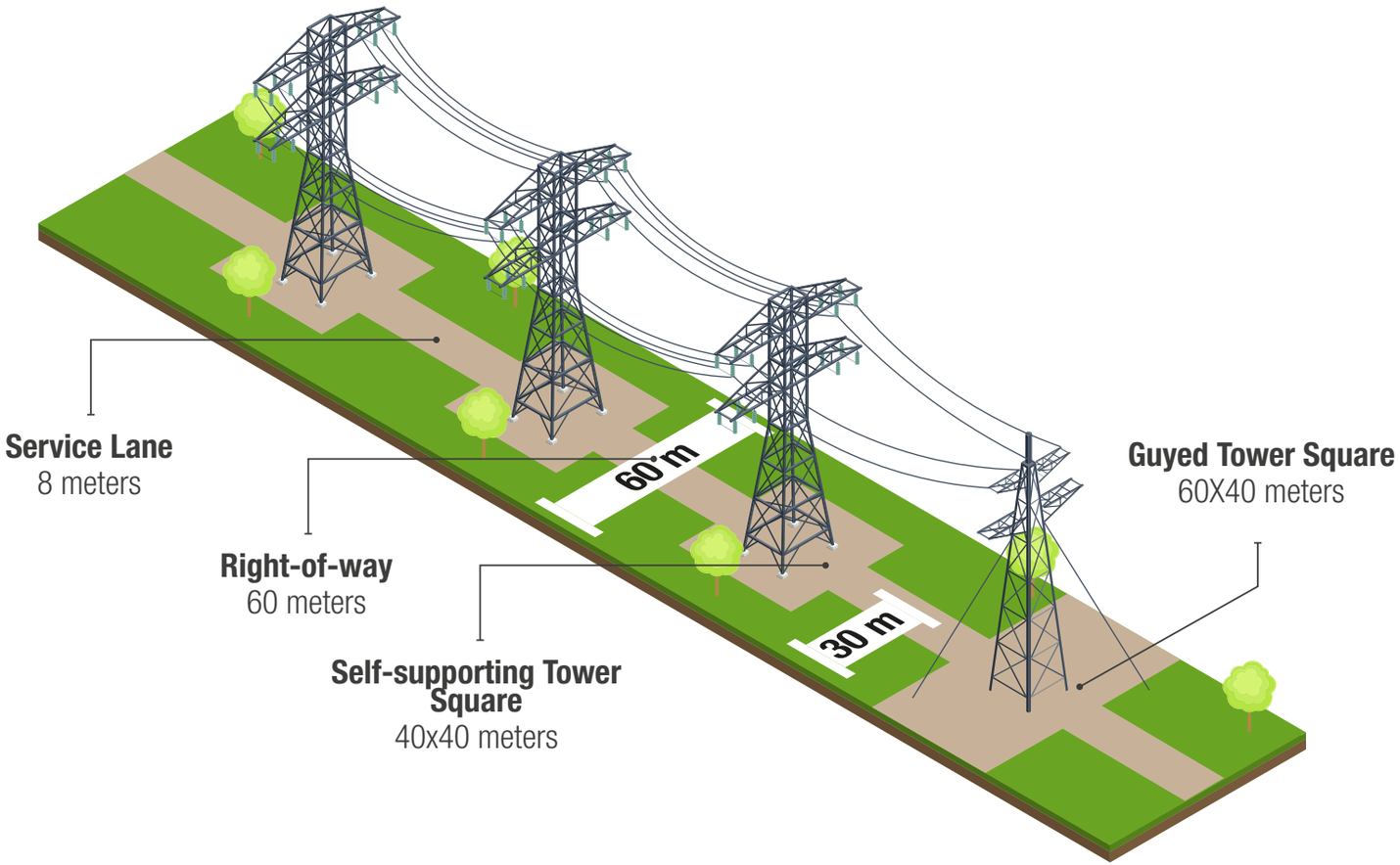
sgbh.emergencias
@stategrid.com.br

SAFETY MEASURES

Respect for rights of way

The right-of-way must be respected by the entire community, as the distance between towers and activities of any nature guarantees the safety of the local population and the transport of energy to other locations. The activities must support high energy loads, in addition to allowing the inspection and maintenance of transmission lines in operation. Throughout 2023, awareness actions were carried out with owners and the community, and cases of accidents with agricultural machinery were recorded, demonstrating the importance of sharing responsibility to achieve energy security.

EXAMPLE OF ELEMENTS IN THE RIGHT-OF-WAY



Safety at border fences

To prevent accidents related to capacitive electrical inductions in our operations, we maintain fence grounding, insulation and sectioning through systematic inspections carried out by operation and maintenance teams along the right-of-way and properties crossed by transmission lines. In addition to the care with SGBH facilities, and mitigate the risk of electric shocks in fences built by local owners, we warn about the importance of carrying out periodic technical inspections. We provide support to evaluate the grounding and sectioning of newly built fences, in order to prevent this type of event from occurring.



SOCIAL INVESTMENTS

GRI 203-1 I 203-2

We are committed to local communities and aim to positively impact people's lives, contributing to their development, investing in jobs, income, culture, sports and health.

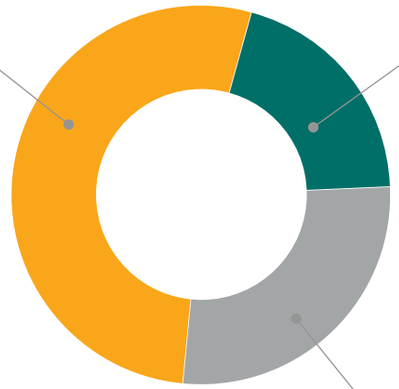
During the year, we supported 11 social projects that reflect SGBH's mission, contributing to the well-being and quality of life of the Brazilian population. Furthermore, we encouraged volunteering, promoting internal engagement actions with our employees, such as campaigns to collect warm clothes and toys.

SOCIAL INVESTMENTS BY CATEGORY

53.3%

CULTURE

Culture is a way of genuine expression of life in society, revealing stories, values, expressions and customs. We recognize and value different cultural manifestations in Brazil and seek to promote cultural exchange with China.



20.0%

SPORT

Sport is a major tool for social inclusion, promoting transformation and human development, in addition to improving quality of life.

26.7%

HEALTH

Ensuring a healthy life and well-being is one of our most important goals. We support projects that promote professional qualification, social inclusion and research.

R$4.12 million in social investments.

11 projects covering areas such as culture, sport and healthcare.

CULTURE[1]

"Maré do Amanhã" Orchestra

Since 2012, we have been supporting this project, which promotes music learning for children and adolescents in socially vulnerable situations. Approximately four thousand young people between 4 and 19 years of age had their lives transformed by the initiative. In 2023, "Maré do Amanhã" Orchestra was declared Intangible Cultural Heritage of Rio and performed in England and Portugal, being a reference in music teaching.
Investment in 2023: R$1,145,757.00.

Access the video documentary that tells the story of "Maré do Amanhã" Orchestra.

"The success of "Maré do Amanhã" Orchestra makes us sure we must continue investing in culture. Through music, the initiative offers opportunities and transforms the lives of our young people for good. We are proud to support the project and to participate, from the beginning, in this journey", Ramon Haddad, vice-president of SGBH.

Mano Down Institute

Mano Down Institute, founded in 2011 in Belo Horizonte (MG), promotes the development, autonomy and inclusion of people with disabilities, engaging families, health professionals and companies. The "Mano Down Cultural Space – Activity Maintenance" project proposes the continuity of the Institute's cultural programming, offering free courses and workshops in various cultural areas for people with syndromes, intellectual disabilities or in social vulnerability situations. The Institute offers activities such as: dancing, singing, instrumental musical initiation, capoeira and acting classes.
Investment in 2023: R$300,000.00.

Sensations: Chinese Gesture Painting

The exhibition "Sensations: Chinese Gestual Painting" presented more than 60 works by the Chinese artist Mzyellow, at Museu da Chácara do Céu, in Rio de Janeiro (RJ). With paintings, installation, performance and film, the works represent four distinct moments of a day, from sunrise, through sunset and permeating the darkness of night.
Investment in 2023: R$300,000.00.

Claro Rio Theater

Located at Copacabana Mall, in the city of Rio de Janeiro (RJ), the theater hosts musicals, comedy shows, children's theater, shows, as well as special projects **Investment in 2023: R$453,000.00.**



Brazil-China event with the participation of Orquestra Maré do Amanhã in celebration of China's National Day and the Mid-Autumn Festival.

1 Amounts invested under the Culture Incentive Law and executed in 2023.

SPORT[2]

“Craque do Amanhã” (Tomorrow’s star)

Founded in 2012, “Craque do Amanhã” recognizes the contribution of soccer to citizenship formation, combating violence, respect for human rights and social inclusion, fully (physically, socially and psychologically) developing young people aged 8 to 17. SGBH has been supporting the project since 2019 and more than 400 children and their families have benefited in São Gonçalo (RJ).

Investment in 2023: R$104,255.00.



“Circuito das Estações” (Seasons Circuit)

“Circuito das Estações” is a project that encourages and reinforces the importance of exercising to maintain physical and mental health. SGBH supports and is actively involved in this initiative, promoting interaction, fun and well-being of its employees. The 5, 10 and 15 km races at Aterro do Flamengo (Rio de Janeiro-RJ) were held in the four seasons of the year, with the participation of more than 200 employees in all stages.

Investment in 2023: R$616,023.00.



Athlon Institute

The institution aims to turn dreams into reality through sport, providing physical, tactical and technical preparation for more than 150 athletes. People with (physical, visual, intellectual) disabilities, between 16 and 46 years old, of all genders, are trained to achieve high performance categories in Paralympic sports: track and field, swimming, goalball, sitting volleyball, parabadminton, karate, chess, judo and paracycling.

Investment in 2023: R$104,256.00.



2 Amounts invested in 2023 under the Sports Incentive Law.

HEALTH

José Lazzarini Foundation

Supported by SGBH since 2016, the foundation offers social and educational assistance to children and adolescents, focusing on guaranteeing basic rights. In the city of Batatais (SP), education, culture, sports and professional qualification work is carried out, reducing urban violence, drug trafficking, lack of opportunities and relationship issues in its social groups. With a daycare, school and space for environmental education, more than 200 families are currently served.
Investment in 2023: R$224,845.00.

"Instituto Primeira Infância (IPREDE)" (Early Childhood Institute

The project offers assistance and support during early childhood development, also serving mothers and caregivers of children. The institution promotes the strengthening of women through education, generating productive and social inclusion of families that are identified in extreme social vulnerability situations. SGBH has supported the initiative since 2022.
Investment in 2023: R$100,000.00.





"Hospital de Amor" (Love's Hospital)

With more than 60 years, Hospital de Amor, located in Barretos - SP, is internationally recognized for its excellence in technology and humanized care, being considered the largest center for free oncology treatment in Latin America. With more than 3,500 free consultations per day and patients from all over Brazil, the Hospital the institution has the support of SGBH since 2014.
Investment in 2023: R$549,688.00.

"Hospital Pequeno Príncipe" (Little Prince Hospital)

With the support of SGBH since 2015, Hospital Pequeno Príncipe is the largest pediatric hospital in Brazil. The institution, located in Curitiba - PR, provides up to 70% of its capacity to the SUS and carries out more than 300,000 medical services, 900,000 exams, 21,000 surgeries and 250 transplants per year, for children and adolescents from all over the country.
Investment in 2023: R$224,743.00.

3 Amounts invested in 2023 by Elderly, Childhood and Adolescent Funds.

8. Indicators

ANEEL General Dimension

GRI STANDARDS INDEX

Universal standards		Reference (page)/Direct answer
GENERAL CONTENT		
The organization and its reporting practices		
2-1	Organization details	State Grid Brazil Holding S.A. is a private company based in Rio de Janeiro - RJ. Further information is available on pages 9, 10, 11, 14 and 16.
2-2	Entities included in the organization's sustainability reports (Scope of Controlled Companies)	Pages 14, 16 and 18
2-3	Reporting period, frequency and point of contact	Page 5
2-4	Restatement of information	Data for the years 2022 and 2021 have been updated in Annexes 8 and 9.
2-5	External verification	The report was not subjected to external verification.
Activities and collaborators		
2-6	Activities, value chain and other commercial relationships	Pages 11, 14, 16 and 62
2-7	Collaborators	Page 55
2-8	Collaborators who are not employees	Outsourced workers were not counted, as they are managed in a decentralized manner between the Company's areas.
Governance		
2-9	Governance structure and composition	Page 45
2-10	Appointment and selection of the highest governance body	Page 45 and 47
2-11	President of the highest governance body	Page 45

Universal standards		Reference (page)/Direct answer
2-12	Role of the highest governance body in supervising impact management	Page 49
2-13	Delegation of responsibility for impact management	Pages 45 and 50
2-14	Role played by the highest governance body in sustainability reporting	Pages 5 and 51
2-15	Conflicts of interest	It is the duty of the Company's executives to prevent and manage situations of conflicts of interest or divergence of opinions, aiming to prevail the interest of the Company, its subsidiaries and affiliates over any other interests. The existence of an actual or potential conflict of interest by any member of the Senior Management Committee (SMC) must be disclosed, and that member must refrain from participating in that part of the meeting in which the issue causing a conflict of interest is addressed.
2-16	Communication of critical concerns	165 critical concerns were communicated to the Senior Management Committee (SMC), and the decisions were of a financial, strategic and planning nature.
2-17	Collective knowledge of the highest governance body	The HSE Department and the ESG Committee are responsible for reinforcing and disseminating knowledge about aspects related to sustainable development and ESG within the Company, especially to the Company's Senior Management Committee, through periodic communications and meetings. Page 46.
2-18	Performance evaluation of the highest governance body	The Shareholder carries out an audit of the Company at the end of each Chairman's cycle for the period of his mandate.
2-19	Remuneration Policies	Not reported as it is strategic information for the Company.
2-20	Process for determining remuneration	Executives' remuneration follows practices approved by SGBH's internal rules, under constant review and updating by the HR area to keep up with good market practices. The rules refer to base salary, benefits and variable compensation, the latter two linked to performance evaluation. The analysis of remuneration proposals is carried out by HR (Remuneration, Management and Board) and submitted for approval by the SMC members, the body responsible for people management.

Universal standards		Reference (page)/Direct answer
2-21	Proportion of total annual compensation	1,737%
Strategy, policies and practices		
2-22	Statement on the sustainable development strategy	Pages 6, 50 and 51
2-23	Commitment policies	SGBH is a signatory to the UN Global Compact and, in 2023, reformulated its Code of Ethics and Conduct, which provides for respect for human rights. It also promotes broad internal communication and training on protecting minorities, combating discrimination of any nature and promoting diversity, especially in the workplace. Pages 50 and 53.
2-24	Incorporating commitment policies	Pages 50 and 53
2-25	Processes for remediating negative impacts	Pages 67 and 81
2-26	Mechanisms for seeking guidance and raising concerns	Pages 51 and 63
2-27	Compliance with laws and regulations	We have not recorded any significant cases of non-compliance with laws and regulations, considering non-monetary fines and sanctions. We define significant cases as the impact resulting from an occurrence with a mitigation amoubt above R$5 million.
2-28	Participation in associations	Page 53
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Pages 28, 51, 62 and 63
2-30	Collective bargaining agreements	100% of CLT employees are covered by collective bargaining agreements. Around 3% of employees are not CLT (pro-labore) and work under the rules of this regime and criteria defined for expatriate workers in Brazil.

Universal standards		Reference (page)/Direct answer
Material topics		
3-1	Process to determine material topics	Page 28
3-2	List of material topics	Page 28
3-3	Management of material topics – biodiversity	Pages 28 and 33
ECONOMIC CONTENT		
Economic Performance		
201-1	Direct generated and distributed economic value	Page 30
Indirect Economic Impacts		
203-1	Investments in infrastructure and service support	Page 85
203-2	Significant indirect economic impacts	Pages 79 and 85
Combating Corruption		
205-2	Communication and training in anti-corruption policies and procedures	Page 51
205-3	Confirmed corruption cases and actions taken	Page 51
ENVIRONMENTAL CONTENT		
Energy		
302-1	Energy consumption within the organization	Page 75
Water		
303-1	Interacting with water as a shared resource	Page 76
303-2	Management of impacts related to water disposal	Page 76

Universal standards		Reference (page)/Direct answer
303-3	Water collection	Page 76
303-4	Water disposal	Page 76
303-5	Water consumption	Page 76
Biodiversity		
304-1	Owned, leased or managed operational units within or adjacent to environmental protection areas and areas of high biodiversity value located outside environmental protection areas	Page 70
304-2	Significant impacts of activities, products and services on biodiversity	Page 67
304-3	Protected or restored habitats	Pages 67 and 68
Emissions		
305-1	Direct (Scope 1) greenhouse gases (GHG) emissions	Page 73
305-2	Indirect (Scope 2) greenhouse gases (GHG) emissions from energy acquisition	Page 73
305-3	Other indirect (Scope 3) greenhouse gases (GHG) emissions	Page 73
305-4	Intensity of greenhouse gas (GHG) emissions	Page 73
305-5	Reduction of greenhouse gas (GHG) emissions	Page 73
305-6	Ozone-depleting substances (ODS) emissions	Page 73
305-7	NOx, SOx and other significant atmospheric emissions	Page 73

Universal standards		Reference (page)/Direct answer
Waste		
306-1	Waste generation and significant waste-related impacts	Page 77
306-2	Management of significant waste-related impacts	Page 77
306-3	Generated waste	Page 77
306-4	Waste not intended for final disposal	Page 77
306-5	Waste intended for final disposal	Page 77
SOCIAL CONTENT		
Occupational Safety and Health		
403-1	Occupational safety and health management system	Page 57
403-2	Hazard identification, risk assessment and incident investigation	Pages 33 and 57
403-3	Occupational health services	Page 57
403-4	Employees' participation, consultation and communication regarding occupational safety and health	Page 57
403-5	Training employees in occupational safety and health	Page 33
403-6	Promotion of employee health	Page 57
403-7	Prevention and mitigation of occupational safety and health impacts directly linked to business relationships	Page 57
403-8	Employees covered by an occupational safety and health management system	Page 57
403-9	Work accidents	Page 57
403-10	Occupational illnesses	Page 57

Universal standards		Reference (page)/Direct answer
Training and Education		
404-1	Average training hours per year, per employee	Page 55
Diversity and Equal Opportunities		
405-2	Proportion between the base salary and remuneration received by women and those received by men	Page 55
Child labor		
408-1	Operations and suppliers with significant risk of child labor incidents	We have a chapter on human rights in our Code of Ethics, and carry out internal communications and supplier verification.
Forced or Slave Labor		
409-1	Operations and suppliers with significant risk of forced or slave labor cases	No cases were identified during the reporting period. To advance the topic, we plan to map this slave risk in our value chain and establish a verification process and carry out due diligence on suppliers considered to be high risk.
Indigenous Peoples' Rights		
411-1	Cases of violation of indigenous peoples' rights	No cases of violation of indigenous peoples' rights were identified during the reporting period. Page 81.
Local Communities		
413-1	Operations with engagement, impact assessments and development programs aimed at the local community	Page 81
413-2	Operations with significant – actual and potential – negative impacts on local communities	Pages 49 and 81
Public policies		
415-1	Political contributions	No direct or indirect political contributions were made by the Company during the reporting period.

Universal standards		Reference (page)/Direct answer
SECTOR GRI - ELECTRICITY		
Organization Profile		
EU 4	Length of overhead and underground transmission and distribution lines, by regulatory regime	Page 16
Research and Development		
G4-DMA (former EU 8)	Research and development activities and financial resources aimed at providing reliable electricity and promoting sustainable development	Pages 39 and 42
Availability and Reliability		
G4-DMA (former EU 6)	Management to guarantee electricity availability and reliability in the short and long term	Pages 33 and 35
Biodiversity		
G4-EN 12	Significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	Page 67
Planning and Response to Disasters or Emergencies		
G4-DMA (former EU 21)	Contingency planning measures, disaster or emergency management and training plan, and recovery or restoration plans	Pages 33, 35 and 81
Health and safety		
EU 25	Number of accidents and deaths of service users involving company assets, including decisions, agreements and ongoing legal cases relating to illnesses	Page 57

GREEN BOND (STE)

Criteria		Reference (page)/Direct answer
FINANCIAL		
GB 1	Allocation of future resources, by project (R$)	Pages 19 and 38
GB 2	Resources temporarily allocated to instruments other than the project (R$)	The resources obtained were entirely allocated to the project until 31/Dec/2023. Page 38.
ENVIRONMENTAL		
GB 3	Provision of transmission services to Green Users	Page 38
GB 4	Monitoring and reporting of socio-environmental controversies associated with the chosen projects, with adverse impacts on preservation areas, people resettlement, accidents, among others	Pages 38 and 67
GB 5	NIS average emission factor over the last 5 years (tCO2e/MWh)	Page 38

GLOBAL COMPACT

		Material topics (Pages 28 and 29)
Human Rights	01 - Companies must support and respect the protection of internationally recognized human rights.	Social investment; Local communities; Ethics and Compliance.
	02 - Ensure that you do not take part in violations of these rights.	Ethics and Compliance.
	03 - Companies must support freedom of association and effective recognition of the right to collective bargaining.	Ethics and Compliance.
Employment	04 - Elimination of all forms of forced or compulsory labor.	Operational safety; Local communities; Ethics and Compliance.
	05 - Effective abolition of child labor.	Local communities; Ethics and Compliance.
	06 - Eliminate employment discrimination.	Ethics and Compliance.
Environment	07 - Companies must support a preventative approach to environmental challenges.	Biodiversity; Environmental management; Energy transition; Local communities.
	08 - Develop initiatives to promote greater environmental responsibility.	Environmental management.
	09 - Encourage the development and dissemination of environmentally friendly technologies.	Energy transition; Technology and innovation; Resilient infrastructure.
Anti-corruption	10 - Companies must combat corruption in all its forms, including extortion and bribery.	Ethics and Compliance.

SUSTAINABLE DEVELOPMENT GOALS (SDGS) MAP

3. Ensure healthy lives and promote well-being for all at all ages.

Pages 32, 54 and 66.





4. Assure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Page 66.

7. Grant access to affordable, reliable, sustainable and modern energy for all.

Page 32.





8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Pages 8, 24, 32 and 54.

9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Pages 8, 24 and 32.





11. Make cities and human settlements inclusive, safe, resilient and sustainable.

Pages 24, 54 and 66.

12. Ensure sustainable consumption and production patterns.

Pages 24 and 66.





13. Take urgent action to combat climate change and its impacts.

Pages 32 and 66.

15. Protect forests, combat desertification, and reverse land degradation and preserve biodiversity.

Page 66.





16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Pages 44, 54 and 66.

ANNEXES

As a concessionaire in the electric energy sector, State Grid Brazil Holding S.A. presents, in the Annexes to the 2023 Sustainability Report, complementary information to the Annual Socio-Environmental and Economic-Financial Responsibility Report of its 100% controlled energy transmission concessionaires, in compliance with ANEEL Electric Sector Accounting Manual.



Access the annexes to the Sustainability Report*

*Annexes available only in Portuguese.

CREDITS

COORDINATION

Environment, Health and Safety Directorate

Ricardo Felix – HSE Director

Guo Jianyong – HSE Deputy Director

Anne Luise de Amorim – ESG Coordinator

Felipe Assis – ESG Analyst

CONSULTANCY, WRITING AND LAYOUT

Ricca Sustentabilidade

www.linkedin.com/company/riccasustentabilidade

IMAGES

SGBH File, Adobe Stock and Albert Andrade (Cais do Valongo)

All rights reserved for State Grid Brazil Holding. Total or partial reproduction of this document without the authorization of the copyright holder is expressly prohibited.





STATE GRID
BRAZIL HOLDING S.A.
国家电网巴西控股公司